



California Public Utilities Commission
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FOR IMMEDIATE RELEASE

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PRESS RELEASE

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CPUC ISSUES \$200,000 CITATION TO SOUTHWEST GAS FOR SAFETY CODE VIOLATION

SAN FRANCISCO, June 1, 2017 - The California Public Utilities Commission (CPUC) today issued a \$200,000 Citation to Southwest Gas Corporation for violations stemming from the company's Distribution Integrity Management Program.

The violation was found as a result of the CPUC's Safety and Enforcement Division's Southwest Gas Distribution Integrity Management Program Inspection conducted last fall jointly with the states of Arizona and Nevada. The underlying violation (of Title 49 CFR, Part 192 §192.1007(c)) resulted from the improper definition and calculation of risk in Southwest Gas's Distribution Integrity Management Program.

The Distribution Integrity Management Program is a programmatic approach to identifying, analyzing, and mitigating risk in a distribution operator's pipeline systems. The Pipeline and Hazardous Materials Safety Administration published the final rule establishing integrity management requirements for gas distribution pipeline systems on December 4, 2009 (74 FR 63906). The effective date of the rule was February 12, 2010, and distribution operators were given until August 2, 2011, to write and implement their program. Southwest Gas failed to define the risk correctly, resulting in inaccurate information of pipeline segments with the greatest risk. It is imperative that Southwest Gas applies the correct definition of risk when evaluating and ranking the risks posed to its pipeline.

Southwest Gas has 30 calendar days to pay or contest the Citation imposed by the CPUC's Safety and Enforcement Division.



The Citation is available at <http://www.cpuc.ca.gov/General.aspx?id=2494>.

The CPUC requires, first of all, the immediate correction of any unsafe condition. The CPUC's Safety and Enforcement Division has staff-level authority to issue Citations to natural gas companies for violation of CPUC or federal gas safety codes and regulations. The financial penalty can range up to \$50,000 per day of violation up to a maximum of \$8 million per citation.

Safety violations are identified through the Safety and Enforcement Division's ongoing audits, inspections, and investigations, or by the utilities themselves through voluntary reporting. Further, the CPUC has a whistleblower program for anonymous and protected reporting of violations to 1-800-649-7570 or safetyhotline@cpuc.ca.gov. The CPUC also has an online whistleblower reporting form at <https://ia.cpuc.ca.gov/whblow> where complaints can be submitted anonymously.

For more information about the CPUC, please visit www.cpuc.ca.gov.

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