

PUBLIC UTILITIES COMMISSION505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298

April 3, 2020

Jerry Schmitz
Vice President, Engineering
Southwest Gas Corporation
5241 Spring Mountain Road
Las Vegas, NV 89193-8510

GI-2020-02-SWG-30-03

Subject: SED's Closure Letter for the General Order (G.O.) 112-F Inspection of Southwest Gas Company's Operation and Maintenance Procedures

Dear Mr. Schmitz:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission reviewed Southwest Gas Company's (SWG or "The Company") response letter dated April 1, 2020 for the findings identified during the G.O. 112-F Inspection of Southwest Gas Company's (SWG) updates to their Operation and Maintenance (O&M) Procedures on February 10-14, 2020.

A summary of the inspection findings documented by the SED, SWG's response to our findings, and SED's evaluation of SWG's response taken for each identified Violation and Area of Concern and Recommendation is attached.

This letter serves as the official closure of the 2020 GO 112-F Inspection of Southwest Gas Company's (SWG) updates to their Operation and Maintenance (O&M) Procedures and any matters that are being recommended for enforcement will be processed through the Commission's Citation Program or a formal proceeding.

Thank you for your cooperation in this inspection. If you have any questions, please contact Jason McMillan at (916) 928-2271 or by email at Jason.McMillan@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Terence Eng".

Terence Eng, P.E.
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement DivisionCC: Laurie Brown, SWG
Jason McMillan, SED/GSRB
Dennis Lee, SED/GSRB
Kelly Dolcini, SED/GSRB
Claudia Almengor, SED/GSRB

Post-Inspection Written Preliminary Findings

Dates of Inspection: 2/10/2020 – 2/14/2020

Operator: SOUTHWEST GAS CORP

Operator ID: 18536

Inspection Systems: SWG Office

Assets (Unit IDs): Main Office (Specialized Inspections) (88373), and SWG - Transmission (88674)

System Type: GT

Inspection Name: SWG O&M – updates, and SWG - O&M -T – updates

Lead Inspector: Jason R. McMillan

Operator Representative: Laurie Brown

Unsatisfactory Results

No Preliminary Findings.

Concerns

Design and Construction: Construction Welding Procedures (DC.WELDPROCEDURE)

Question Text Does the operator have written specifications requiring qualified welding procedures in accordance with 192.225?

References 192.225

Assets Covered SWG - Transmission (88674 (91))

Issue Summary SED reviewed the new Shielded Metal Arc Welding (SMAW) welding procedure specifications (WPS):

- LBF-312H
- LBF-332H
- LFFV312H
- LFFV322H
- LFFV332H

All five WPS documents state that no line-up clamp is required. However, SWG's "Steel Welding Procedure," section 1.14.3 instructs the welder to *"Use line-up clamps on 4.50 inches and larger pipe when line pipe butt welding."*

SWG claims that their welders are trained to follow both the WPS and the Steel Welding Procedure, and would therefore know to use line-up clamps on 4.50 inch diameter pipe.

SED recommends the any WPS that includes diameter group 2 (2.375 inch through 12.750 inch) or 3 (Greater than 12.750 inch) be updated to state that line-up clamps are required on 4.5-inch diameter or larger pipeline, or to instruct the welder to refer to the appropriate section of the Steel Welding Procedure.

SWG Response "Southwest Gas agrees with SED's recommendation and will revise its welding procedure specification. The revisions will be completed by the June 30, 2020."

CPUC Conclusion SED has reviewed the response from SWG and determined that the corrective actions articulated by SWG sufficiently address SED's concern.

Procedures: Reporting (PRO.REPORT)

Question Text Does the process require preparation and filing of an incident report as soon as practicable but no later than 30 days after discovery of a reportable incident?

References 191.9(a)

Assets Covered Main Office (Specialized Inspections) (88373 (30))

Issue Summary Section 13.2.4.2 of the Emergency Plan Manual states to "*Forward press releases and other relevant e-mails during the incident to CPUC staff at the following e-mail address: e_emergency@cpuc.ca.gov.*"

However, test emails to that address were not delivered, and error messages were returned from the CPUC email server stating that "The email address you entered couldn't be found."

SED brought this concern to SWG's attention and recommended that SWG update this procedure to include a valid email address. SWG claimed that their current practice is to email any updates regarding incidents to the USRB email inbox used for incident reporting, and that they would amend the procedure to reflect that.

SWG Response "Southwest Gas agrees with SED's recommendation and will revise its Emergency Plan Manual. The revisions will be completed by the March 31, 2020."

CPUC Conclusion SED has reviewed the response from SWG and determined that the corrective actions articulated by SWG sufficiently address SED's concern.

Procedures: Corrosion Control (PRO.SUBICORROSION)

Question Text Does the process provide adequate instructions for the installation of test leads?

References 192.605(b)(2) (192.471(a), 192.471(b), 192.471(c))

Assets Covered Main Office (Specialized Inspections) (88373 (30))

Issue Summary SED reviewed the "Corrosion Control Section I Procedure" and the "Corrosion Control Design" document. Section 1.2.4 of the Design document was updated in 2019 to state, "*When designing galvanic anode systems for transmission pipelines, the anode(s) shall be connected to the pipeline through test stations.*" However, section 8.1.5 of the Corrosion Control Section I Procedure states, "*Test stations are optional with the installation of sacrificial anodes.*"

SED recommends that SWG amend language within the Corrosion Control Section I Procedure to include the more specific language in the design document.

SWG Response "Southwest Gas agrees with SED's recommendation and will revise its Corrosion Control Section I Procedures to align with the Corrosion Control Design section. The revisions will be in the June 30, 2020 release of the Company's Operation Manual."

CPUC Conclusion SED has reviewed the response from SWG and determined that the corrective actions articulated by SWG sufficiently address SED's concern.