

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



February 23, 2018

GI-2017-11-SWG30-06

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

Re: SED's closure letter for the General Order 112-F Gas Inspection of Southwest Gas Corporation's Anti-Drug and Alcohol Misuse Prevention Programs

Dear Mr. Schmitz:

The Safety and Enforcement Division (SED) of the California Public Utilities Commission (Commission) reviewed Southwest Gas Corporation (SWG) response letter dated December 20th, 2017 for the findings identified during the General Order (GO) 112-F Inspection of SWG's Anti-Drug and Alcohol Misuse Prevention Programs which was conducted from November 6 through 9, 2017.

A summary of the inspection findings documented by the SED, SWG's response to SED's findings, and SED's evaluation of SWG's response taken for each finding are outlined for each Area of Concern and Recommendation.

This letter serves as the official closure of the 2017 GO 112-F Inspection of SWG's Anti-Drug and Alcohol Misuse Prevention Programs 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. Please contact Alula Gebremedhin at (415) 703-1816 or by email at alula.gebremedhin@cpuc.ca.gov if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Dennis Lee".

Dennis Lee, P.E.
Program and Project Supervisor
Gas Safety and Reliability Branch
Safety and Enforcement Division
California Public Utilities Commission

cc: Erich Trombley, SWG, Manager/Engineering Staff
Laurie Brown, SWG Administrator/Compliance Engineering
Kenneth Bruno, SED
Kelly Dolcini, SED

A. Probable Violations

SED found no violations.

B. Areas of Concern/ Observations/ Recommendations

SED Finding:

1. During record review, SED reviewed SWG’s audits of their collection sites. In 2013, SWG had conducted audits of all of their collection sites. Since then, they have relied on AWSI (their third party administrator) to conduct audits on their behalf. However, AWSI does not conduct a review of all collection sites, but rather selects a portion of them each year on a sampling basis. Furthermore, AWSI’s audit pool includes all of the collection sites that their members, in the whole country, might use, and not just the ones used by SWG.

Therefore, in order that SWG may be assured that their collection sites meet PHMSA requirements, SED recommends that SWG conduct these audits themselves on a regular basis or to closely monitor their collection sites have been audited by AWSI.

SWG Response

Southwest Gas appreciates SED’s recommendation. Southwest Gas will continue to work with AWSI to closely monitor the review of the Company’s collection sites and will perform regular reviews for those sites not covered by AWSI

SED’s Conclusion:

SED has opted not to impose a fine or penalty at this time because SWG addressed the concern through the actions listed in its response.

SED Finding:

2. During record review, SED noted two items in SWG’s plan (Appendix B – Designated Personnel and Service Agents) that was not up-to-date.
 - I. SWG lists Quest Laboratories Headquarters in Lenexa, KS as their drug testing laboratory. However, upon further review, the actual location for the sample analysis is the Quest Laboratory in West Hills, CA. SED is required to verify that the drug testing laboratory is certified by the Department of Health and Human Services.

Therefore, SED recommends that SWG list the West Hills location as their laboratory of record in their plan.

SWG Response

Southwest Gas appreciates SED's recommendation. However, the Company's reference to the Quest Laboratories' headquarters in Lenexa, Kansas as the testing laboratory of record is intentional. The Lenexa location dictates which regional facility receives samples from the collection site. Southwest Gas suspects that the West Hills Laboratory may receive most of its samples for analysis; however, it may not be the only laboratory that is utilized for every sample. Although the Company believes it is appropriate to continue listing the Lenexa, Kansas location as the testing laboratory of record, it understands the importance of ensuring that the laboratory being utilized is certified by the Department of Health and Human Services (HHS).

SED's Conclusion:

SED has opted not to impose a fine or penalty at this time because SWG addressed the concern through the actions listed in its response.

SED Finding

- II. AWSI informed us that the source for referring Substance Abuse Professionals (SAPs) was no longer in business. SWG had not realized this because they do not often require the services of an SAP. However, SWG's plan needs to accurately reflect the process by which their employees would be referred to an SAP.

Therefore, this source needs to be updated.

SWG Response

Southwest Gas agrees with SED's recommendation and has updated its plan to reflect the current contact for referring employees to a SAP

SED's Conclusion:

SED has opted not to impose a fine or penalty at this time because SWG addressed the concern through the actions listed in its response.