PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE SAN FRANCISCO, CA 94102-3298



June 27, 2017

GI-2016-08-SWG-30-04

Jerry Schmitz Vice President/Engineering Southwest Gas Corporation P.O. Box 98510, LVA-581 Las Vegas, NV 89193-8510

SUBJECT: General Order 112 Inspection of Southwest Gas Corporation Emergency Management Program

Dear Mr. Schmitz:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a General Order 112¹ and CA Public Utilities Code Sections 950, 955, 956, 956.5 inspection of Southwest Gas Corporation (SWG) from August 9 through 12, 2016. The inspection included a review of emergency management procedures and records for 2015.

SED's findings are noted in the Summary of Inspection Findings (Summary) which is enclosed with this letter.

Please provide a written response indicating the measures taken by SWG to address probable violations within 30 days from the date of this letter.

If you have any questions, please contact Alin Podoreanu at (916) 928-2552 or by email at alin.podoreanu@cpuc.ca.gov

Sincerely,

Kenneth Bruno Program Manager Gas Safety and Reliability Branch Safety and Enforcement Division

Kuuth A. B.

cc: Laurie Brown, SWG Administrator/Staff Compliance

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¹ General Order 112-F was adopted by the Commission on June 25, 2015 via Decision 15-06-044.

SUMMARY OF INSPECTION FINDINGS

I. Probable Violations

1. Title 49 CFR §192.616 states in part:

"(b) The operator's program must follow the general program recommendations of API RP 1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities."

API Recommended Practice 1162, First Edition, December 2003, Section 2.3.2 Emergency Responder Liaison Activities (49 CFR Parts 192.615 and 195.402) states:

"These regulations require that operators establish and maintain liaison with fire, police and other appropriate public officials and coordinate with them on emergency exercises or drills and actual responses during emergency."

SED reviewed emergency exercise or drill documentation for the Northern Nevada² and Southern California Divisions as follows:

Table 1. Summary of Emergency Exercises

| Northern Nevada Division | Southern California Division |
|--|--|
| 2015 District 14, 15 & 23 Emergency | 2015 SCD Emergency Exercise in Victorville |
| Response Drill | |
| 2015 District 16 & 23 Emergency Response | |
| Drill | |

The documentation reviewed by SED for emergency exercises listed in Table 1 did not indicate that the Southern California Division coordinated with fire, police and other appropriated public officials on emergency exercises or drills.

SWG provided additional documentation which demonstrated the Northern Nevada Division participated in the North Tahoe – Truckee Joint Emergency Tabletop/Functional Exercise and coordinated with fire, police and other public officials.

SWG is in violation of Title 49 CFR §192.616 because it failed to coordinate with fire, police and other appropriate public officials on emergency exercises or drills in the Southern California Division.

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² Natural gas pipelines operated in California (Truckee, North Lake Tahoe and South Lake Tahoe) are part of SWG's Northern Nevada Division.