



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue SE
Washington DC 20590

2018 Gas State Program Evaluation

for

NM PIPELINE SAFETY BUREAU

Document Legend

PART:

- O -- Representative Date and Title Information
- A -- Progress Report and Program Documentation Review
- B -- Program Inspection Procedures
- C -- Program Performance
- D -- Compliance Activities
- E -- Incident Investigations
- F -- Damage Prevention
- G -- Field Inspections
- H -- Interstate Agent State (If Applicable)
- I -- 60106 Agreement State (If Applicable)



2018 Gas State Program Evaluation -- CY 2018

Gas

State Agency: New Mexico

Agency Status:

Date of Visit: 06/03/2019 - 06/07/2019

Agency Representative: Jason Montoya, Pipeline Safety Bureau Chief
Isaac Lerma, Pipeline Safety Supervisor

Rating:

60105(a): Yes **60106(a):** No **Interstate Agent:** No

PHMSA Representative: Agustin Lopez, State Evaluator

Commission Chairman to whom follow up letter is to be sent:

Name/Title: Theresa Becenti-Aguilar, Chair

Agency: New Mexico Public Regulation Commission

Address: 1120 Paseo De Peralta

City/State/Zip: Santa Fe, New Mexico 87504

INSTRUCTIONS:

Complete this evaluation in accordance with the Procedures for Evaluating State Pipeline Safety Program. The evaluation should generally reflect state program performance during CY 2018 (not the status of performance at the time of the evaluation). All items for which criteria have not been established should be answered based on the PHMSA representative's judgment. A deficiency in any one part of a multiple part question should be scored as needs improvement. Determine the answer to the question then select the appropriate point value. If a state receives less than the maximum points, include a brief explanation in the space provided for general comments/regional observations. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and OBJECTIVELY reflect state program performance. Increasing emphasis is being placed on performance. This evaluation together with selected factors reported in the state's annual progress report attachments provide the basis for determining the state's pipeline safety grant allocation.

Scoring Summary

PARTS

Possible Points Points Scored

A Progress Report and Program Documentation Review
B Program Inspection Procedures
C Program Performance
D Compliance Activities
E Incident Investigations
F Damage Prevention
G Field Inspections
H Interstate Agent State (If Applicable)
I 60106 Agreement State (If Applicable)

10
13
49
15
11
8
12
0
0

9.5
13
48
15
11
8
12
0
0

TOTALS

118 116.5

State Rating

98.7

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

- | | | | |
|----------|---|---|---|
| 1 | Accuracy of Jurisdictional Authority and Operator/Inspection Units Data - Progress Report Attachment 1
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

Reviewed annual reports and NMPRC database to verify number submitted into Progress Report. There were no discrepancies and the Progress Report seems to be accurate.

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| 2 | Review of Inspection Days for accuracy - Progress Report Attachment 2
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

Reviewed NMPRC Consaludated Statistical Report to verify the inspection days and compared with Progress Report. There were no discrepancies found in the review. Progress Report data seems to be accurate.

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| 3 | Accuracy verification of Operators and Operators Inspection Units in State - Progress Report Attachment 3
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

Verified the accuracy of the Attachment 3 with the NMPRC database of operators. The number of units and operators seem to be accurate.

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| 4 | Were all federally reportable incident reports listed and information correct? - Progress Report Attachment 4
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

Yes, there was one reportable incident in PDM which was documented in the progress report.

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| 5 | Accuracy verification of Compliance Activities - Progress Report Attachment 5
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

Reviewed NMPRC data to verify the compliance actions issued. The number of compliance actions seem to be accurate. There seems to be an increase in the amount of carry over probable violations year to year. The main reason is due to loss of inspectors and not having enough personnel to review their open cases. The NMPRC needs to improve on processing the cases to close out old non compliance issues.

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| 6 | Were pipeline program files well-organized and accessible? - Progress Report Attachment 6
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

All files are kept electronically in the NMPRC hard drive.

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| 7 | Was employee listing and completed training accurate and complete? - Progress Report Attachment 7
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 0.5 |
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Evaluator Notes:

Yes, reviewed inspector training and compared with T&Q Blackboard. Only discrepancy is that Jason Montoya needs the ECDA course to be qualified as an IMP inspector but has not lead an IMP inspection in the past.

Attachment 7 was not accurate due to Jason Montoya's inspection percentage time was not entered into the attachment. He had a total of 42 inspections days so he has to have inspection time in Attachment 7.

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| 8 | Verification of Part 192,193,198,199 Rules and Amendments - Progress Report Attachment 8
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

Yes, verified the NM adoption of rules and regulations.

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| 9 | List of Planned Performance - Did state describe accomplishments on Progress Report in detail - Progress Report Attachment 10
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

Yes, the NMPRC stated their accomplishment on Attachment 10. They accomplished to complete a standard inspection on each inspection unit within their three year cycle. The PSB adopted changes to damage prevention rules to align with the use of new technology and best practices. There is a no tolerance guide to blind boring.

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| 10 | General Comments:
Info Only = No Points | Info Only | Info Only |
|-----------|--|-----------|-----------|

Evaluator Notes:

A5- No point deducted but there is a concern of the increased number of open cases being carried over.
A7- Jason Montoya's inspection percentage time is not accurate. Jason performed 42 days of inspections but does not show him having any inspection time on Attachment 7.

Total points scored for this section: 9.5
Total possible points for this section: 10



PART B - Program Inspection Procedures

Points(MAX) Score

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|---|--|---|---|
| 1 | Standard Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 2 | 2 |
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Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Section VII of the Standard Operating Procedures has guidance for state inspectors on how to perform standard inspections. The procedure includes pre and post inspection activities.

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|---|--|---|---|
| 2 | IMP and DIMP Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Section 1 (V) has prioritization of inspections that include IMP and DIMP inspection procedures but give little guidance to the inspectors. Inspection procedures in Section 3 do not mention IMP and DIMP inspections and need more detail in order to give better guidance to the inspectors while performing the inspections.

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| 3 | OQ Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
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Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Section 1 (V) has prioritization of inspections that include OQ inspection procedures but give little guidance to the inspectors while performing OQ inspections. Inspection procedures in Section 3 do not mention OQ inspections and need more detail in order to give better guidance to the inspectors while performing the inspections

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| 4 | Damage Prevention Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|---|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Section 1 (V) (H) mentions the need for Damage Prevention inspections but does not give guidance for inspectors performing inspections. Section 3 Inspection Procedures, does not mention or provide guidance to inspectors while performing Damage Prevention inspections.

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|---|--|---|---|
| 5 | Any operator training conducted should be outlined and appropriately documented as needed. | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Section 1 and 3 mentions operator training and how it is provided to operators. Training is provided either during the State Pipeline Safety Seminar, when requested by the operator or as deemed appropriate by the Commission.

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| 6 | Construction Inspection procedures should give guidance to state inspectors that insure consistency in all inspections conducted by the state? The following elements should be addressed at a minimum - pre-inspection activities, inspection activities, post-inspection activities. | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Section 3 Inspection Procedures, IX. gives some guidance to inspectors on how to conduct construction inspections. The procedures do include the review of construction specifications which include the construction procedures. Suggested to NMPRC to add the verification of OQ of technicians working on covered construction tasks.

7	Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements? Yes = 6 No = 0 Needs Improvement = 1-5	6	6
a.	Length of time since last inspection (Within five year interval)	Yes <input checked="" type="radio"/>	No <input type="radio"/> Needs Improvement <input type="radio"/>
b.	Operating history of operator/unit and/or location (includes leakage, incident and compliance activities)	Yes <input checked="" type="radio"/>	No <input type="radio"/> Needs Improvement <input type="radio"/>
c.	Type of activity being undertaken by operators (i.e. construction)	Yes <input checked="" type="radio"/>	No <input type="radio"/> Needs Improvement <input type="radio"/>
d.	Locations of operators inspection units being inspected - (HCA's, Geographic areas, Population Density, etc)	Yes <input checked="" type="radio"/>	No <input type="radio"/> Needs Improvement <input type="radio"/>
e.	Process to identify high-risk inspection units that includes all threats - (Excavation Damage, Corrosion, Natural Forces, Outside Forces, Material and Welds, Equipment, Operators and any Other Factors)	Yes <input checked="" type="radio"/>	No <input type="radio"/> Needs Improvement <input type="radio"/>
f.	Are inspection units broken down appropriately?	Yes <input checked="" type="radio"/>	No <input type="radio"/> Needs Improvement <input type="radio"/>

Evaluator Notes:

Section 1, Parts V and VI address the prioritization of inspections which include the certain criteria which includes: length of time since last inspection, level of compliance by operator, changes in operator personnel or activities undertaken, mergers or acquisitions, miles of HCA's, population density, and threats to the pipeline.

8 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

B.2- Section 1 (V) has prioritization of inspections that include IMP and DIMP inspection procedures but give little guidance to the inspectors. Inspection procedures in Section 3 do not mention IMP and DIMP inspections and need more detail in order to give better guidance to the inspectors while performing the inspections.

B.4- Section 1 (V) (H)mentions the need for Damage Prevention inspections but does not give guidance for inspectors performing inspections. Section 3 Inspection Procedures, does not mention or provide guidance to inspectors while performing Damage Prevention inspections.

B.3- Section 1 (V) has prioritization of inspections that include OQ inspection procedures but give little guidance to the inspectors while performing OQ inspections. Inspection procedures in Section 3 do not mention OQ inspections and need more detail in order to give better guidance to the inspectors while performing the inspections

Total points scored for this section: 13
Total possible points for this section: 13



PART C - Program Performance

Points(MAX) Score

- 1 Was ratio of Total Inspection person-days to total person days acceptable? (Director of State Programs may modify with just cause) Chapter 4.3 5 4
Yes = 5 No = 0
- A. Total Inspection Person Days (Attachment 2):
385.00
- B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 3.82 = 839.30
- Ratio: A / B
385.00 / 839.30 = 0.46
- If Ratio \geq 0.38 Then Points = 5, If Ratio $<$ 0.38 Then Points = 0
Points = 5

Evaluator Notes:

Reviewed inspection days and inspector time and compared with Attachment 2 and 7. Jason Montoya had 42 inspection days which are included in Attachment 2 but his percentage time as inspector is not included in Attachment 7. The NMPRC needs to amend the Progress Report to include is percentage time as an inspector. By not including his percentage time as inspector the ratio of total inspection person days to total person days is not correct.

- 2 Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines Appendix C for requirements) Chapter 4.4 5 5
Yes = 5 No = 0 Needs Improvement = 1-4
- a. Completion of Required OQ Training before conducting inspection as lead? Yes ☒ No ☐ Needs Improvement ☐
- b. Completion of Required DIMP*/IMP Training before conducting inspection as lead? *Effective Evaluation CY2013 Yes ☒ No ☐ Needs Improvement ☐
- c. Root Cause Training by at least one inspector/program manager Yes ☒ No ☐ Needs Improvement ☐
- d. Note any outside training completed Yes ☒ No ☐ Needs Improvement ☐
- e. Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector. Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

- a. Yes, all inspectors are qualified to lead inspections. Newer inspectors conduct master meter inspection and gas distribution.
- b. Yes, all IMP/DIMP lead inspectors have TQ training completed before leading inspections.
- c. Yes, several inspectors have completed the root cause course.
- d. Some inspectors have attended technical writing course.
- e. Reviewed inspection reports and verified that all lead inspectors were qualified.

- 3 Did state records and discussions with state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations? Chapter 4.1,8.1 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, Mr. Jason Montoya is very knowledgeable of the pipeline safety program and regulations. Mr. Isaac Lerma was sitting in for Jason Montoya due to Mr. Montoya being the Chief of Staff for the Commission and acting Bureau Chief. Mr. Lerma is also very knowledgeable of the pipeline safety program and regulations.

- 4 Did state respond to Chairman's letter on previous evaluation within 60 days and correct or address any noted deficiencies? (If necessary) Chapter 8.1 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, the Chair responded within 60 days.

- 5 Did State conduct or participate in pipeline safety training session or seminar in Past 3 Years? Chapter 8.5 1 1
Yes = 1 No = 0

Evaluator Notes:

Yes, the state has a seminar every year in which TQ participates every third year.

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| 6 | Did state inspect all types of operators and inspection units in accordance with time intervals established in written procedures? Chapter 5.1 | 5 | 5 |
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Yes = 5 No = 0 Needs Improvement = 1-4

Evaluator Notes:

Reviewed inspection reports and 2018 Inspection Assignment which identifies due inspections. It seems that NMPRC is conducting each type of inspection per their procedures, which is a 5 year inspection cycle. There was one operator, Energy Transfer, that had an OQ inspection in 2014 but the report was not found. The inspector left the PRC so the report was misplaced. Suggested to the PRC to re inspect ETC's OQ Program this year.

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| 7 | Did inspection form(s) cover all applicable code requirements addressed on Federal Inspection form(s)? Did State complete all applicable portions of inspection forms? Chapter 5.1 | 2 | 2 |
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Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, the NMPRC utilizes PHMSA forms to document inspections and use as a guide while conducting inspections.

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| 8 | Did the state review operator procedures for determining if exposed cast iron pipe was examined for evidence of graphitization and if necessary remedial action was taken? (NTSB) Chapter 5.1 | 1 | 1 |
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Yes = 1 No = 0

Evaluator Notes:

There is no known cast iron pipe in the state of NM. The NMPRC verifies by reviewing annual reports.

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| 9 | Did the state review operator procedures for surveillance of cast iron pipelines, including appropriate action resulting from tracking circumferential cracking failures, study of leakage history, or other unusual operating maintenance condition? (Note: See GPTC Appendix G-18 for guidance) (NTSB) Chapter 5.1 | 1 | 1 |
|----------|--|---|---|

Yes = 1 No = 0

Evaluator Notes:

There is no cast iron pipe in the state of NM.

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| 10 | Did the state review operator emergency response procedures for leaks caused by excavation damage near buildings and determine whether the procedures adequately address the possibility of multiple leaks and underground migration of gas into nearby buildings Refer to 4/12/01 letter from PHMSA in response to NTSB recommendation P-00-20 and P-00-21? (NTSB) Chapter 5.1 | 1 | 1 |
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Yes = 1 No = 0

Evaluator Notes:

Yes, the inspection form covers the review of operator response procedures during inspections. Reviewed inspection reports to assure question is being asked.

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| 11 | Did the state review operator records of previous accidents and failures including reported third party damage and leak response to ensure appropriate operator response as required by 192.617? Chapter 5.1 | 1 | 1 |
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Yes = 1 No = 0

Evaluator Notes:

Yes, the NMPRC reviews accident and third party damage to assure operator response is performed. This is accomplished during incident investigations and standard inspections.

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| 12 | Has the state reviewed Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for trends and operator issues? | 2 | 2 |
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Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, review annual reports to verify the accuracy and find any trends for leaks. In addition the inspectors review annual reports during inspections and discuss with operators.

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| 13 | Has state confirmed intrastate transmission operators have submitted information into NPMS database along with changes made after original submission?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

Yes, NPMS data is verified during inspections. The question is on the inspection forms and inspection reports were reviewed to assure question is asked.

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| 14 | Is the state verifying operators are conducting drug and alcohol tests as required by regulations? This should include verifying positive tests are responded to in accordance with program. 49 CFR 199
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

Yes, the NMPRC conducts Drug and Alcohol inspections to verify the operators are in compliance with the testing in accordance with the regulations.

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| 15 | Is state verifying operators OQ programs are up to date? This should include verification of any plan updates and that persons performing covered tasks (including contractors) are properly qualified and requalified at intervals determined in the operators plan. 49 CFR 192 Part N
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

Yes, the NMPRC conducts OQ Program inspections of operators to assure the plans are up to date and in compliance with Part 192.

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| 16 | Is state verifying operator's gas transmission integrity management programs (IMP) are up to date? This should include a previous review of IMP plan, along with monitoring progress on operator tests and remedial actions. In addition, the review should take in to account program review and updates of operators plan(s). (Are the State's largest operators programs being contacted or reviewed annually? Are replies to Operator IM notifications addressed? (formerly part of Question C-13)). 49 CFR 192 Subpart 0
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

Yes, the NMPRC conducts IMP inspections and reviews the operators IMP Plans to assure they are in compliance with CFR 192. Large operators are contacted annually to verify any big changes like new HCA's or major changes.

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| 17 | Is state verifying operator's gas distribution integrity management Programs (DIMP)? This should include a review of DIMP plans, along with monitoring progress. In addition, the review should take in to account program review and updates of operators plan(s). (Are the State's largest operators programs being contacted or reviewed annually?). 49 CFR 192 Subpart P
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

Yes, the NMPRC conducts DIMP inspection which includes reviews DIMP Plans to assure they are in compliance with CFR 192.

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| 18 | Is state verifying operators Public Awareness programs are up to date and being followed. State should also verify operators have evaluated Public Awareness programs for effectiveness as described in RP1162. PAPEI Effectiveness Inspections should be conducted every four years by operators. 49 CFR 192.616
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

Yes, the NMPRC conducts Public Awareness program inspections on a five year cycle. The standard inspection form also included questions dealing with 192.616.

- 19 Does the state have a mechanism for communicating with stakeholders - other than state pipeline safety seminar? (This should include making enforcement cases available to public). 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

The NMPRC website has enforcement case available to the public and stakeholders. The Program Manager has email list of all operators which he communicates any concerns or ADBs.

- 20 Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

There is one SRCR reported in PDM which was closed out by PHMSA SW Region but the NMPRC does not have any record of the report. There was an email exchange with the NMPR and the operator which demonstrates the follow up by the NMPRC and closure. The NMPRC needs to keep files either hard copy or electronically of SRCR.

- 21 Did the State ask Operators to identify any plastic pipe and components that has shown a record of defects/leaks and what those operators are doing to mitigate the safety concerns? 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, the inspection form has an addendum which includes the question to ask the operator if they identified any plastic pipe that may have defects/leaks and how they are mitigating the concern.

- 22 Did the state participate in/respond to surveys or information requests from NAPSRS or PHMSA? 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, Mr. Jason Montoya responds to surveys or requests by NAPSRS or PHMSA.

- 23 If the State has issued any waivers/special permits for any operator, has the state verified conditions of those waivers/special permits are being met? This should include having the operator amend procedures where appropriate. 1 1
No = 0 Needs Improvement = .5 Yes = 1

Evaluator Notes:

There is one waiver that is in the PHMSA website that allowed PNM to install PA11 which required testing. The PA11 was removed and replaced with PE so the waiver is not in affect. The NMPRC needs to keep records to demonstrate and verify that all waiver stipulations are being met or have been met.

- 24 Did the state attend the NAPSRS National Meeting in CY being evaluated? 1 1
No = 0 Needs Improvement = .5 Yes = 1

Evaluator Notes:

Yes, Mr. Jason Montoya attended the NAPSRS National Meeting.

- 25 Discussion on State Program Performance Metrics found on Stakeholder Communication site - <http://primis.phmsa.dot.gov/comm/states.htm> 2 2
No = 0 Needs Improvement = 1 Yes = 2
- a. Discussion of Potential Accelerated Actions (AA's) based on any negative trends Yes ☒ No ☐ Needs Improvement ☐
- b. NTSB P-11-20 Meaningful Metrics Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

Discussed Performance Metrics the NMPRC. The NMPRC reviews the performance metrics for negative trends and check for accuracy of annual reports. The leak and damages per 1,000 tickets are on a positive trend.

- 26 Discussion with State on accuracy of inspection day information submitted into State Inspection Day Calculation Tool (SICT) Has the State updated SICT data? 1 1

No = 0 Yes = 1

Evaluator Notes:

Discussed with Mr. Jason Montoya and Isaac Lerma on the number of inspection days calculated by the SICT which may be a problem to meet, since the NMPRC is already not meeting their inspector days. The problem is mainly due to turnover of inspectors.

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| 27 | Did the State verify Operators took appropriate action regarding Pipeline Flow Reversals, Product Changes and Conversions to Service? See ADP-2014-04 | 1 | 1 |
| | Needs Improvement = .5 No = 0 Yes = 1 | | |

Evaluator Notes:

Yes, the Addendum to the inspection form has Pipeline Flow Reversal question added. Inspectors verify is there has been any flow reversals during inspections.

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- | | | | |
|-----------|-----------------------|-----------|-----------|
| 28 | General Comments: | Info Only | Info Only |
| | Info Only = No Points | | |

Evaluator Notes:

C.1 - Reviewed inspection days and inspector time and compared with Attachment 2 and 7. Jason Montoya had 42 inspection days which are included in Attachment 2 but his percentage time as inspector is not included in Attachment 7. The NMPRC needs to amend the Progress Report to include is percentage time as an inspector. By not including his percentage time as inspector the ratio of total inspection person days to total person days is not correct.

C.6- There was one operator, Energy Transfer, that had an OQ inspection in 2014 but the report was not found. The inspector left the PRC so the report was misplaced. Suggested to the PRC to re inspect ETC's OQ Program this year.

C.20- The NMPRC needs to keep SRCR files either by hard copy or electronically.

C.23- The NMPRC needs to keep records to demonstrate and verify that all waiver stipulations are being met or have been met.

Total points scored for this section: 48
Total possible points for this section: 49



PART D - Compliance Activities

Points(MAX) Score

- | | | | |
|----------|--|--------------------------------------|--|
| 1 | Does the state have written procedures to identify steps to be taken from the discovery to resolution of a probable violation? Chapter 5.1
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| a. | Procedures to notify an operator (company officer) when a noncompliance is identified | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Procedures to routinely review progress of compliance actions to prevent delays or breakdowns | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| c. | Procedures regarding closing outstanding probable violations | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

Section VIII has compliance procedures to be taken when a probable violation is issued. Notice is sent to company official and given 15 days to respond. The NMPRC has procedures to follow the process of a non compliance from discovery to closure.

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|----------|--|--------------------------------------|--|
| 2 | Did the state follow compliance procedures (from discovery to resolution) and adequately document all probable violations, including what resolution or further course of action is needed to gain compliance? (Incident Investigations do not need to meet 30/90 day requirement) Chapter 5.1
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| a. | Were compliance actions sent to company officer or manager/board member if municipal/government system? | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| b. | Document probable violations | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| c. | Resolve probable violations | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| d. | Routinely review progress of probable violations | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| e. | Within 30 days, conduct a post-inspection briefing with the owner or operator of the gas or hazardous liquid pipeline facility inspected outlining any concerns; and | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |
| f. | Within 90 days, to the extent practicable, provide the owner or operator with written preliminary findings of the inspection. | Yes <input checked="" type="radio"/> | No <input type="radio"/> Needs Improvement <input type="radio"/> |

Evaluator Notes:

Yes, reviewed inspection reports and compliance files to assure the NMPRC is following it's compliance procedures. The NMPRC is documenting all probable violations and the resolution of each violation.

- a. Yes, verified that all compliance actions are sent to company officials.
- b. Yes, verified that probable violations are documented.
- c. Yes, the resolution of probable violations are documented.
- d. Yes, the NMPRC reviews the progress of the open probable violations.
- e. Yes, the inspector conduct a post inspection briefing after completing the inspections.
- f. Yes, the NMPRC issues NOPV's within the 90 days.

- | | | | |
|----------|--|---|---|
| 3 | Did the state issue compliance actions for all probable violations discovered?
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

Yes, reviewed inspection reports and compliance actions to assure the NMPRC is issuing compliance actions for all probable violations found during inspections.

- | | | | |
|----------|---|---|---|
| 4 | Did compliance actions give reasonable due process to all parties? Including "show cause" hearing if necessary.
Yes = 2 No = 0 | 2 | 2 |
|----------|---|---|---|

Evaluator Notes:

Yes, the NMPRC gives due process to all parties. The operator has the opportunity for a hearing to contest any probable violations.

- | | | | |
|----------|---|---|---|
| 5 | Is the program manager familiar with state process for imposing civil penalties? Were civil penalties considered for repeat violations (with severity consideration) or violations resulting in incidents/accidents? (describe any actions taken)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

Evaluator Notes:
Yes, the PM is familiar with the process of issuing civil penalties. Civil penalty was issued in 2018.

6	Can the State demonstrate it is using their enforcement fining authority for pipeline safety violations?	1	1
Yes = 1 No = 0 Needs Improvement = .5			

Evaluator Notes:
Yes, the NMPRC issued a civil penalty for \$10,000 for non compliance issues.

7	General Comments:	Info Only	Info Only
Info Only = No Points			

Evaluator Notes:
The NMPRC is mainly complying with Part D of the Evaluation.

Total points scored for this section: 15
Total possible points for this section: 15



PART E - Incident Investigations

Points(MAX) Score

- 1 Does the state have written procedures to address state actions in the event of an incident/accident? 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, Section 2 of the SOP has procedures that address the actions taken by the NMPRC in the event of an incident/accident. The procedures provide enough detail to conduct an investigation.

- 2 Does state have adequate mechanism to receive and respond to operator reports of incidents, including after-hours reports? And did state keep adequate records of Incident/Accident notifications received? Chapter 6 2 2
Yes = 2 No = 0 Needs Improvement = 1

- a. Acknowledgement of MOU between NTSB and PHMSA (Appendix D) Yes ☒ No ☐ Needs Improvement ☐
b. Acknowledgement of Federal/State Cooperation in case of incident/accident (Appendix E) Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

Appendix A of the SOP addresses the mechanism used to receive and respond to accident/incident investigations.

- a. Yes, the NMPRC is aware of the MOU between NTSB and PHMSA.
b. Yes, the NMPRC is aware of the federal/state cooperation in case of an incident.

- 3 If onsite investigation was not made, did state obtain sufficient information from the operator and/or by other means to determine the facts to support the decision to not go on-site? Chapter 6 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, there was on incident that met the federal reporting criteria which was investigated on-site. There are procedures in place to gather enough information to make decision not to go on site.

- 4 Were all incidents investigated, thoroughly documented, and with conclusions and recommendations? 3 3
Yes = 3 No = 0 Needs Improvement = 1-2

- a. Observations and document review Yes ☒ No ☐ Needs Improvement ☐
b. Contributing Factors Yes ☒ No ☐ Needs Improvement ☐
c. Recommendations to prevent recurrences when appropriate Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

Yes, reviewed incident investigation which are kept in the NMPRC files. The investigations were thorough and well documented.

- a. Yes observations were documented.
b. Yes the contributing factors were noted.
c. Operator was issued a non compliance to prevent recurrence.

- 5 Did the state initiate compliance action for violations found during any incident/accident investigation? 1 1
Yes = 1 No = 0

Evaluator Notes:

Yes, the NMPRC issued a civil penalties due to an incident investigations. One of the civil penalties was not collected until 2019.

- 6 Did the state assist Region Office or Accident Investigation Division (AID) by taking appropriate follow-up actions related to the operator incident reports to ensure accuracy and final report has been received by PHMSA? (validate report data from operators concerning incidents/accidents and investigate discrepancies) Chapter 6 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, the NMPRC assist the Region whenever they request assistance.

- 7 Does state share lessons learned from incidents/accidents? (sharing information, such as: 1 1
at NAPSAR Region meetings, state seminars, etc)
Yes = 1 No = 0

Evaluator Notes:

Yes, the NMPRC shares lessons learned during their State of the State presentation at the NAPSAR SW Region Meeting.

- 8 General Comments: Info OnlyInfo Only
Info Only = No Points

Evaluator Notes:

The NMPRC is mainly complying with Part E of the Evaluation.

Total points scored for this section: 11
Total possible points for this section: 11



PART F - Damage Prevention

Points(MAX) Score

- | | | | |
|---|--|---|---|
| 1 | Has the state reviewed directional drilling/boring procedures of each pipeline operator or its contractor to determine if they include actions to protect their facilities from the dangers posed by drilling and other trench less technologies? NTSB
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Yes, the NMPRC inspection form has an Addendum which includes the review of drilling/boring procedures which are reviewed during the inspections.

- | | | | |
|---|--|---|---|
| 2 | Did the state inspector verify pipeline operators are following their written procedures pertaining to notification of excavation, marking, positive response and the availability and use of the one call system?
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Yes, the inspection form has questions to assure the operator is utilizing a one call system and are following the regulations on marking after notification of excavations.

- | | | | |
|---|--|---|---|
| 3 | Did the state encourage and promote practices for reducing damages to all underground facilities to its regulated companies? (i.e. such as promoting/adopting the CGA Best Practices encouraging adoption of the 9 Elements, etc.)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Yes, the NMPRC encourages and promotes practices of damages during their inspections. Addendum has questions which addresses the promotion of best practices.

- | | | | |
|---|--|---|---|
| 4 | Has the agency or another organization within the state collected data and evaluated trends on the number of pipeline damages per 1,000 locate requests? (This can include DIRT and other data shared and reviewed by the pipeline safety program)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

The NM 811 collects the data and reports are sent to the program manager which is evaluated for trends.

- | | | | |
|---|--|--|-----------|
| 5 | General Comments:
Info Only = No Points | | Info Only |
|---|--|--|-----------|

Evaluator Notes:

The NMPRC is mainly complying with Part F of the Evaluation.

Total points scored for this section: 8
Total possible points for this section: 8

PART G - Field Inspections

Points(MAX) Score

- 1 Operator, Inspector, Location, Date and PHMSA Representative Info Only Info Only
Info Only = No Points

Name of Operator Inspected:

New Mexico Gas Company

Name of State Inspector(s) Observed:

Isaac Lerma

Location of Inspection:

Santa Fe, NM

Date of Inspection:

June 13, 2019

Name of PHMSA Representative:

Agustin Lopez

Evaluator Notes:

Evaluated Mr. Isaac Lerma conduct a construction inspection of New Mexico Gas Company's installing main and service lines in the Santa Fe area. Mr. Lerma conducted himself very professionally and performed an excellent inspection.

- 2 Was the operator or operator's representative notified and/or given the opportunity to be present during inspection? 1 1
Yes = 1 No = 0

Evaluator Notes:

Yes, the operator's representative was contacted in advance.

- 3 Did the inspector use an appropriate inspection form/checklist and was the form/checklist used as a guide for the inspection? (New regulations shall be incorporated) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, Mr. Lerma utilized the PRC form while conducting the construction inspection to guide him during the inspection.

- 4 Did the inspector thoroughly document results of the inspection? 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, Mr. Lerma documented the results of the inspection on the PRC Form.

- 5 Did the inspector check to see if the operator had necessary equipment during inspection to conduct tasks viewed? (Maps, pyrometer, soap spray, CGI, etc.) 1 1
Yes = 1 No = 0

Evaluator Notes:

Yes, the equipment was verified along with calibrations.

- 6 Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) 2 2
Yes = 2 No = 0 Needs Improvement = 1
- | | |
|---------------------------|-------------------------------------|
| a. Procedures | <input checked="" type="checkbox"/> |
| b. Records | <input checked="" type="checkbox"/> |
| c. Field Activities | <input checked="" type="checkbox"/> |
| d. Other (please comment) | <input type="checkbox"/> |

Evaluator Notes:

The inspector reviewed construction procedures, qualification records and observed the technicians perform tasks.

- | | | | |
|---|---|---|---|
| 7 | Did the inspector have adequate knowledge of the pipeline safety program and regulations? (Evaluator will document reasons if unacceptable)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

Yes, Mr. Lerma is very knowledgeable of the pipeline safety rules and program.

- | | | | |
|---|---|---|---|
| 8 | Did the inspector conduct an exit interview? (If inspection is not totally complete the interview should be based on areas covered during time of field evaluation)
Yes = 1 No = 0 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

Yes, Mr. Lerma conducted an exit interview at every location we visited. In addition he had an exit interview with the operator at their office at the end of the inspection.

- | | | | |
|---|---|---|---|
| 9 | During the exit interview, did the inspector identify probable violations found during the inspections? (if applicable)
Yes = 1 No = 0 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

There were some issues identified with the cooling off time but was resolved before the end of the inspection.

- | | | | |
|----|---|-----------|-----------|
| 10 | General Comments: 1) What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) 2) Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) 3) Other.
Info Only = No Points | Info Only | Info Only |
|----|---|-----------|-----------|

- | | | |
|----|-----------------------------------|-------------------------------------|
| a. | Abandonment | <input type="checkbox"/> |
| b. | Abnormal Operations | <input checked="" type="checkbox"/> |
| c. | Break-Out Tanks | <input type="checkbox"/> |
| d. | Compressor or Pump Stations | <input type="checkbox"/> |
| e. | Change in Class Location | <input type="checkbox"/> |
| f. | Casings | <input type="checkbox"/> |
| g. | Cathodic Protection | <input type="checkbox"/> |
| h. | Cast-iron Replacement | <input type="checkbox"/> |
| i. | Damage Prevention | <input checked="" type="checkbox"/> |
| j. | Deactivation | <input type="checkbox"/> |
| k. | Emergency Procedures | <input checked="" type="checkbox"/> |
| l. | Inspection of Right-of-Way | <input checked="" type="checkbox"/> |
| m. | Line Markers | <input checked="" type="checkbox"/> |
| n. | Liaison with Public Officials | <input type="checkbox"/> |
| o. | Leak Surveys | <input type="checkbox"/> |
| p. | MOP | <input type="checkbox"/> |
| q. | MAOP | <input checked="" type="checkbox"/> |
| r. | Moving Pipe | <input type="checkbox"/> |
| s. | New Construction | <input checked="" type="checkbox"/> |
| t. | Navigable Waterway Crossings | <input type="checkbox"/> |
| u. | Odorization | <input type="checkbox"/> |
| v. | Overpressure Safety Devices | <input type="checkbox"/> |
| w. | Plastic Pipe Installation | <input checked="" type="checkbox"/> |
| x. | Public Education | <input type="checkbox"/> |
| y. | Purging | <input type="checkbox"/> |
| z. | Prevention of Accidental Ignition | <input type="checkbox"/> |
| A. | Repairs | <input type="checkbox"/> |
| B. | Signs | <input type="checkbox"/> |
| C. | Tapping | <input type="checkbox"/> |

- | | | |
|----|-----------------------------|-------------------------------------|
| D. | Valve Maintenance | <input type="checkbox"/> |
| E. | Vault Maintenance | <input type="checkbox"/> |
| F. | Welding | <input type="checkbox"/> |
| G. | OQ - Operator Qualification | <input checked="" type="checkbox"/> |
| H. | Compliance Follow-up | <input type="checkbox"/> |
| I. | Atmospheric Corrosion | <input type="checkbox"/> |
| J. | Other | <input type="checkbox"/> |

Evaluator Notes:

Mr. Lerma conducted an construction inspection while the operator was installing main lines and service lines. He verified fusion qualifications and asks the technicians to identify any AOC's while performing tasks. Verified the cover of the pipeline to assure no damage was caused during backfill. Reviewed pipe specifications to comply with MAOP. Mr. Lerma performed a real thorough inspection.

Total points scored for this section: 12
Total possible points for this section: 12



PART H - Interstate Agent State (If Applicable)**Points(MAX) Score**

- | | | | |
|----------|--|---|----|
| 1 | Did the state use the current federal inspection form(s)?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NMPRC is not an Interstate Agent.

- | | | | |
|----------|---|---|----|
| 2 | Are results documented demonstrating inspection units were reviewed in accordance with "PHMSA directed inspection plan"?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

NMPRC is not an Interstate Agent.

- | | | | |
|----------|--|---|----|
| 3 | Did the state submit documentation of the inspections within 60 days as stated in its latest Interstate Agent Agreement form?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NMPRC is not an Interstate Agent.

- | | | | |
|----------|---|---|----|
| 4 | Were probable violations identified by state referred to PHMSA for compliance? (NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

NMPRC is not an Interstate Agent.

- | | | | |
|----------|---|---|----|
| 5 | Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

NMPRC is not an Interstate Agent.

- | | | | |
|----------|--|---|----|
| 6 | Did the state give written notice to PHMSA within 60 days of all probable violations found?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NMPRC is not an Interstate Agent.

- | | | | |
|----------|---|---|----|
| 7 | Did the state initially submit documentation to support compliance action by PHMSA on probable violations?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

NMPRC is not an Interstate Agent.

- | | | | |
|----------|--|--|-----------|
| 8 | General Comments:
Info Only = No Points | | Info Only |
|----------|--|--|-----------|

Evaluator Notes:

NMPRC is not an Interstate Agent.

Total points scored for this section: 0
Total possible points for this section: 0

PART I - 60106 Agreement State (If Applicable)**Points(MAX) Score**

- | | | | |
|----------|--|---|----|
| 1 | Did the state use the current federal inspection form(s)?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NMPRC does not have a 60106 Certification.

- | | | | |
|----------|--|---|----|
| 2 | Are results documented demonstrating inspection units were reviewed in accordance with state inspection plan?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NMPRC does not have a 60106 Certification.

- | | | | |
|----------|--|---|----|
| 3 | Were any probable violations identified by state referred to PHMSA for compliance?
(NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NMPRC does not have a 60106 Certification.

- | | | | |
|----------|---|---|----|
| 4 | Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

NMPRC does not have a 60106 Certification.

- | | | | |
|----------|--|---|----|
| 5 | Did the state give written notice to PHMSA within 60 days of all probable violations found?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NMPRC does not have a 60106 Certification.

- | | | | |
|----------|--|---|----|
| 6 | Did the state initially submit adequate documentation to support compliance action by PHMSA on probable violations?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

NMPRC does not have a 60106 Certification.

- | | | | |
|----------|--|-----------|-----------|
| 7 | General Comments:
Info Only = No Points | Info Only | Info Only |
|----------|--|-----------|-----------|

Evaluator Notes:

NMPRC does not have a 60106 Certification.

Total points scored for this section: 0
Total possible points for this section: 0