



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

1200 New Jersey Avenue SE
Washington DC 20590

2022 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



2022 Gas State Program Evaluation -- CY 2022

Gas

State Agency: Nevada

Agency Status:

Date of Visit: 05/09/2023 - 05/11/2023

Agency Representative: Neil Pascual, Program Manager - PUCNV

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. William 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 2022 (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. Breakdown of Operators consistent with information found in the PDM. D. One reportable gas incident in CY2022. 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. One new inspector added in CY2022. h. No issues. Automatic adoption of Gas Regulatory Reform amendments effective on 10/5/2022 and amendments to Gas Gathering rules effective on 5/16/22. Full points on PR scoring for CY2022.

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 4/2023 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. Flow charts for each activity posted on pgs. 80-82. 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. Section 114 inspections Section 8.2 page 96.

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|---|---|---|---|
| 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:

Inspection intervals not to exceed 5-calendar years (pgs.65-66). Discussed with the program that this should be the exception and not the rule. All inspection types typically completed on a three-to-four-year cycle. Section 4.7 Operator's Risk Profile and Risk Ranking. Section 4.7 pgs. 20-22. LPG, MM, and GT annually. Appendix E: Operator Risk Rankings.

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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:

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, Section 10 One-Call Law/Code Compliance, and Section 11 One-Call Law/Code Compliance. 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:

Section 12.0 Incident Outage Reporting and Incident Investigation Pages 112-128. 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:

a-c: Yes. Inspection personnel who conducted inspections as the Lead in CY2022 have completed all required training. d: Five inspectors have completed the Root Cause training. e: no outside training in CY2022. There are currently no jurisdictional LNG facilities in NV.

- | | | | |
|---|--|---|---|
| 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, Program Manager has been with the program since 2012. Neil displays a good working knowledge of PHMSA programs, processes, and pipeline safety regulations. Neil regularly attends and participates in NAPSRS regional and national meetings, quarterly western region PHMSA/NAPSRS calls, and attends the annual new program manager orientation session conducted during the NAPSRS national meeting. Neil is also the NAPSRS government representative on the Plastic Pipe Database Committee.

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

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|----------|--|---|---|
| 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 <ul style="list-style-type: none">a. Standard (General Code Compliance)b. Public Awareness Effectiveness Reviewsc. Drug and Alcohold. Control Room Managemente. Part 193 LNG Inspectionsf. 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) | 5 | 5 |
|----------|--|---|---|

Evaluator Notes:

Yes. No issues noted. All inspection types completed within established timeframes. The program's DT&C days (284.75) were 68.12% of SICT total estimated inspection person-days (418). Total actual days were 573.50. The program utilizes a "Standard-Special Audit-Tracking Sheet internally to monitor inspection intervals.

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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 <ul style="list-style-type: none">a. Standard (General Code Compliance)b. Public Awareness Effectiveness Reviewsc. Drug and Alcohold. Control Room Managemente. Part 193 LNG Inspectionsf. Constructiong. OQ (see Question 3 for additional requirements)h. IMP/DIMP (see Question 4 for additional requirements) | 10 | 10 |
|----------|--|----|----|

Evaluator Notes:

Yes. 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 DT&C, LPG, DP, Annual Report reviews, and small O&M activity inspections which then supplement completion of Standard Forms 1 & 2. Program inspection staff provide detailed written inspection reports and include supporting narratives for all satisfactory results. The program makes good use of photos and other operator documents in completed inspection forms to support unsats and concerns noted.

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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. 34 days devoted to operator qualification inspections involving reviews of written plans and field verification. In CY2022 identified during one DT&C inspection observed two unqualified laborers conducting electrofusion & saddle fusion installations. Program staff is recommending civil penalties as part of complaint filed with the Commission.

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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. 32.00 days devoted to IM activities in CY2022. Full Transmission IMP inspections conducted in CY2022 involving the two large LDC's including field verification activities. An annual review of IMP plan updates is also performed. All IMP inspections are tracked using the programs "Standard-Special-Audit-Tracking-Sheet".

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. All topics covered during 2021 operator seminar. Reviewed staff presentation. In CY2022 the program identified one LDC did in fact have a small number of inside sets at one location.

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. One advisory bulletin issued by PHMSA in CY2022 regarding potential damage to pipelines caused by land movement and other ground subsidence issues. Reviewed PUCNV program email sent on 5/26/2022 to operators regarding this notice.

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:

Yes, Letters sent to appropriate company officials. b thru e. Yes. The program maintains an Operator PV Log to track violations, AOC's, compliance actions, and final resolutions. No issues identified. f. two civil penalties assessed and collected in CY2022 totaling \$23,000. 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 CY2022.

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:

One reportable incident in CY2022. Confirmed in PDM. The PUCNV provides operators with an External Emergency Contact phone list. d thru i. Yes, when incidents have been investigated in past calendar years. The program issued a detailed investigation report involving the one reportable incident in CY2022. Investigation remains open. No probable violations or concerns identified at this time.

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 9/16/2022. No response required but response received on 9/29/2022 highlighting "official interactions" between PUCNV staff and PHMSA State Programs in CY2022.

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:

Last operator seminar conducted virtually back in April 2021. Three of the program's largest operators attended the western region meeting hosted by the PUCNV program in 2022.

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

Evaluator Notes:

Yes. The program tracks operator annual submissions. Operators provide copies NPMS verification notices affirming submissions.

- 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). 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. No change. 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. Information posted to the web site is updated regularly.

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

Evaluator Notes:

No open SRCR's or reported in CY2022. Reminded the program of the 10-day and 30-day update requirement as outlined in the PHMSA "SRCR's in WMS" policy.

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

Evaluator Notes:

The program responded to 11 of 16 survey's sent out in CY2022. 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. 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

None issued in CY2022. Four previously issued but have since been rescinded or closed.

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

Evaluator Notes:

Yes. Information was made readily available. Documentation was detailed in nature. No issues.

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

Evaluator Notes:

Tool updated annually. SICT minimum estimated at 418 days. Actual for CY2022 was 573.50. DT&C inspections 68.12% of SICT minimum total days.

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

Evaluator Notes:

The metrics show above average performance in all areas. Excavation damages per 1000 tickets continues to trend down now averaging approximately 1.6 damages in 2022. The national average being 2.55. Inspector qualification percentages well above average in all categories. % Core Training and 5-Year Retention again at 100% in 2022. Total leaks/hazardous leaks eliminated/repaired continue trending downward in 2022. Trending downward since 2016, the program continues to promote the repairing of leaks when identified as opposed to carrying over. One operator continues to replace ALDYL-A plastic pipe remaining in system. Approximately 3 years remaining on this replacement program.

- 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. A Commission Order issued under Docket No. 22-12018 requires an operator to perform a gap analysis between its current safety program and SMS and after consultation with the PUCNV decisions to be made on whether SMS implementation should occur.

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

Evaluator Notes:

No issues. 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 Info Only Info Only comments box below)

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 standard gas facilities inspection of Southwest Gas Northern Nevada Division - Town of Lovelock service area. Portions last inspected in 2022. The operator was present. PUCNV inspector Carson Alexander started with the pipeline program approximately one year ago. Carson is close to completing the T&Q Gas Core learning path.

- 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:

Carson utilized the IA Equivalent PHMSA Form 2 -Baseline Field Inspection Checklist Rev. 2022-07. He also utilized separate PUCNV customized forms for conducting regulator station maintenance, odorant testing, and pipeline ROW checks.

- 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:

Yes, copies of the operator's procedures were on hand during this inspection. Employees were asked to described tasks as performed and Carson was not shy about asking questions since this was only his third time observing reg station maintenance activities being performed. Copies of the last two regulator station maintenance checks performed were requested. Carson checked calibration dates for required equipment used by the operator and validated OQ qualifications for employees conducting regulator station maintenance, odorant testing, and pipeline ROW covered tasks. The inspection was of adequate length to view the tasks performed.

- 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:

Having been with the safety program for only one year, Carson demonstrated a level of knowledge consummate with his limited time with the program. Carson is a quick study and has demonstrated that he will be an asset to the program.

- 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:

The inspector is awaiting some additional documentation prior to closing out this inspection. There were no unsatisfactory findings or areas of concern identified at this time.

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. There were no noteworthy observations. Being relatively new and with no prior pipeline experience, Carson asked the necessary questions of operator technicians to better understand the tasks being performed and to gain a better understanding in how gas distribution systems operate. Mr. Alexander conducted himself in a courteous and professional manner.

7 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

No point deductions under Part E. No issues identified.

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



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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:

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. In 2022, staff's review resulted in some operators having to make supplemental submittals to correct information originally provided.

Incident/Accident reports, staff holds meetings with each operator when incidents do occur to go over 30-day reports before being submitted to PHMSA for completeness and accuracy. For 2022 only one incident reported and reviewed with operator prior to submittal. In this instance the review identified corrections needed and clarifications made prior to formal submittal.

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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:

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. Examples provided. In addition, the operators provide staff with quarterly spreadsheets of all excavation damages (including cause). These spreadsheets identify and track repeat offenders and are discussed at the quarterly meetings. I was able to observe one of these quarterly meetings during this program evaluation.

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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 |
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Evaluator Notes:

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 CY2022 results regarding cause codes reported. The state's largest operator reported 51% on One-call notification practices not sufficient. The national average being 43%.

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?	2	2
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Yes = 2 No = 0 Needs Improvement = 1

- 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?
- 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:

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. 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. NV's damages per 1000 locate requests now at 1.6 continuing its trend downward.

5 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

No point deduction 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:

NV PUC is not an interstate agent and does not have a 60106 agreement with PHMSA.

- 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:

NV PUC is not an interstate agent and does not have a 60106 agreement with PHMSA.

- 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:

NV PUC is not an interstate agent and does not have a 60106 agreement with PHMSA.

- 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:

NV PUC is not an interstate agent and does not have a 60106 agreement with PHMSA.

- 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:

NV PUC is not an interstate agent and does not have a 60106 agreement with PHMSA.

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

Evaluator Notes:

NV PUC is not an interstate agent and does not have a 60106 agreement with PHMSA.

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