

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

November 3, 2022

GI-2022-08-SWG-30-06

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

Subject: General Order (G.O.) 112-F Compliance Inspection of Southwest Gas Corporation's Anti-Drug and Alcohol Prevention Program

Dear Mr. Schmitz:

The Safety Enforcement Division (SED) of the California Public Utilities Commission conducted a G.O. 112-F inspection of Southwest Gas Corporation's (SWG) Anti-Drug and Alcohol Prevention Program on August 1-5, 2022. SED staff reviewed SWG's written procedures and conducted a field observation pursuant to G.O. 112-F, Reference Title 49, Code of Federal Regulations (CFR), Parts 199 and 40. The inspection also included a review of SWG's records from calendar years 2017 to 2021. SED used the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety's "Inspection Assistant Form" (IA) as a reference guide to conduct the inspection.

SED staff had two concerns which are described in the enclosed "Summary of Inspection Findings". Please provide a written response within 30 days of receipt of this letter indicating any updates or corrective actions taken by SWG to address the concern.

If you have any questions, please contact Michelle Wei, at (213) 620-2780 or by email: miw@cpuc.ca.gov.

Sincerely,

A handwritten signature in blue ink that reads "Terence Eng".

Terence Eng, P.E.
Program Manager
Gas Safety and Reliability Branch
Safety and Enforcement Division

CC: Michelle Wei, SED/GSRB
Laurie Brown, SWG
Kan Wai Tong, SED/GSRB
Claudia Almengor, SED/GSRB

Summary of Inspection Findings

Dates of Inspection: August 1-5, 2022

Operator: SOUTHWEST GAS CORP

Operator ID: 18536 (primary)

Inspection Systems: Anti-Drug and Alcohol Prevention Program

Assets (Unit IDs) with results in this report: GI-2022-08-SWG-30-06 (88373)

System Type: DA

Inspection Name: SWG D&A

Lead Inspector: Michelle Wei

Operator Representative: Laurie Brown

Unsatisfactory Results

No Preliminary Findings.

Concerns

Drug and Alcohol : General Program Requirements (DA.GENERAL)

Question Title, ID Operator Oversight of Service Agents, DA.GENERAL.SERVICEAGENTOVERSIGHT.P

Question 2. Does the process ensure the operator remains responsible for the actions of all its service agents, including a Consortium/Third Party Administrator (C/TPA)?

References 40.11(b) (40.11(c), 40.15(c), 40.341(a), 40.355(a), 40.355(m), 40.355(n))

Assets Covered GI-2022-08-SWG-30-06 (SWG D&A)

Issue Summary Southwest Gas Corporation (SWG) stated in its written procedure under Section V of its plan that the "Company is responsible for the actions of its service agents". During the previous inspection SWG stated that it would use its Third-Party Administrator (TPA) to provide oversight of the clinics that it uses to do employee testing. However, during this inspection, SWG notified SED that their TPA had only completed 3 inspections during 2020. After that time SWG's contact within the TPA had moved on and the TPA did not complete any other inspections as initially agreed upon. SWG stated that they intended to work with their TPA to ensure the inspections resume. It is SWG's responsibility to ensure that its service agents are in compliance with the Title 49, Code of Federal Regulations (CFR), Parts 199 and 40. SED recommends that SWG

request these audit documents from the TPA on an annual basis to prevent a similar occurrence or conduct audits of your collection sites yourselves.

Question Title, ID Covered Employees, DA.GENERAL.COVEREDEMPLOYEES.P

Question 3. Does the process result in the proper and complete identification of covered employees and the exclusion of non-covered employees?

References 199.3 (199.1, 40.347(b)(2))

Assets Covered GI-2022-08-SWG-30-06 (SWG D&A)

Issue Summary SED reviewed SWG list of positions subject to random testing due to performing covered functions in Appendix B. SED discussed with SWG whether all the positions listed perform a covered function as defined in 49 CFR Part 199.3. During the audit, SWG informed SED that SWG's management planned to meet next week to discuss and possibly revise Appendix B in light of the NPRM to add Part 40.13(h). After the meeting, SWG informed SED that they had made the decision to revise the list and remove some of the listed positions. SWG stated that further management discussions will be necessary to determine which positions will be removed. SED is requesting an update on the progress made or a list of the positions removed and why.