

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

January 2, 2019

GI-2018-11-SWG-33

Jerry Schmitz ([jerry.schmitz@swgas.com](mailto:jerry.schmitz@swgas.com))Vice President Engineering  
Southwest Gas Corporation  
P. O. Box 98510, LVA-581  
Las Vegas, NV 89193-8510**SUBJECT: General Order 112-F Operation and Maintenance Inspection of Southwest Gas Corporation's, Southern California Division (Needles District)**

Dear Mr. Schmitz:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission conducted a General Order 112-F Operation and Maintenance Inspection of Southwest Gas Corporation's (SWG) Needles District on November 5 through 9, 2018. The inspection included a review of the operation and maintenance records, procedures and Operator Qualification records pursuant to G.O. 112-F, Reference Title 49, Code of Federal Regulations (49 CFR), Parts 191 and 192 for the period of 2015 through 2017. In addition, SED conducted field inspections of pipeline facilities that included field observation of randomly selected individuals performing covered tasks in the Needles District.

SED's staff identified six concerns which are described in the attached Post-Inspection Written Preliminary Findings (Summary) section of this letter.

Please provide a written response within 30 days of your receipt of this letter indicating the measures taken by SWG to address the concerns noted in the Summary.

If you have any questions, please contact Desmond Lew at (213) 576-7020, email [dl4@cpuc.ca.gov](mailto:dl4@cpuc.ca.gov) or Gordon Kuo at (213) 620-2832, email [gk2@cpuc.ca.gov](mailto:gk2@cpuc.ca.gov).

Sincerely,

A handwritten signature in blue ink that reads "Kenneth A. Bruno".

Kenneth Bruno  
Program Manager  
Gas Safety and Reliability Branch  
Safety and Enforcement Divisioncc: Laurie Brown, Southwest Gas  
Matthewson Epuna, SED/GSRB  
Kan-Wai Tong, SED/GSRB  
Desmond Lew, SED/GSRB  
Gordon Kuo, SED/GSRB  
Claudia Almengor, SED/GSRB

# Post-Inspection Written Preliminary Findings

**Dates of Inspection:** 11/05/2018 – 11/09/2018

**Operator:** SOUTHWEST GAS CORP

**Operator ID:** 18536 (primary)

**Inspection Systems:** Southwest Gas Needles District

**Assets (Unit IDs):** Needles District (87484 (33))

**System Type:** GD

**Inspection Name:** SWG- Needles

**Lead Inspector:** Desmond Lew

**Operator Representative:** Laurie Brown

## Unsatisfactory Results

**No Preliminary Findings.**

## Concerns

### Procedures : Emergency (PRO.SUBLEMERGOPS)

Question Text Does the emergency plan include procedures for the emergency shutdown or pressure reduction in any section of pipeline system necessary to minimize hazards to life or property?

References 192.615(a) (192.615(a)(6))

Assets Covered Needles District (87484 (33))

Issue Summary During SED's field inspection, SWG staff was queried about access to a valve approximately six feet high. SWG replied that a follow up work order would be created because their vehicle does not possess a ladder. SED recommends that SWG equip their vehicles with a ladder so minor repairs can be done during routine maintenance.

### Procedures : Odorization Of Gas (PRO.SUBLODOR)

Question Text Does the process ensure appropriate odorant levels are contained in its combustible gases in accordance with 192.625?

References 192.605(b)(1) (192.625(a), 192.625(b), 192.625(c), 192.625(d), 192.625(e), 192.625(f))

Assets Covered Needles District (87484 (33))

Issue Summary SED recommends that SWG Odorant Test Procedure 3.1 be modified to state a minimum specific time frame for an operator between consuming something by mouth and performing an Odorant Test.

## **Procedures : Pressure Limiting And Regulating Station (PRO.SUBMOVERPRESS)**

Question Text Does the process include procedures for ensuring that the capacity of each pressure relief device at pressure limiting stations and pressure regulating stations is sufficient?

References 192.605(b)(1) (192.743(a), 192.743(b), 192.743(c))

Assets Covered Needles District (87484 (33))

Issue Summary SWG Valve Procedure 2.4.10, states, "Cycle the valve by turning it out if (sic) its normal operating position and returning it to its original position". Table 2 indicates an approximate rotation of a 90 degree turn for a steel plug or ball valve. This would shut off the valve. SED recommends the amount of rotation be corrected.

## **Records : Corrosion Control (PRR.CORROSION)**

Question Text Do records document that pipelines with cathodic protection have electrical test leads installed in accordance with requirements of Subpart I?

References 192.491(c) (192.471(a), 192.471(b), 192.471(c))

Assets Covered Needles District (87484 (33))

Issue Summary Cathodic protection reads need to be taken from an electrical test lead in good condition. SED recommends that records for the Cathodic protection leads include a comment section or check off box to note abnormal conditions such as defective or destroyed test leads.

## **Records : Operations And Maintenance (PRR.OM)**

Question Text Do records indicate inspection and testing of pressure limiting, relief devices, and pressure regulating stations?

References 192.709(c) (192.739(a), 192.739(b))

Assets Covered Needles District (87484 (33))

Issue Summary Prior to the audit, SWG had in its facility records for Relief Valve 42942 that its downstream MAOP was at 60 psi according to WR 3561588. However, the regulator set point and lockup had been found and left exceeding the downstream MAOP (at 212 psi according to the latest inspection report). On December 5, 2018, SWG completed a review of the facility inspection and maintenance records and found that the "60 psig" downstream MAOP reference was incorrectly entered into the work management system in 2007. SWG noted that the work management system is not the system of record for MAOP. SWG is conducting refresher training with employees on the importance of documentation accuracy and will complete this training by December 31, 2018. SED requests that SWG provide documentation of the contents of this refresher course including attendance sheets.

## **Topical Content (OQ, PA, CRM) : OQ Field Inspection (MISCTOPICS.PROT9)**

Question Text Verify the qualified individuals performed the observed covered tasks in accordance with the operator's procedures or operator approved contractor procedures.

References 192.801(a) (192.809(a))

Assets Covered Needles District (87484 (33))

Issue Summary Employees performed covered tasks according to the operator procedures with the following exception:

SWG Pressure Regulation Procedure 2.4.2, Step 2, states, "Install gauges to observe both the relief valve test pressure and downstream system pressure". During SED's field inspection of exercising relief valve 19DSR5008310, SWG staff did not attach a gauge to monitor downstream pressure. When asked about the gauge, it appeared that SWG staff did not realize it was a procedure requirement.