

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the
Commission's Own Motion to Adopt New
Safety and Reliability Regulations for
Natural Gas Transmission and Distribution
Pipelines and Related Ratemaking
Mechanisms.

Rulemaking 11-02-019
(Filed February 24, 2011)

**REPLY COMMENTS OF
SOUTHWEST GAS CORPORATION (U 905 G)
REGARDING THE REPORT OF THE INDEPENDENT REVIEW PANEL ON THE
SAN BRUNO INCIDENT**

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12 On June 8, 2011, the Report of the Independent Review Panel (IRP) - San Bruno
13 Explosion (Report) that was prepared for the California Public Utilities Commission (CPUC
14 or Commission) was released. Parties were invited to comment on the Report and to
15 include any recommendations as to procedural or substantive changes that should be
16 made to the directives for the Implementation Plans ordered in D.11-06-017. Opening
17 comments were due on July 15, 2011 with reply comments due on or before July 29, 2011.
18 In accordance with the Commission's Rules of Practice and Procedure, Southwest Gas
19 Corporation ("Southwest Gas" or "Company") submits the following reply comments
20 concerning the opening comments to the Report of the IRP attached hereto as Exhibit A.

21 Southwest Gas appreciates the opportunity to provide reply comments regarding
22 the IRP Report and will continue to participate in this proceeding.

23 Dated this 29th day of July, 2011, at Las Vegas, Nevada.

24 **SOUTHWEST GAS CORPORATION**

25 */s/ Catherine S. Mazzeo*

26 Catherine M. Mazzeo

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EXHIBIT A
COMMENTS

Southern California Gas Company (SoCalGas) and San Diego Gas & Electric (SDG&E) recommend in section III of their opening comments, that the Commission consider alternatives to pressure testing or replacement in evaluating proposed implementation plans. In particular, the alternatives SoCalGas and SDG&E recommend are in-line inspection, direct examination, pressure reductions, and the recognition of pressure tests conducted prior to current regulations. Southwest Gas supports this recommendation and agrees that a range of appropriate options should be considered in order to achieve the required safety benefits. Through such consideration, costs can be carefully weighed by the Commission, as these costs will be significant to California's natural gas customers.