

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



March 20, 2017

GI-2017-10-SWG32-01C-02C

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 Southern California Division (Victorville, Barstow, and Big Bear Districts)

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 4<sup>th</sup>, 2017 for the findings identified during the General Order (GO) 112-F Inspection of SWG Southern California Division's Leak Survey, Patrol, & Odorization maintenance activities, and Construction records inspection which was conducted from October 16 through 20, 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 identified Violation, Area of Concern and Recommendation.

This letter serves as the official closure of the 2017 GO 112-F Inspection of SWG's Southern California Division's inspection 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](mailto: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 SED’s field inspection of Leakage Surveys, SED noted that conditions of the terrain along the pipeline could vary, where the pipeline may alternate between over and under a paved surface. Each of SWG’s Leakage Surveying tools (OMD, DP-IR, etc.) has its own advantages and disadvantages, depending on terrain and weather conditions. However, this information is not documented nor does the survey map showed the exact location of the pipe, which may result in Leak Surveyors attempting to use a tool that is disadvantageous to use. Leak Surveyors currently make a determination of which tool to use for each situation based on experience.

Therefore, SED recommends documenting the ideal tool(s) to be used on each Leakage Surveying map so that Leak Surveyors can reference the maps to be advised of the best tool(s) to use.

**SWG Response**

*Southwest Gas appreciates SED’s recommendation. The company believes the recommendation is best addressed through training, as the Company already trains its Leak Surveyors to determine the best surveying tools to use in each situation, based upon the location of the pipeline and environment. Southwest Gas will review its Leak Survey training materials to ensure the appropriate attention is given to equipment selection and environmental factors that need to be considered during leak survey. The Company will complete its review by March 31, 2018*

**SED’s Conclusion:**

SED has opted not to impose a fine or penalty at this time because SWG will revise its procedures and training activity to address this recommendation.

**SED Finding - 2**

SWG Odorization Policy and Procedure do not include a lower limit odorant level to identify an excessive amount of odorant inside a gas. A detectable gas smell at very low percentage of gas-in-air could be an indication of a very strong odorant in the gas, which might create a false indication of leak upon smelling gas at a very low percentage gas-in-air amount, and could resulted unnecessary “Gas-Odor Calls”.

This might compromise safety work priorities to allocate the necessary resource on safety related activities. Therefore, SED recommends SWG to address a lower limit odorant level in its procedure.

**SWG Response**

*Southwest Gas appreciates SED's recommendation; however, the Company does not believe a lower limit odorant level should be included in its Odorization Policy and Procedure. In the Company's experience, the majority of "Gas-Odor calls" where high odorant levels (low gas in air readings) were encountered have resulted in the discovery of a natural gas leak.*

**SED's Conclusion:**

SED has opted not to impose a fine or penalty at this time because SED has determined that SWG has carefully considered SED's recommendation.