

WARNING LETTER

VIA E-MAIL TO MR. JEROME T. SCHMITZ

June 2, 2022

Mr. Jerome T. Schmitz
Vice President – Engineering
Southwest Gas Transmission
LVA-581
5241 Spring Mountain Road
Las Vegas, Nevada 89150

CPF 5-2022-014-WL

Dear Mr. Schmitz:

From May 10 through May 14, 2021, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected Southwest Gas Transmission's (SWG) Las Vegas Control Room in Las Vegas, Nevada.

As a result of the inspection, it is alleged that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

1. §192.631 Control room management.

(a) General.

(1) ...

(2) The procedures required by this section must be integrated, as appropriate, with operating and emergency procedures required by §§192.605 and 192.615. An operator must develop the procedures no later than August 1, 2011, and must implement the procedures according to the following schedule. The procedures required by paragraphs (b), (c)(5), (d)(2) and (d)(3), (f) and (g) of this section must be implemented no later than October 1, 2011. The procedures required by paragraphs (c)(1) through (4), (d)(1), (d)(4), and (e) must be implemented no later than August 1, 2012. The training procedures required by paragraph (h) must be implemented no later than August 1, 2012, except that any training required by another paragraph of this section must be implemented no later than the deadline for that paragraph.

SWG failed to integrate and implement Team Training procedures into its operating and emergency procedures required by §§192.605 and 192.615. Pursuant to §192.631(h)(6), operators must implement team training requirements no later than January 23, 2018. According to SWG's *Gas Control Policy* (issued date: December 31, 2018; effective date: January 31, 2019), in the "Manual Section Revision Review and Approval Record," Team Training was not added to the control room training program until October/November 2018.

2. §192.631 Control room management.

(a) ...

(b) *Roles and responsibilities.* Each operator must define the roles and responsibilities of a controller during normal, abnormal, and emergency operating conditions. To provide for a controller's prompt and appropriate response to operating conditions, an operator must define each of the following:

(1) ...

(4) A method of recording controller shift-changes and any hand-over of responsibility between controllers;

SWG failed to provide for a controller's prompt and appropriate response to operating conditions by defining a method of recording controller shift-changes and any hand-over responsibility between controllers.

Specifically, SWG failed to properly document shift change records associated with shift changes that occurred on:

1. June 10, 2018; December 25, 2019; October 5, 2020 – Records failed to document incoming and outgoing controller names consistently. Some records had primary controllers listed only while others had secondary controllers listed.
2. October 15, 2020 – Day Shift: Outgoing controller did not sign shift change. No acknowledgement by incoming controller that all items were covered during the handover.
3. October 15, 2020 – Night Shift: Outgoing controller did not sign shift change. No acknowledgement by incoming controller that all items were covered during the handover.

4. October 16, 2020 - Day Shift: Outgoing controller did not sign shift change. No acknowledgement by incoming controller that all items were covered during the handover.
5. October 16, 2020 – Night Shift: Outgoing controller did not sign shift change. No acknowledgement by incoming controller that all items were covered during the handover.
6. October 17, 2020 - Day Shift: Outgoing controller did not sign shift change. No acknowledgement by incoming controller that all items were covered during the handover.
7. October 18, 2020 - Day Shift: Outgoing controller did not sign shift change. No acknowledgement by incoming controller that all items were covered during the handover.
8. November 8, 2020 – Day Shift: No acknowledgement by incoming controller that all items were covered during the handover.
9. April 21, 2021 – Night Shift: No acknowledgement by incoming controller that all items were covered during the handover.

3. §192.631 Control room management.

(a) ...

(c) Provide adequate information. Each operator must provide its controllers with the information, tools, processes and procedures necessary for the controllers to carry out the roles and responsibilities the operator has defined by performing each of the following:

(1) ...

(2) Conduct a point-to-point verification between SCADA displays and related field equipment when field equipment is added or moved and when other changes that affect pipeline safety are made to field equipment or SCADA displays;

SWG failed to provide its controllers with the information, tools, processes and procedures necessary to carry out controllers' roles and responsibilities by failing to conduct a point-to-point verification between SCADA displays and related field equipment when field equipment is added or moved and when other changes that affect pipeline safety are made.

SWG's records failed to demonstrate the extent of verification, including physical location of device, data value or status, any alarm settings, and to assure that any test signals are injected at the actual device in the field. For example, records dated December 6, 2018, and June 18, 2019 failed to include or demonstrate set point values or alarm levels, and failed to document the location of the device. Furthermore, the records were insufficient to demonstrate that the SCADA displays were checked and the range of the analog device and the range of the display for a given point are similar, making sure that values other than the point checked are correct.

4. §192.631 Control room management.

(a) ...

(e) Alarm management. Each operator using a SCADA system must have a written

alarm management plan to provide for effective controller response to alarms. An operator's plan must include provisions to:

- (1) ...**
- (2) Identify at least once each calendar month points affecting safety that have been taken off scan in the SCADA host, have had alarms inhibited, generated false alarms, or that have had forced or manual values for periods of time exceeding that required for associated maintenance or operating activities;**

SWG failed to identify at least once each calendar month points affecting safety that have been taken off scan in the SCADA host, have had alarms inhibited, generated false alarms, or that have had forced or manual values for periods of time exceeding that required for associated maintenance or operating activities.

Specifically, SWG's monthly alarm review records failed to indicate if corrective actions were taken associated with points affecting safety. For example, SWG's records failed to document what corrective actions occurred, when they were conducted, or whether those safety points were returned to service. The records only stated, "I either had no findings associated with the review of attached spreadsheets, or took the appropriate action to resolve any issues."

5. §192.631 Control room management.

(a)...

(e) Alarm management. Each operator using a SCADA system must have a written alarm management plan to provide for effective controller response to alarms. An operator's plan must include provisions to:

- (1) ...**
- (3) Verify the correct safety-related alarm set-point values and alarm descriptions at least once each calendar year, but at intervals not to exceed 15 months;**

SWG failed to verify the correct safety-related alarm set-point values and alarm descriptions at least once each calendar year, but at intervals not to exceed 15 months.

SWG failed to produce a list or database of safety-related alarm set-point values and alarm descriptions during the inspection. It's unclear how the operator can conduct a verification without an actual list or database of these items.

6. §192.631 Control room management.

(a) ...

(f) Change management. Each operator must assure that changes that could affect control room operations are coordinated with the control room personnel by performing each of the following:

- (1) ...**
- (2) Require its field personnel to contact the control room when emergency conditions exist and when making field changes that affect control room operations;**

SWG failed to assure that changes that could affect control room operations are coordinated with control room personnel by requiring its field personnel to contact the control room when emergency conditions exist and when making field changes that affect control room operations.

SWG's records for pressure stations and meter set assembly and valve inspections failed to confirm that the control room was contacted prior to and after completing the inspections. Records reviewed included:

1. September 15, 2020, Horizon Ridge East Pls Run 1 Temp inspection.
2. May 13, 2020, Tcat1 Stat Insp - Wigwam Pls/Gibson Run 2.

7. §192.631 Control room management.

(a) ...

(h) Training. Each operator must establish a controller training program and review the training program content to identify potential improvements at least once each calendar year, but at intervals not to exceed 15 months. An operator's program must provide for training each controller to carry out the roles and responsibilities defined by the operator. In addition, the training program must include the following elements:

(1) ...

(2) Use of a computerized simulator or non-computerized (tabletop) method for training controllers to recognize abnormal operating conditions;

SWG failed to establish a controller training program that included the use of a computerized simulator or tabletop method for training controllers to recognize abnormal operating conditions pursuant to § 192.631(h)(2).

While reviewing training records for the newest controller, the records failed to indicate or demonstrate the controller had an adequate understanding of recognizing abnormal operating conditions. The records only indicated that the controller took the training. No grading or pass/fail criterion was established to demonstrate proficiency in the training module.

8. §192.631 Control room management.

(a)...

(j) Compliance and deviations. An operator must maintain for review during inspection:

(1) Records that demonstrate compliance with the requirements of this section;

SWG failed to provide for review during the inspection training records showing adequate competency of training modules identified in the training program (*Gas Control Department Policy*, Issue Date: December 31, 2018, Section 9 – Training), and the Gas Controller Catalog - Gas Control Technician Training Program, which has no date when it was established, issued, or implemented.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,142 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022, the maximum penalty may not exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022.

We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the items identified in this letter. Failure to do so will result in Southwest Gas being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 5-2022-014-WL**. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b).

Sincerely,

Dustin Hubbard
Director, Western Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 D. Fehling (#21-201158)