



SOUTHWEST GAS CORPORATION

James F. Wunderlin, P.E., Senior Vice President/Engineering &
Business Operations And Technology Support

January 21, 2011

Paul Clanon, Executive Director
State of California
Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298

**Re: CPUC Implementation of the National Transportation Safety Board's
Safety Recommendation P-10-7 dated January 3, 2011**

Dear Mr. Clanon:

Thank you for your letter of January 3, 2011 to Southwest Gas Corporation (Southwest) regarding the National Transportation Safety Board's (NTSB) recommendations P-10-1 to P-10-7. Your letter requested a report detailing the steps that Southwest "will take proactively to implement corrective actions as appropriate" for the natural gas transmission pipeline systems that Southwest operates in California. In particular, your letter asked Southwest to direct its attention to NTSB Safety Recommendations to PG&E entitled P-10-2, P-10-3, and P-10-4, and your letter made reference to NTSB Safety Recommendation P-10-5, which directs the California Public Utilities Commission (CPUC) to develop an implementation schedule for certain requirements for Pacific Gas & Electric Company.

At the end of 2010, Southwest operated 15.7 miles of natural gas transmission pipelines in its Southern California Division in the Victorville, California area, of which 1.02 miles are located in High Consequence Areas. Southwest does not operate transmission pipelines in Needles, Lake Tahoe or Truckee.

Historically, Southwest utilized the Gas Transmission and Distribution System guidance material published by the American Society of Mechanical Engineers prior to the CPUC's adoption of the initial General Order 112 in 1960. From the implementation of that CPUC regulation to the present time, Southwest has installed and operated its natural gas transmission facilities in California under the CPUC's General Order 112, as amended. General Order 112E adopts the U. S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration (PHMSA) regulations that are published in Title 49 of the Code of Federal Regulations, in Part 192 (49 CFR 192). Please be



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assured that Southwest does not operate any natural gas transmission pipelines for which it has not first established a Maximum Allowable Operating Pressure (MAOP) in accordance with the various editions of the CPUC's General Order 112. Consequently, Southwest believes its facilities are in full compliance with General Order 112E. Accordingly, Southwest has no "corrective actions" to implement in response to your letter's request.

Southwest's responses to your questions regarding the NTSB recommendations P-10-2, P-10-3, and P-10-4 follow.

***(P-10-2) (Urgent)** Aggressively and diligently search for all as-built drawings, alignment sheets, and specifications, and all design, construction, inspection, testing, maintenance, and other related records, including those records in locations controlled by personnel or firms other than Pacific Gas and Electric Company, relating to pipeline system components, such as pipe segments, valves, fittings, and weld seams for Pacific Gas and Electric Company natural gas transmission lines in class 3 and class 4 locations and class 1 and class 2 high consequence areas that have not had a maximum allowable operating pressure established through prior hydrostatic testing. These records should be traceable, verifiable, and complete.*

Southwest Gas Response to P-10-2:

Southwest has original pressure test records or uprating records for all gas transmission pipe operating in California. Southwest's records for some of its natural gas transmission pipelines in California predate the implementation of the CPUC's General Order 112 (1960) as well as PHMSA's 49 CFR 192 (1970). Since the implementation of 49 CFR 192 and General Order 112, Southwest has complied with the regulations relating to the establishment of the MAOP for its pipeline systems. Southwest would like to note that while the NTSB Safety Recommendations focus on the establishment of MAOP through the use of hydrostatic testing, Southwest's pressure test methods include the use of inert gas (not just water) as permitted by sound engineering principles and by the pertinent CPUC and PHMSA regulations.

With the implementation of the code-mandated integrity management program requirements in 2003, Southwest completed an aggressive and diligent search of records for its natural gas transmission pipelines. This included a thorough review of all known and available as-built drawings, specifications, design, construction, inspection, testing, maintenance, operation, and other records related to pipeline system components, pipe segments, valves, fittings, and weld seams for its natural gas transmission lines in California. Based on that review, Southwest believes that its records for *all* of its transmission pipelines – including those whose MAOPs were not established through



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prior hydrostatic testing – are traceable, verifiable (*i.e.*, capable of being proved authentic and accurate), and complete. Furthermore, Southwest continuously evaluates system MAOP information through its annual operations and maintenance procedures and system design work processes. Finally, Southwest maintains all such transmission records for the lifetime of the pipe plus 5 years.

(P-10-3) (Urgent) Use the traceable, verifiable, and complete records located by implementation of Safety Recommendation P-10-2 (Urgent) to determine the valid maximum allowable operating pressure, based on the weakest section of the pipeline or component to ensure safe operation, of Pacific Gas and Electric Company natural gas transmission lines in class 3 and class 4 locations and class 1 and class 2 high consequence areas that have not had a maximum allowable operating pressure established through prior hydrostatic testing.

Southwest Gas Response to P-10-3:

Please see Southwest's response to P-10-2.

(P-10-4) If you are unable to comply with Safety Recommendations P-10-2 (Urgent) and P-10-3 (Urgent) to accurately determine the maximum allowable operating pressure of Pacific Gas and Electric Company natural gas transmission lines in class 3 and class 4 locations and class 1 and class 2 high consequence areas that have not had a maximum allowable operating pressure established through prior hydrostatic testing, determine the maximum allowable operating pressure with a spike test followed by a hydrostatic pressure test.

Southwest Gas Response to P-10-4:

Since Southwest is able to comply with Safety Recommendations P-10-2 and P-10-3 (see above responses), this recommendation is not applicable to Southwest.

Sincerely,

cc: Jeffrey Shaw

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