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September 11, 2007

**Sent via email: Chris.Hoidal@dot.gov**  
**Original to Follow DHL Overnight Express**  
**Waybill No. 44757817241**

Mr. Chris Hoidal  
Director, Western Region  
Pipeline and Hazardous Materials Safety Administration (PHMSA)  
12300 W. Dakota Ave, Suite 110  
Lakewood, CO 80228

**Subject: Southwest Gas Corporation and Paiute Pipeline Company  
Supplemental Response to PHMSA Notice of Amendment (NOA)  
Dated July 30, 2007  
CPF 5-2007-0019M**

Dear Mr. Hoidal:

This letter is written to supplement our correspondence to you dated August 29, 2007, concerning the inspection of the Southwest Gas Corporation and Paiute Pipeline Company (Southwest/Paiute) transmission integrity management program (your reference **CPF 5-2007-0019M**). On September 5, 2007, Marti Marek and Galen Denio received a telephone call from Mr. Peter Katchmar, Senior Engineer, PHMSA, who advised that PHMSA's legal department was of the belief that our response to the NOA did not meet PHMSA's procedural requirements. Mr. Katchmar requested a supplemental response to address those concerns. He also advised that we may expect to receive a notice of probable violation (NOPV) for one or more issues identified during the audit.

PHMSA contends that an operator's response to an NOA must be either a request for an extension to respond or a request for a hearing, and, therefore, an operator's timely request for an extension operates as a waiver to its hearing rights. While we do not necessarily agree with that contention, we offer this supplemental submittal in response.

Southwest/Paiute believes that the procedures and processes in place at the time of the inspection met the intent of PHMSA's stated requirement to have an adequate "framework" of an integrity management plan. A formal plan was in place, along with many Operations Manual additions and revisions relating to transmission integrity. The NOA referenced above included 46 items for which PHMSA indicated inadequate documentation and/or written processes existed.



While hundreds of man-hours have already been expended to develop the original framework, many more will be required to insert the level of detail PHMSA indicates will be sufficient for a final product. Southwest Gas/Paiute, therefore, respectfully requests an extension to the 30 days provided in which to respond to the NOA. Since we are informed that this is considered a single compliance action that cannot be answered in subparts as the responsive information becomes available, we, therefore, request that the extension be granted until June 30, 2008. We have reviewed all of the NOA items and placed them in one of two categories:

- **Category 1:** Southwest/Paiute has provided explanations, information, or other materials in answer to the allegations of inadequacies. Responses to these items are included as appendices to this letter.
- **Category 2:** These items require input from multiple Southwest Gas/Paiute departments and approval by stakeholders. Some of these items require development of detailed processes, which may be contracted out as they are a one-time development need. The time and resources involved are substantial. Responses to these items will be provided no later than June 30, 2008.

The attached "Southwest Gas Corporation (Southwest) and Paiute Pipeline Company (Paiute) Combined Supplemental Response to PHMSA Notice of Amendment"(with accompanying appendices on the enclosed CD), indicates suggested response dates for each item noted in the NOA.

For convenience, Table 1 indicates how each NOA item has been categorized.

	<b>NOA #</b>	<b>Reply Category</b>	<b>Reply Target</b>
1	1A	Category 2	June 30, 2008
2	1B	Category 2	June 30, 2008
3	1C	Category 1	August 29, 2007
4	1Da	Category 1	August 29, 2007
5	1Db	Category 1	August 29, 2007
6	1Dc	Category 1	August 29, 2007
7	1Dd	Category 1	August 29, 2007
8	1De	Category 2	June 30, 2008
9	1Df	Category 1	August 29, 2007
10	1Dg	Category 1	August 29, 2007
11	1Dh	Category 1	August 29, 2007
12	1Di	Category 1	August 29, 2007
13	2A	Category 1	August 29, 2007
14	2B	Category 1	August 29, 2007
15	2C	Category 2	June 30, 2008
16	3A	Category 2	June 30, 2008
17	3B	Category 1	August 29, 2007



	<b>NOA #</b>	<b>Reply Category</b>	<b>Reply Target</b>
18	3C	Category 2	June 30, 2008
19	3D	Category 2	June 30, 2008
20	3E	Category 1	August 29, 2007
21	3F	Category 2	June 30, 2008
22	3G	Category 1	August 29, 2007
23	3H	Category 2	June 30, 2008
24	3I	Category 2	June 30, 2008
25	4A	Category 2	June 30, 2008
26	4B	Category 1	August 29, 2007
27	4C	Category 1	August 29, 2007
28	4D	Category 1	August 29, 2007
29	4E	Category 2	June 30, 2008
30	4F	Category 2	June 30, 2008
31	4G	Category 1	August 29, 2007
32	4H	Category 1	August 29, 2007
33	4I	Category 2	June 30, 2008
34	4J	Category 2	June 30, 2008
35	4K	Category 2	June 30, 2008
36	4L	Category 2	June 30, 2008
37	4M	Category 1	August 29, 2007
38	4N	Category 2	June 30, 2008
39	4O	Category 1	August 29, 2007
40	5A	Category 2	June 30, 2008
41	5B	Category 2	June 30, 2008
42	5C	Category 2	June 30, 2008
43	5D	Category 1	August 29, 2007
44	6A	Category 2	June 30, 2008
45	7A	Category 2	June 30, 2008
46	8A	Category 2	June 30, 2008

**Table 1**

We encourage PHMSA to consider revising its standard instruction letter and its website to clarify the operator's NOA response options. These materials can lead an operator to conclude that a request for an extension will not result in the waiver of an operator's right to a hearing. Also, they can lead an operator to conclude that it may request different extension periods for different NOA subparts. Questions or comments regarding this suggestion may be directed to Craig Roecks of our Legal Affairs Department at (702) 876-7182 (craig.roecks@swgas.com).

Southwest Gas/Paiute remains committed to not only meeting the December 17, 2007, baseline assessment compliance date but to fulfilling the requirements of the NOA. We appreciate your consideration to our request for an extended response time frame, and we look forward to working with you to resolve these issues.



Mr. Chris Hoidal, Western Regional Office, PHMSA  
Supplemental Response to PHMSA NOA Dated July 30, 2007  
September 11, 2007  
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If you need any further information or have any questions regarding this supplemental response and request, please feel free to contact Marti Marek or me. I may be reached by telephone at (702) 364-3263 or by email at [jerry.schmitz@swgas.com](mailto:jerry.schmitz@swgas.com). Marti may be reached by telephone at (702) 364-3262 or by email at [marti.marek@swgas.com](mailto:marti.marek@swgas.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Jerry Schmitz", is written over the typed name and title.

Jerry Schmitz, P.E.  
Director/Engineering Staff

JTS/pok  
Attachment

c: T. Cook  
G. Denio  
D. Jacobson  
M. Marek  
E. McMurtrie  
J. Wunderlin

P. Katchmar, PHMSA, Western Region Office