



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

1200 New Jersey Avenue SE
Washington DC 20590

2021 Gas State Program Evaluation

for

PUBLIC UTILITIES COMMISSION NEVADA

Document Legend

PART:

- O -- Representative, Dates and Title Information
- A -- Progress Report and Program Documentation Review
- B -- Program Inspection Procedures
- C -- State Qualifications
- D -- Program Performance
- E -- Field Inspections
- F -- Damage prevention and Annual report analysis
- G -- Interstate Agent/Agreement States



2021 Gas State Program Evaluation -- CY 2021

Gas

State Agency: Nevada

Agency Status:

Date of Visit: 04/15/2022 - 04/16/2022

Agency Representative: Neil Pascual, Sr. Gas Pipeline Engineer

PHMSA Representative: David Lykken, Transportation Specialist, PHMSA-State Programs

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

Name/Title: Stephanie Mullen, Executive Director

Agency: Public Utilities Commission of Nevada

Address: 1150 E. Williams Street

City/State/Zip: Carson City, Nevada 89701-3109

Rating:

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

INSTRUCTIONS:

Complete this evaluation in accordance with the Evaluator Guidance for conducting state pipeline safety program evaluations. The evaluation should generally reflect state program performance during CY 2021 (not the status of performance at the time of the evaluation). 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 appropriate notes/comments section. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and they OBJECTIVELY reflect the state's program performance for the question being evaluated. Increasing emphasis is being placed on how the state pipeline safety programs conduct and execute their pipeline safety responsibilities (their 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 State Qualifications
- D Program Performance
- E Field Inspections
- F Damage prevention and Annual report analysis
- G Interstate Agent/Agreement States

0
15
10
50
15
10
0

0
15
10
50
15
10
0

TOTALS

100 100

State Rating

100.0

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

- 1 Were the following Progress Report Items accurate? (*items not scored on progress report) Info Only Info Only
Info Only = No Points
- a. Stats On Operators Data - Progress Report Attachment 1
 - b. State Inspection Activity Data - Progress Report Attachment 2
 - c. List of Operators Data - Progress Report Attachment 3*
 - d. Incidents/Accidents Data - Progress Report Attachment 4*
 - e. Stats of Compliance Actions Data - Progress Report Attachment 5*
 - f. List of Records Kept Data - Progress Report Attachment 6 *
 - g. Staff and TQ Training Data - Progress Report Attachment 7
 - h. Compliance with Federal Regulations Data - Progress Report Attachment 8
 - i. Performance and Damage Prevention Question Data - Progress Report Attachment 10*

Evaluator Notes:

a. Operator/Inspection Unit totals on Attachment 1 are consistent with the Operator/Inspection Unit totals on Attachment 3. b. No issues. C. No issues. Breakdown of Operators consistent with information found in the PDM. D. No reportable gas incidents in CY2021. Confirmed via the PDM. e & f No issues. g. Information verified through T&Q Blackboard training site. Training for personnel found to be complete and accurate. h. No issues. Automatic adopt of Gas Regulatory Reform amendments on 3/12/21. Full points on PR scoring for CY2021.

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



PART B - Program Inspection Procedures

Points(MAX) Score

- | | | | |
|---|---|---|---|
| 1 | Do written procedures address pre-inspection, inspection and post inspection activities for each of the following inspection types: Chapter 5.1
Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
| | <ul style="list-style-type: none">a. Standard Inspections, which include Drug/Alcohol, CRM and Public Awareness Effectiveness Inspectionsb. TIMP and DIMP Inspections (reviewing largest operator(s) plans annually)c. OQ Inspectionsd. Damage Prevention Inspectionse. On-Site Operator Trainingf. Construction Inspections (annual efforts)g. LNG Inspections | | |

Evaluator Notes:

Rev 7/2022 of PUCNV Policy/Procedures Manual. a - d. Section 8.1 of Procedures Manual: Pre, Insp, & Post inspection activities Pgs 54-63 and Appendices C.1 & C.2. Section 8.2 Pre, Audit, & Post Audit activities Pgs 64-85. OQ - (85-86); PAPEI (86-88); CRM - (88-89); DIMP (89-91); TIMP (91-95); D&A (95-96); Damage Prevention (96-97) & Appendices C.4 & C.5. e - Section 5.4 Pgs 25-30; f - Sections 6.3, 7.5, and 8.1. Also Appendix C.1. g N/A. No jurisdictional LNG facilities.

- | | | | |
|---|---|---|---|
| 2 | Do written procedures address inspection priorities of each operator, and if necessary each unit, based on the following elements and time frames established in its procedures? Chapter 5.1
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| | <ul style="list-style-type: none">a. Length of time since last inspectionb. Operating history of operator/unit and/or location (includes leakage, incident and compliance activities)c. Type of activity being undertaken by operators (i.e. construction)d. Locations of operator's inspection units being inspected - (HCA's, Geographic area, Population Centers, etc.)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)f. Are inspection units broken down appropriately? | | |

Evaluator Notes:

Section 4.7 Operator's Risk Profile and Risk Ranking. Section 8.2 pg 65. LPG, MM, and GT annually. Appendix E: Operator Risk Rankings, Inspection Intervals and Inspection Days for 2017-2022.

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|---|---|---|---|
| 3 | (Compliance Procedures) 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 = 3 No = 0 Needs Improvement = 1-2 | 3 | 3 |
| | <ul style="list-style-type: none">a. Procedures to notify an operator (company officer) when a noncompliance is identifiedb. Procedures to routinely review progress of compliance actions to prevent delays or breakdownsc. Procedures regarding closing outstanding probable violations | | |

Evaluator Notes:

No change. Section 8.2 under Post-Audit Activities pages 74-79 and Post Audit flow chart on page 82. Section 9.0 Gas Code Enforcement Activities. Appendices C.3-A Protocols for Taking Enforcement Action and C.3-B Protocols for Determination of Appropriate Gas Enforcement Action.

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|---|--|---|---|
| 4 | (Incident/Accident Investigations) Does the state have written procedures to address state actions in the event of an incident/accident?
Yes = 3 No = 0 Needs Improvement = 1-2 | 3 | 3 |
|---|--|---|---|

- a. Mechanism to receive, record, and respond to operator reports of incidents, including after-hours reports
- b. If onsite investigation was not made, do procedures require on-call staff to obtain sufficient information to determine the facts to support the decision not to go on-site.

Evaluator Notes:

No changes. Section 12.0 Incident Outage Reporting and Incident Investigation Pages 111-127. Appendices C.7 Protocol for Internal PUCN Notification of Incident/Outage Events and C.8 On-Site Incident Investigation Protocols.

5 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

No point deductions under Part B.

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



PART C - State Qualifications

Points(MAX) Score

- | | | | |
|---|---|---|---|
| 1 | Has each inspector and program manager fulfilled training requirements? (See Guidelines Appendix C for requirements) Chapter 4.3
Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
| | <ul style="list-style-type: none">a. Completion of Required OQ Training before conducting inspection as leadb. Completion of Required DIMP/IMP Training before conducting inspection as leadc. Completion of Required LNG Training before conducting inspection as leadd. Root Cause Training by at least one inspector/program managere. Note any outside training completedf. Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector (Reference State Guidelines Section 4.3.1) | | |

Evaluator Notes:

Yes. Inspection personnel who conducted inspections as Lead in CY2021 have completed all required training. All inspectors have completed Root Cause training as of May 2021 There are currently no jurisdictional LNG facilities in NV.

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|---|--|---|---|
| 2 | Did state records and discussions with state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations?
Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
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Evaluator Notes:

Yes. Neil Pascual, Senior Gas Pipeline Engineer who manages the day to day operations has been with the program since 2012. Neil displays a good working knowledge of PHMSA programs, processes, and pipeline safety regulations.

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| 3 | General Comments:
Info Only = No Points | Info Only | Info Only |
|---|--|-----------|-----------|

Evaluator Notes:

No issues. No point deductions under Part C.

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



PART D - Program Performance

Points(MAX) Score

- | | | | |
|---|--|---|---|
| 1 | Did state inspect all types of operators and inspection units in accordance with time intervals established in written procedures? Chapter 5.1
Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
| | a. Standard (General Code Compliance)
b. Public Awareness Effectiveness Reviews
c. Drug and Alcohol
d. Control Room Management
e. Part 193 LNG Inspections
f. Construction (did state achieve 20% of total inspection person-days?)
g. OQ (see Question 3 for additional requirements)
h. IMP/DIMP (see Question 4 for additional requirements) | | |

Evaluator Notes:

Yes. No issues noted. All inspection types completed within established timeframes. The program's DT&C days (256.25) were 60.43% of SICT total estimated inspection person-days (424). Total actual days were 572.5.

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|---|---|----|----|
| 2 | 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. Do inspection records indicate that adequate reviews of procedures, records and field activities, including notes and the appropriate level of inspection person-days for each inspection, were performed?
Yes = 10 No = 0 Needs Improvement = 1-9 | 10 | 10 |
| | a. Standard (General Code Compliance)
b. Public Awareness Effectiveness Reviews
c. Drug and Alcohol
d. Control Room Management
e. Part 193 LNG Inspections
f. Construction
g. OQ (see Question 3 for additional requirements)
h. IMP/DIMP (see Question 4 for additional requirements) | | |

Evaluator Notes:

No changes from prior year. IA equivalent forms used for Standard Inspections, OQ Program & Field, DIMP and TIMP Programs, Public Awareness, D&A, and CRM inspections. PUCNV forms used for D,T&C, LPG, DP, Annual Report reviews, and small O&M activity inspections which then supplement completion of Standard Forms 1 & 2.

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|---|--|---|---|
| 3 | Is state verifying monitoring (Protocol 9/Form15) of operators OQ programs? This should include verification of any plan updates and that persons performing covered tasks (including contractors) are properly qualified and requalified at intervals established in the operator's plan. 49 CFR 192 Part N
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Yes. The program devoted 20.25 days to OQ plan and field verification inspections. Two OQ written plan reviews and 47 Protocol 9 inspections completed in CY2021.

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|---|--|---|---|
| 4 | Is state verifying operator's integrity management Programs (IMP and DIMP)? This should include a review of plans, along with monitoring progress. In addition, the review should take in to account program review and updates of operator's plan(s). 49 CFR 192 Subparts O and P
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

- a. Are the implementation plans of the state's large/largest operators(s) being reviewed annually to ensure they are completing full cycle of the IMP process?
- b. Are states verifying with operators any plastic pipe and components that have shown a record of defects/leaks and mitigating those through DIMP plan?
- c. Are the states verifying operators are including low pressure distribution systems in their threat analysis?

Evaluator Notes:

Yes. 42.00 days devoted to IM activities in CY2021.

5	Did the state review the following (these items are NTSB recommendations to PHMSA that have been deemed acceptable response based on PHMSA reviewing these items during the evaluation process): Chapter 5.1 Yes = 2 No = 0 Needs Improvement = 1	2	2
	<ol style="list-style-type: none"> a. Operator procedures for determining if exposed cast iron pipe was examined for evidence of graphitization and if necessary remedial action was taken; b. 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); c. 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; d. 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; e. 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; f. Operator procedures for considering low pressure distribution systems in threat analysis? g. Operator compliance with state and federal regulations for regulators located inside buildings? 		

Evaluator Notes:

a thru e: Special question set developed by PUCNV staff utilized. Typically performed during standard procedure audits. No cast iron or unprotected bare steel in NV. F: No known low pressure systems in NV. G: The program has sent correspondence to applicable operators regarding inside meter set installations. Topic covered during 2021 operator seminar. Reviewed staff presentation. The two LDC's in NV no longer allow indoor Mtr and Pressure Reg sets.

6	Did the State verify Operators took appropriate action regarding advisory bulletins issued since the last evaluation? (Advisory Bulletins Current Year) Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:

Advisory bulletins typically covered during operator pipeline seminars and via correspondence. No advisory bulletins were issued by PHMSA in CY2021.

7	(Compliance Activities) 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? Chapter 5.1 Yes = 10 No = 0 Needs Improvement = 1-9	10	10
	<ol style="list-style-type: none"> a. Were compliance actions sent to company officer or manager/board member if municipal/government system? b. Were probable violations documented properly? c. Resolve probable violations d. Routinely review progress of probable violations e. Did state issue compliance actions for all probable violations discovered? 		

- f. Can state demonstrate fining authority for pipeline safety violations?
- g. Does Program Manager review, approve and monitor all compliance actions? (note: Program Manager or Senior Official should sign any NOPV or related enforcement action)
- h. Did state compliance actions give reasonable due process to all parties? Including "show cause" hearing, if necessary.
- i. Within 30 days, conduct a post-inspection briefing with the owner or operator outlining any concerns
- j. Within 90 days, to the extent practicable, provide the owner or operator with written preliminary findings of the inspection. (Incident investigations do not need to meet 30/90-day requirement)

Evaluator Notes:

a. Yes, Letters sent to appropriate company officials. b thru e. Yes. The program maintains a Operator PV Log to track violations, AOC's, compliance actions, and final resolutions. No issues identified. f. Fines assessed \$30,500. Collected \$30,500. g & h. Yes. No issues identified. i. Exit interviews typically conducted at the close of inspections. J. No compliance action correspondence exceeded the 90 day requirement in CY2021.

8	(Incident Investigations) Were all federally reportable incidents investigated, thoroughly documented, with conclusions and recommendations?	10	10
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Yes = 10 No = 0 Needs Improvement = 1-9

- a. Does state have adequate mechanism to receive and respond to operator reports of incidents, including after-hours reports?
- b. Did state keep adequate records of Incident/Accident notifications received?
- c. If onsite investigation was not made, did the state obtain sufficient information from the operator and/or by means to determine the facts to support the decision not to go on site?
- d. Were onsite observations documented?
- e. Were contributing factors documented?
- f. Were recommendations to prevent recurrences, where appropriate, documented?
- g. Did state initiate compliance action for any violations found during any incident/accident investigation?
- h. Did 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?
- i. Does state share any lessons learned from incidents/accidents?

Evaluator Notes:

No reportable incidents in CY2021. Confirmed in PDM. The PUCNV provides operators with a External Emergency Contact phone list. d thru i. Yes, when incidents have been investigated in past calendar years.

9	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	1	1
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Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. Evaluation results letter out 10/22/2021. No response required but response received on 11/2/2021 highlighting "official interactions" between PUCNV staff and PHMSA State Programs in CY2021. Also noting adoption of new state rules requiring annual leak surveys of all natural gas and liquid propane pipelines regardless of location, vintage, and pipe type.

10	Did State conduct or participate in pipeline safety training session or seminar in Past 3 Years? Chapter 8.5	Info Only	Info Only
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Info Only = No Points

Evaluator Notes:

Yes. The PUCNV tracks operator annual submissions. Reviewed CY2021 tracker results.

11	Has state confirmed transmission operators have submitted information into NPMS database along with changes made after original submission? Info Only = No Points	Info Only	Info Only
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Evaluator Notes:

Yes. The PUCN tracks operator annual submissions. Reviewed CY2021 tracker results.

12	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). Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:

No changes. Yes via the PUCN's website provides information PHMSA State performance metrics, and the NPMS. Access to the agency's Active Docket web page for accessing Inspection summary and NOPV letters, Civil Penalties, incident investigations, and both Intra and Interstate (FERC) gas transmission pipeline permitting, and Damage Prevention/One-Call information.

13	Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.7 Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:

No SRCR's submitted and assigned to the program in CY2021. Confirmed in WMS.

14	Was the State responsive to: Yes = 1 No = 0 Needs Improvement = .5 a. Surveys or information requests from NAPSAR or PHMSA; and b. PHMSA Work Management system tasks?	1	1
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Evaluator Notes:

Yes. The program responded to all survey requests form NAPSAR and individual state surveys. No Operator IM notifications or WMS system tasks assigned to the program. Confirmed in the WMS.

15	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. Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:

None new issued in CY2021. None currently open. Verified on PHMSA web site.

16	Were pipeline program files well-organized and accessible? Info Only = No Points	Info Only	Info Only
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Evaluator Notes:

Yes. Information provided through flash drive and via email exchange.

17	Discussion with State on accuracy of inspection day information submitted into State Inspection Day Calculation Tool (SICT). Has the state updated SICT data? Yes = 3 No = 0 Needs Improvement = 1-2	3	3
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Evaluator Notes:

Tool updated annually. SICT minimum estimated at 424 days. Actual for CY2021 was 572.500. DT&C inspections 44.75% of SICT minimum total days.

- 18** Discussion on State Program Performance Metrics found on Stakeholder Communication Info Only Info Only
site.\ <http://primis.phmsa.dot.gov/comm/states.htm?nocache=4805>
Info Only = No Points

Evaluator Notes:

The metrics show above average performance in all areas. Excavation damages per 1000 tickets continues to trend down since 2014 averaging approximately 2.0 damages in 2019/20. For 2021 the average has dropped once again to approximately 1.9. The nation average being 2.38. Inspector qualification percentages well above average in all categories. % Core Training and 5-Year Retention at 100%. Total leaks/hazardous leaks eliminated/repaired continue trending downward in 2021. Trending downward since 2016, the program's continues to promote the repairing of leaks when identified as opposed to carrying over.

- 19** Did the state encourage and promote operator implementation of Pipeline Safety Management Systems (PSMS), or API RP 1173? This holistic approach to improving pipeline safety includes the identification, prevention and remediation of safety hazards. Info Only Info Only
Info Only = No Points

- a. <https://pipelinesms.org/>
- b. Reference AGA recommendation to members May 20, 2019

Evaluator Notes:

Yes, this topic last covered at their 2021 operator seminar. As noted prior, Southwest (SWG) is part of the AGA test group. PUCNV staff has met with SWG several times in the past to discuss their implementation progress, most recently on 12-8-2021. Staff is currently working through an enforcement/compliance action with NV Energy regarding having the Commission Order them to implement SMS.

- 20** General Comments: Info Only Info Only
Info Only = No Points

Evaluator Notes:

No issues identified. No point deductions under Part D.

Total points scored for this section: 50
Total possible points for this section: 50



PART E - Field Inspections

Points(MAX) Score

- 1 Operator, Inspector, Location, Date and PHMSA Representative (enter specifics into the comments box below) Info Only Info Only

Info Only = No Points

- What type of inspection(s) did the state inspector conduct during the field portion of the state evaluation? (i.e. Standard, Construction, IMP, etc)
- When was the unit inspected last?
- Was pipeline operator or representative present during inspection?
- Effort should be made to observe newest state inspector with least experience

Evaluator Notes:

- A Drug & Alcohol, and PAPEI Effectiveness inspection and field facility check of NV Energy's Sparks Regulator Station and Spanish Springs Meter Station on 2/15-16/2022.
- Last D&A and PAPEI conducted 10/5-6/2020.
- Yes, the operator was present.
- Mike Evans has been with the pipeline program since 2015.

- 2 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. The program utilized the PHMSA IA Equivalent forms for conducting the PAPEI & D&A inspections. The program utilized a separate customized form for conducting Regulator Station Maintenance, Valve Maintenance Inspection, Rectifier Inspections, Annual Main CP (Test Station Reads), and Construction.

- 3 Did the inspector adequately review the following during the inspection 10 10

Yes = 10 No = 0 Needs Improvement = 1-9

- Procedures (were the inspector's questions of the operator adequate to determine compliance?)
- Records (did the inspector adequately review trends and ask in-depth questions?)
- Field Activities/Facilities (did inspector ensure that procedures were being followed, including ensuring that properly calibrated equipment was used and OQ's were acceptable?)
- Other (please comment)
- Was the inspection of adequate length to properly perform the inspection?

Evaluator Notes:

No issues. Mr. Evans utilized the IA equivalent form for conducting the PAPEI and D&A Form 4.1 for conducting this inspection. Much of the procedures review was conducted prior to meeting with the operator. The records review was thorough. The standard field facilities check included inspection of the Sparks gas pressure regulating station and Spanish Springs Meter Station including station valves, CP rectifiers, CP test stations, signage, operator qualification, and instrument calibration. The inspection was of adequate length to determine compliance.

- 4 From your observation did the inspector have adequate knowledge of the pipeline safety program and regulations? (Evaluator will document reasons if unacceptable) 2 2

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, Mr. Evans demonstrated adequate knowledge. Mike Evans has been with the pipeline program since 2015.

- 5 Did the inspector conduct an exit interview, including identifying probable violations? (If inspection is not totally completed the interview should be based on areas covered during time of field evaluation) 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

NV Energy's Sparks Reg Station and TransCanada/NV Energy Spanish Springs Tap Site. Some NV Energy flanges/filter lids where the bolts were flush and did not have the required 1 to 2 threads extending out. Flange bolt installs do not appear to be

in compliance with 49 CFR 192.7(c)(2) ASME/ANSI B16.5-2003 which requires full thread engagement and that does not include the bolt point or chamfered end of the bolt (thus the need for 1 to 2 threads showing). Identified concerns discussed with the operator at the end of the inspection. Written notice of the two probable violations identified during the facility inspection was emailed to the operator on 3/2/2022. A formal exit interview related to the PAPEI and D&A inspection was conducted on 3/28/2022. The compliance letter sent on 4/6/2022 indicating 1 PV, and 2 "Issues" of Concern.

6 Was inspection performed in a safe, positive, and constructive manner ? Info Only Info Only

Info Only = No Points

- a. No unsafe acts should be performed during inspection by the state inspector
- b. What did the inspector observe in the field? (Narrative description of field observations and how inspector performed)
- c. Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices)
- d. Other

Evaluator Notes:

No unsafe acts were observed. Mr. Evans conducted himself in a courteous and professional manner.

7 General Comments: Info Only Info Only

Info Only = No Points

Evaluator Notes:

No issues. No point deductions under Part E.

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



PART F - Damage prevention and Annual report analysis**Points(MAX) Score**

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

Evaluator Notes:

No changes from prior years. Operator Annual Report submittals are reviewed each year by inspection staff. Results are documented the applicable GD or GT inspection checklist and also entered into the programs Standard Special Audit Tracker spreadsheet. Staff trends data for the two largest LDC'S. For operator 30-day incident reports it is the program's policy to review the draft incident report with the operator prior to official submittal to PHMSA to ensure accuracy and completeness.

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|---|--|---|---|
| 2 | Has the state verified that the operators analyze excavation damages for the purpose of determining root causes and minimizing the possibility of a recurrence? (192.617)
Has the state verified that the operators have appropriately identified excavators who have repeatedly violated one-call laws and damaged their facilities. Have the operators taken steps to mitigate that risks? (192.1007)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Same as prior years. Both large LDCs Southwest Gas and NV Energy provide PUCNV staff with emails of all excavation damages so that inspection staff can investigate those damages for compliance with the Nevada One-Call Law.

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|---|--|---|---|
| 3 | Has the state reviewed the operator's annual report pertaining to Part D - Excavation Damage?
Yes = 4 No = 0 Needs Improvement = 1-3 <ol style="list-style-type: none">a. Is the information complete and accurate with root cause numbers?b. Has the state evaluated the causes for the damages listed under "One-Call Notification Practices Not Sufficient" (Part D.1.a.)?c. Has the state evaluated the causes for the damages listed under "Locating Practices Not Sufficient" (Part D.1.b.)? For each operator, does the state review the following?d. Is the operator or its locating contractor(s) qualified and following written procedures for locating and marking facilities?e. Is the operator appropriately requalifying locators to address performance deficiencies?f. What is the number of damages resulting from mismarks?g. What is the number of damages resulting from not locating within time requirements (no-shows)?h. Is the operator appropriately addressing discovered mapping errors resulting in excavation damages?i. Are mapping corrections timely and according to written procedures?j. Has the state evaluated the causes for the damages listed under "Excavation Practices Not Sufficient" (Part D.1.c.)? | 4 | 4 |
|---|--|---|---|

Evaluator Notes:

Yes to all. No change. Excavation damage report data is reviewed with the two large LDC's to ensure accuracy prior to submittal to PHMSA. Review sessions include review of items a thru j. Causal information is often corrected at that time. NVE and SWG annual report data is collected by the PUCN. Discussed with the program CY2021 results regarding cause codes reported. The state's 2nd largest operator reported 42% on One-call notification practices not sufficient. The national average being 35%. The two largest operators having higher than average percentages under the 'Other' category at 6% and 5% respectively with the national average being 2%. The program will have discussions with operators to understand what corrective measures will be implemented to improve in these areas.

- | | | | |
|---|---|---|---|
| 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?
Yes = 2 No = 0 Needs Improvement = 1 <ol style="list-style-type: none">a. What stakeholder group is causing the highest number of damages to the pipelines? Operator, contractor, locating company or public.b. Has the state verified the operator is appropriately focusing damage prevention education and training to stakeholders causing the most damages? | 2 | 2 |
|---|---|---|---|

- c. Has the state evaluated which of the following best describes the reason for the excavation damages; i.e., operator or contractor not following written procedures, failure to maintain marks, failure to support exposed facilities, failure to use hand tools were required, failure to test-hole (pot hole), improper backfilling practices, failure to maintain clearance or insufficient excavation practices.
- d. Has the state verified the operator is appropriately focusing damage prevention education and training to address the causes of excavation damages?

Evaluator Notes:

Yes to a thru d as described under questions F-1 thru F-3. PUCNV "staff meets either quarterly or semi-annually, with both large LDCs, and during those meetings the operator's actions regarding public/stakeholder outreach is reviewed.

Both LDCs perform NRCGA safe excavator training as part of the NRCGA training, in 2021 in-person training ramped back up as COVID-19 concerns subsided. Staff always discusses and is aware of the excavation events (811 Day) and safe digging month events the two large LDCs put on and PSP Staff usually attend these events.

As part of operator enforcement actions staff often requires the operator to spend funds on public outreach, including damage prevention in lieu of paying a larger fine. That occurred with the first Civil Penalty staff is reporting in Attachment 5 of the 2021 Nevada Progress Report, Staff and Southwest Gas reached a settlement agreement and filed a Stipulation outlining a \$20,000 civil penalty for the non-compliance and a requirement that Southwest Gas make a \$10,000 contribution to the Nevada Regional Common Ground Alliance in order to help sponsor 811 public awareness events.

5 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

No issues. No point deductions under Part F.

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



PART G - Interstate Agent/Agreement States

Points(MAX) Score

- 1 Were all inspections of interstate pipelines conducted using the Inspection Assistant program for documenting inspections? Info Only Info Only
Info Only = No Points

Evaluator Notes:

Is not an interstate agent or have a 60103 agreement.

- 2 If inspections were conducted independent of a PHMSA team inspection was notice of all identified probable violations provided to PHMSA within 60 days? Info Only Info Only
Info Only = No Points

Evaluator Notes:

Is not an interstate agent or have a 60103 agreement.

- 3 If inspections were conducted independent of a PHMSA team inspection was PHMSA immediately notified of conditions which may pose an immediate safety hazard to the public or environment? Info Only Info Only
Info Only = No Points

Evaluator Notes:

Is not an interstate agent or have a 60103 agreement.

- 4 If inspections were conducted independent of a PHMSA team inspection did the state coordinate with PHMSA if inspections not were not included in the PHMSA Inspection Work Plan? Info Only Info Only
Info Only = No Points

Evaluator Notes:

Is not an interstate agent or have a 60103 agreement.

- 5 Did the state take direction from and cooperate with PHMSA for all incident investigations conducted on interstate pipelines? Info Only Info Only
Info Only = No Points

Evaluator Notes:

Is not an interstate agent or have a 60103 agreement.

- 6 General Comments: Info Only Info Only
Info Only = No Points

Evaluator Notes:

Is not an interstate agent or have a 60103 agreement.

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