

OPEN MEETING



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ORIGINAL

MEMORANDUM RECEIVED

TO: THE COMMISSION

2008 SEP 10 P 4: 13

Arizona Corporation Commission

DOCKETED

FROM: Utilities Division

AZ CORP COMMISSION
DOCKET CONTROL

SEP 10 2008

DATE: September 10, 2008

DOCKETED BY

RE: SOUTHWEST GAS CORPORATION-TARIFF FILING TO UPDATE RULE NO. 6, SERVICE AND MAIN EXTENSIONS, TO ADDRESS THE REQUIREMENT FOR EXCESS FLOW VALVES (DOCKET NO. G-01551A-08-0307)

On June 17, 2008, Southwest Gas Corporation ("SWG" or "Southwest") docketed an updated tariff sheet No. 206 located in its Arizona Gas Tariff No. 7. On June 23, 2008, the applicant docketed a waiver of the 30-day clock applicable to tariff filings to allow Staff time to analyze and process Southwest's filing. The revision applies to Rule No. 6, Service and Main Extensions, Item No. 13, Excess Flow Valve Installation Option, which currently reads as follows:

"In accordance with Title 49, Section 192.383 of the Code of Federal Regulations, the installation of an excess flow valve, as defined in Rule No. 1, shall be performed by the Utility on a new or replaced single residence service line at the request of a customer. The installation of an excess flow valve is not mandatory; if a customer elects this installation, the Utility shall perform the installation subject to the customer assuming responsibility for all costs associated with installation, maintenance and replacement. Each customer requesting the installation of an excess flow valve will be required to execute a written agreement."

The Pipeline Inspection, Protection, Enforcement and Safety Act of 2006 requires all new and replaced single-family residential gas service lines put into service after June 1, 2008 to have an excess flow valve installed. Accordingly, SWG has proposed that the Excess Flow Valve Installation provision in its tariff be revised as follows:

"In accordance with the Pipeline Inspection, Protection, Enforcement and Safety Act of 2006 and Title 49, Section 192.383 of the Code of Federal Regulations, the installation of an excess flow valve, as defined in Rule No. 1, shall be performed by the Utility on new or replaced single residence service lines. If any other customer requests the installation of an excess flow valve, the Utility shall perform the installation

subject to the feasibility of such installation and the customer assuming responsibility for all costs associated with installation.”

Although the Federal mandate is moot on who shall pay the costs associated with installing excess flow valves, it should be noted that on November 27, 2007, the Commission issued Decision No. 70011 requiring UNS Gas, Inc. to submit a revised Excess Flow Valve Installation tariff, indicating that all new customers/developers shall pay the full cost of installation and the payment shall be a contribution (p. 87 of the Decision). Effective December 1, 2007, UNS Gas, Inc. implemented its revised tariff in compliance with the Commission’s decision.

Staff’s Recommendations

Staff has reviewed Southwest’s existing and proposed Excess Flow Valve Installation tariff provisions, and recommends approval of the Excess Flow Valve Installation tariff as revised.

Staff also recommends that Southwest implement the updated Excess Flow Valve Installation tariff provision, as approved, no later than October 31, 2008. As a compliance item in this matter, Southwest should docket a letter within 15 days of implementation stating that the implementation is complete.

In addition, Staff recommends as a compliance item in this matter, that Southwest file an Excess Flow Valve Installation tariff page consistent with the terms of this Decision within 15 days from the effective date of the Decision.



for Ernest G. Johnson
Director
Utilities Division

EGJ:WHM:lhms\NS

ORIGINATOR: William H. Musgrove

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BEFORE THE ARIZONA CORPORATION COMMISSION

MIKE GLEASON
Chairman
WILLIAM A. MUNDELL
Commissioner
JEFF HATCH-MILLER
Commissioner
KRISTIN K. MAYES
Commissioner
GARY PIERCE
Commissioner

IN THE MATTER OF SOUTHWEST GAS CORPORATION-TARIFF FILING TO UPDATE RULE NO. 6, SERVICE AND MAIN EXTENSIONS, TO ADDRESS THE REQUIREMENT FOR EXCESS FLOW VALVES

DOCKET NO. G-01551A-08-0307
DECISION NO. _____
ORDER

Open Meeting
September 23 and 24, 2008
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Southwest Gas Corporation ("SWG" or "Southwest") is certificated to provide gas service as a public service corporation in the State of Arizona.

On June 17, 2008, SWG docketed an updated tariff sheet No. 206 located in its Arizona Gas Tariff No. 7. On June 30, 2008 the applicant waived the 30-day time clock applicable to tariff filings.

2. The revision applies to Rule No. 6, Service and Main Extensions, Item No. 13, Excess Flow Valve Installation Option, which currently reads as follows:

"In accordance with Title 49, Section 192.383 of the Code of Federal Regulations, the installation of an excess flow valve, as defined in Rule No. 1, shall be performed by the Utility on a new or replaced single residence service line at the request of a customer. The installation of an excess flow valve is not mandatory; if a customer elects this installation, the Utility shall perform the installation subject to the customer assuming responsibility for all costs associated with installation, maintenance and replacement. Each

1 customer requesting the installation of an excess flow valve will be required
2 to execute a written agreement.”

3 3. The Pipeline Inspection, Protection, Enforcement and Safety Act of 2006 requires
4 all new and replaced single-family residential gas service lines put into service after June 1, 2008
5 to have an excess flow valve installed. Accordingly, SWG has proposed that the Excess Flow
6 Valve Installation provision in its tariff be revised as follows:

7 “In accordance with the Pipeline Inspection, Protection, Enforcement and
8 Safety Act of 2006 and Title 49, Section 192.383 of the Code of Federal
9 Regulations, the installation of an excess flow valve, as defined in Rule No. 1,
10 shall be performed by the Utility on new or replaced single residence service
11 lines. If any other customer requests the installation of an excess flow valve,
12 the Utility shall perform the installation subject to the feasibility of such
13 installation and the customer assuming responsibility for all costs associated
14 with installation.”

15 4. Although the Federal mandate is moot on who shall pay the costs associated with
16 installing excess flow valves, it should be noted that on November 27, 2007, the Commission
17 issued Decision No. 70011 requiring UNS Gas, Inc. to submit a revised Excess Flow Valve
18 Installation tariff, indicating that all new customers/developers shall pay the full cost of installation
19 and the payment shall be a contribution (p. 87 of the Decision). Effective December 1, 2007, UNS
20 Gas, Inc. implemented its revised tariff in compliance with the Commission’s decision.

21 **Staff’s Recommendations**

22 5. Staff has reviewed Southwest’s existing and proposed Excess Flow Valve
23 Installation tariff provisions, and has recommended approval of the Excess Flow Valve Installation
24 tariff as revised.

25 6. Staff has also recommended that Southwest implement the updated Excess Flow
26 Valve Installation tariff provision, as approved, no later than October 31, 2008. As a compliance
27 item in this matter, Southwest should docket a letter within 15 days of implementation stating that
28 the implementation is complete.

...

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1 IT IS FURTHER ORDERED that Southwest Gas Corporation shall docket, as a
 2 compliance item in this matter, an updated Excess Flow Valve Installation tariff page consistent
 3 with the terms of this Decision within 15 days from the effective date of the Decision.

4 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

5
 6 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

CHAIRMAN	COMMISSIONER	
COMMISSIONER	COMMISSIONER	COMMISSIONER

12
 13 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive
 14 Director of the Arizona Corporation Commission, have
 15 hereunto, set my hand and caused the official seal of this
 Commission to be affixed at the Capitol, in the City of
 Phoenix, this _____ day of _____, 2008.

16
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 18 _____
 19 BRIAN C. McNEIL
 EXECUTIVE DIRECTOR

20 DISSENT: _____

21
 22 DISSENT: _____

23 EGJ:WHM:lhms\NS

1 SERVICE LIST FOR: Southwest Gas Corporation
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