



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

1200 New Jersey Avenue SE
Washington DC 20590

2017 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)



2017 Gas State Program Evaluation -- CY 2017

Gas

State Agency: New Mexico

Agency Status:

Date of Visit: 06/11/2018 - 08/31/2018

Agency Representative: Mr. Jason Montoya
Pipeline Safety Bureau Chief

PHMSA Representative: Clint Stephens
State Evaluator

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

Name/Title: Mr. Sandy Jones, Chairman
Agency: New Mexico Public Regulation Commission
Address: 1120 Paseo de Peralta, 4th Floor
City/State/Zip: Sante Fe, New Mexico 87504-1269

Rating:

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

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 2017 (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.

Field Inspection (PART G):

The field inspection form used will allow different areas of emphasis to be considered for each question. Question 13 is provided for scoring field observation areas. In completing PART G, the PHMSA representative should include a written summary which thoroughly documents the inspection.

Scoring Summary

PARTS

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)

Possible Points Points Scored

10 10
13 13
49 49
15 13
11 11
8 8
12 12
0 0
0 0

TOTALS

118 116

State Rating **98.3**

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 |
|----------|---|---|---|

Evaluator Notes:

The accuracy of operator/inspection units matches with information from office records. There were no issues.

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

Evaluator Notes:

The accuracy of inspection days matches with information from office records. Recommend the PSB perform construction inspections. There have not been any construction inspections recorded since 2013. There were no issues.

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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 |
|----------|--|---|---|

Evaluator Notes:

Accuracy of data in Attachment 3 correlates with information from office records and data in Attachment 1 of Progress Report. There were no issues.

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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 |
|----------|--|---|---|

Evaluator Notes:

All reportable incidents documented in Progress Reports were verified in PDM. There were no issues.

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

Evaluator Notes:

Accuracy of data in Attachment 5 of Progress Report seems adequate based on review of information stored in H:Drive of State Program database. Attachment 5, the PSB states that the high number of carry-over is due to problem retaining qualified inspectors. The number of carry-overs has decreased from 331 to 253. However, records indicate there are still open probable violations from CY2010, CY2012, CY2013, CY2014, CY2015, and CY2016. The PSB needs to continue to monitor the progress of closing out probable violations from previous year inspections. There were no issues.

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

Evaluator Notes:

Yes. Pipeline program files are stored in the PSB H:Drive, well organized and accessible to all pipeline staff. There were no issues.

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

Evaluator Notes:

Isaac Lerma %Time gas 88 + %Time HL 13 = 101. Check with Rex to verify no issue with staff having more than 100% time spent in Gas and HL program. Employee listing and completed training is accurate and complete.

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

Evaluator Notes:

There were no issues with adopting rules and amendments in Attachment 8 of Progress Report.

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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 |
|----------|--|---|---|

Evaluator Notes:

Attachment 10 of Progress Report outlined in detail the planned performance of the PSB. Pointing out the damage prevention program and bringing more operators into compliance.

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

Evaluator Notes:

- Attachment 5, the PSB states that the high number of carry-over is due to problem retaining qualified inspectors. The number of carry-overs has decreased from 331 to 253. However, records indicate there are still open probable violations from CY2010, CY2012, CY2013, CY2014, CY2015, and CY2016. The PSB needs to continue to monitor the progress of closing out probable violations from previous year inspections.
 - Recommend the PSB perform construction inspections. Records indicate last construction inspection was performed in 2013.
-

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



PART B - Program Inspection Procedures

Points(MAX) Score

- | | | | |
|---|--|---|---|
| 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 |
|---|--|---|---|

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes. The process is outlined in the New Mexico Pipeline Safety Program Standard Operating Procedures, Section 1, subsections V thru VIII and Section 3.

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

Yes. The process is outlined in the New Mexico Pipeline Safety Program Standard Operating Procedures, Section 1, subsections V thru VIII and Section 3.

- | | | | |
|---|--|---|---|
| 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 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. The process is outlined in the New Mexico Pipeline Safety Program Standard Operating Procedures, Section 1, subsections V thru VIII and Section 3.

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

Yes. The process is outlined in the New Mexico Pipeline Safety Program Standard Operating Procedures, Section 1, subsections V thru VIII and Section 3.

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

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. The process is outlined in the New Mexico Pipeline Safety Program Standard Operating Procedures, Section 3, subsection IV.

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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:

Yes. The process is outlined in the New Mexico Pipeline Safety Program Standard Operating Procedures, Section 1, subsections V thru VIII and Section 3.

- | | | | |
|---|---|---|---|
| 7 | Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements? | 6 | 6 |
|---|---|---|---|

Yes = 6 No = 0 Needs Improvement = 1-5

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

Yes. The process is outlined in Section 1, subsections V and VII of the New Mexico Pipeline Safety Program Standard Operating Procedures.

8 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

There were no issues identified in Part B of Program Evaluation.

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 5
Yes = 5 No = 0
- A. Total Inspection Person Days (Attachment 2):
463.00
- B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 3.80 = 835.63
- Ratio: A / B
463.00 / 835.63 = 0.55
- If Ratio \geq 0.38 Then Points = 5, If Ratio $<$ 0.38 Then Points = 0
Points = 5

Evaluator Notes:

Yes

Ratio = A/B

A = 463

B = 220 x 3.8

Ratio = 463/220 x 3.8 = 463/836 = .55 \geq .38

- 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 <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. Completion of Required DIMP*/IMP Training before conducting inspection as lead? *Effective Evaluation CY2013 | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. Root Cause Training by at least one inspector/program manager | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. Note any outside training completed | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| e. Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector. | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

Jason Montoya, Isaac Lerma, David De Paola, and Loretta Cuthrell have completed all core courses and are qualified to lead all inspection types.

There was no outside training completed in 2017.

The following inspectors have completed core course:

- Antonio Archuleta failed the 1250 Course on 5/11/18;
- Jon Harrison has completed one core course on 5/11/18;
- Jerry Nunez has completed two core courses as of 8/3/17;
- Bob Edwards has completed two core courses as of 6/16/17; and
- Philip Vigil has completed two core courses as of 7/21/17.

David De Paola left program August 4, 2017; Bob Edwards left program June 21, 2017; and Philp Virgil left program July 28, 2017.

- 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. Jason Montoya has over eight years' pipeline safety program manager experience and is a licensed engineer.

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- | | | | |
|----------|--|---|---|
| 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
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|
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Evaluator Notes:

Yes. Chair letter was sent on October 10, 2017; and response was received on December 7, 2017.

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

Yes. The last training seminar was conducted in 2016 and scheduled for September 2018.

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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
Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
|----------|--|---|---|
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Evaluator Notes:

Yes. Upon review of seven different types of inspection reports the state met time intervals established in written procedures.

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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
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|
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Evaluator Notes:

Yes. The PSB utilizes the federal inspection form with added addendums to keep checklist current. All applicable portions of inspection form were completed.

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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
Yes = 1 No = 0 | 1 | 1 |
|----------|---|---|---|
-

Evaluator Notes:

Yes. This question is included in the Federal inspection form used by the PSB. However, there is no cast iron pipe in the gas system of jurisdictional operators. There were no issues.

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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
Yes = 1 No = 0 | 1 | 1 |
|----------|--|---|---|
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Evaluator Notes:

Yes. This question is included in the Federal inspection form used by the PSB. However, there is no cast iron pipe in the gas system of jurisdictional operators. There were no issues.

- | | | | |
|-----------|---|---|---|
| 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
Yes = 1 No = 0 | 1 | 1 |
|-----------|---|---|---|
-

Evaluator Notes:

Yes. This question is included in the Federal gas distribution inspection form used by the PSB. This was verified during the review of inspection reports. There were no issues.

- 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
Yes = 1 No = 0

Evaluator Notes:

Yes. This question is included in the Federal gas distribution inspection form used by the PSB. There was an addendum added to the inspection form to include this as a question during inspections. This was verified during the review of inspection reports. There were no issues.

- 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
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes. The PSB is reviewing operator annual reports for accuracy, and is taking that data to analyze trends, and update their spreadsheet on risk rankings based on that data. There were no issues.

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

Evaluator Notes:

Yes. This question is included in the Federal standard inspection form used by the PSB. There was an addendum added to the inspection form to include this as a question during inspections. This was verified during the review of inspection reports. There were no issues.

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

Evaluator Notes:

Yes. Based on the review of Attachment 2 of Progress Report and verified through office records, the PSB performed six D&A inspections in 2017. There were no issues.

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

Evaluator Notes:

Yes. Based on the review of Attachment 2 of Progress Report and verified through office records, the PSB spent 53.5 inspection days on OQ inspections in 2017. There were no issues.

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

Evaluator Notes:

Yes. The PSB is reviewing the IMP plan based on the question being included in its standard inspection form, and added as an addendum. Large operators are being contacted or reviewed on an annual basis. There were no issues.

- 17 Is state verifying operator's gas distribution integrity management Programs (DIMP)? 2 2
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

Evaluator Notes:

Yes. The PSB performed five DIMP inspections in 2017. The DIMP plan was reviewed for progress and updates to those plans. There were no issues.

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

Evaluator Notes:

Yes. The PSB performed 23 Public Awareness Program inspections in 2017. There were no issues.

- 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:

Yes. Enforcement cases are available on public website; the NM Gas Association meeting is bi-annual; and the NM Common Ground alliance meeting is bi-annual for communicating with stakeholders. The PSB has an intra-state mail list of operators that is used to email operators information about any new ADB's or regulation changes.

- 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 an open SRC on New Mexico Gas Association in the PDM. There was correspondence between the PSB and PHMSA in November 2017 for which the operator submitted a final report to the PSB, and this information was emailed to PHMSA. The PSB has recommended the SRC be closed, and waiting for PHMSA to close-out SRC.

- 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 question is included in the standard inspection form as an addendum. Presently, there are no issues with plastic pipe for any of the jurisdictional operators.

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

Evaluator Notes:

Yes. The PSB did participate and respond to surveys on information requests from NAPSIR and PHMSA. There were no issues.

- 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 were no active waivers/special permits for operators jurisdictional to the PSB.

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

Evaluator Notes:

Yes. Attended the National NAPS Board of Directors Meeting in CY2017 in Dublin, OH.

- 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:

Yes. The Performance metrics was discussed with the PSB and it was noted that there was a slight increase in natural gas distribution excavation damages per 1,000 tickets from 2015 to 2016, gas inspector qualification decreased from 2015 to 2016, and inspection days decreased per 1,000 miles of gas pipeline. The PSB has problems retaining qualified staff to inspect gas operators, but has been hiring new staff. The staff must complete core courses and gain experience through inspections before they can lead inspections. Recommend the PSB evaluate data from operator annual reports, PDM and inspection reports to identify trends that can affect the safety of those pipelines within the State of New Mexico.

- 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 the PSB the accuracy of inspection day information submitted in the SICT tool. The PSB has updated its numbers to 649 inspection days from the SICT tool, compared with 463 days in Attachment 2 of Progress Report. The PSB stated that it will have difficulties meeting the numbers from the SICT tool due to the lack of qualified inspectors to lead inspections.

- 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. Question has been added to standard inspection forms as an addendum. There are no issues.

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

Evaluator Notes:

The following items were discussed with the PSB for improvement:

- There is an open SRC on New Mexico Gas Association in the PDM. There was correspondence between the PSB and PHMSA in November 2017 for which the operator submitted a final report to the PSB, and this information was emailed to PHMSA. The PSB has recommended the SRC be closed, and waiting for PHMSA to close-out SRC.
- The Performance metrics was discussed with the PSB and it was noted that there was a slight increase in natural gas distribution excavation damages per 1,000 tickets from 2015 to 2016, gas inspector qualification decreased from 2015 to 2016, and inspection days decreased per 1,000 miles of gas pipeline. The PSB has problems retaining qualified staff to inspect gas operators, but has been hiring new staff. The staff must complete core courses and gain experience through inspections before they can lead inspections. Recommend the PSB evaluate data from operator annual reports, PDM and inspection reports to identify trends that can affect the safety of those pipelines within the State of New Mexico.
- Discussed with the PSB the accuracy of inspection day information submitted in the SICT tool. The PSB has updated its numbers to 649 inspection days from the SICT tool, compared with 463 days in Attachment 2 of Progress Report. The PSB stated that it will have difficulties meeting the numbers from the SICT tool due to the lack of qualified inspectors to lead inspections.

Total points scored for this section: 49
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:

Yes. The procedures are outlined in the New Mexico Standard Operating Procedures, Section I, subsection VIII. There are no issues.

- | | | | |
|----------|--|--------------------------------------|---|
| 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? Chapter 5.1
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 2 |
| 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 type="radio"/> | No <input checked="" type="radio"/> Needs Improvement <input type="radio"/> |
| d. | Routinely review progress of probable violations | Yes <input type="radio"/> | No <input checked="" 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:

Based on review of inspection reports, the PSB has open probable violations from CY2010, CY2012, CY2013, CY2014, CY2015, and CY2016; and inspection reports with probable violations that have not received a response from operator that are past due their required response date.

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

Evaluator Notes:

Yes. The state issued compliance actions for all probable violations. There were no issues.

- | | | | |
|----------|---|---|---|
| 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. Reasonable due process was given to all parties. There were no issues.

- | | | | |
|----------|---|---|---|
| 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 program manager is familiar with the state process for imposing civil penalties. There were two civil penalties accessed in 2017 based on violations resulting in incidents. There were no issues.

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

Evaluator Notes:

Yes. There were two civil penalties assessed in 2017 based on violations resulting in incidents. There were no issues.

7 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

There was one issue identified in Part D of evaluation as follows:

Based on review of inspection reports, the PSB has open probable violations from CY2010, CY2012, CY2013, CY2014, CY2015, and CY2016; and inspection reports with probable violations that have not received a response from operator that are past due their required response date.

Total points scored for this section: 13
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. The procedure is outlined in the New Mexico Standard Operating Procedures, Section 2, Item 2, Scope. There were no issues.

- 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:

Yes. The procedure is outlined in the New Mexico Standard Operating Procedures, Section 2, Subsection IX. There were no issues.

- 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:

There were two reportable gas incidents in 2017, but the PSB did not go on-site for one of the incidents (Zia Natural Gas). Documentation for incident was recorded in the telephonic notices file in the H: Drive. There were no issues.

- 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. The PSB did not investigate all incidents; however, they were thoroughly documented indicating reason PSB decided to not go on-site and information to draw conclusion the site was deemed safe by the operator and the PSB.

- 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 PSB initiated compliance action against Zia Gas in 2017 with four violations found during the incident investigation. There were no issues.

- 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 PSB has taken follow-up actions related to operator incident to assist AID with accuracy and final incident report. There were no issues.

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

Evaluator Notes:

Yes. Information is shared with NAPSRR members during the State of State address during Regional meetings.

8 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

There were no issues identified in Part E of Program 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 procedure is included in the standard inspection as an addendum. There are no issues.

- | | | | |
|---|--|---|---|
| 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 procedure is included in the standard inspection as an addendum. There are no issues.

- | | | | |
|---|--|---|---|
| 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 procedure is included in the standard inspection as an addendum. There are no issues.

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

Yes. The PSB require 811 one-call submit monthly outlining damages reported and locate request. This data is then analyzed to determine trends based on comparisons with operator annual reports.

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

Evaluator Notes:

There were no issues identified in Part F of Program 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:

Jerry Nunez

Location of Inspection:

Albuquerque, NM

Date of Inspection:

August 29-30, 2018

Name of PHMSA Representative:

Agustin Lopez

Evaluator Notes:

Evaluated Mr. Jerry Nunez conduct a standard inspection of New Mexico Gas Company distribution and transmission pipeline facilities. Mr. Jason Montoya was assisting in the inspection. Due to the size of the unit the inspection is completed in two weeks. One week is records review followed by another week of field inspection. The evaluation only covered the records review portion of the 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 was notified with enough notice to allow any representative to be present at the inspection.

- 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, inspectors utilized their Distribution/Transmission Inspection Form during the inspection as a guide and to document results.

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

Evaluator Notes:

Yes, the inspectors documented the results of the inspection on the Distribution/Transmission Inspection 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:

Did not evaluate field inspection of facilities. Inspectors did ask to have equipment ready for the field and operator said equipment if available.

- 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

☒

b. Records

☒

c. Field Activities

☐

d. Other (please comment)

☐

Evaluator Notes:

Yes, the inspectors reviewed records with detail and reviewed procedures whenever there were issues.

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
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Evaluator Notes:

Yes, Mr. Nunez has knowledge of the pipeline safety program rules and regulations. He has been with the NMPRC for about 2 years and demonstrates good knowledge and ability to perform inspections.

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
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Evaluator Notes:

Yes, the inspectors conducted a partial exit but the final exit will be conducted at the end of the field inspection.

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

Yes, the inspectors covered any issues identified during the inspection and discussed with the operator during the exit interview.

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
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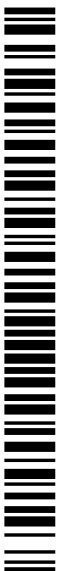
- | | | |
|----|-----------------------------------|-------------------------------------|
| a. | Abandonment | <input checked="" type="checkbox"/> |
| b. | Abnormal Operations | <input checked="" type="checkbox"/> |
| c. | Break-Out Tanks | <input type="checkbox"/> |
| d. | Compressor or Pump Stations | <input checked="" type="checkbox"/> |
| e. | Change in Class Location | <input checked="" type="checkbox"/> |
| f. | Casings | <input checked="" type="checkbox"/> |
| g. | Cathodic Protection | <input checked="" type="checkbox"/> |
| h. | Cast-iron Replacement | <input type="checkbox"/> |
| i. | Damage Prevention | <input checked="" type="checkbox"/> |
| j. | Deactivation | <input checked="" 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 checked="" 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 checked="" type="checkbox"/> |
| v. | Overpressure Safety Devices | <input checked="" type="checkbox"/> |
| w. | Plastic Pipe Installation | <input checked="" type="checkbox"/> |
| x. | Public Education | <input type="checkbox"/> |
| y. | Purging | <input checked="" type="checkbox"/> |
| z. | Prevention of Accidental Ignition | <input type="checkbox"/> |
| A. | Repairs | <input checked="" type="checkbox"/> |
| B. | Signs | <input checked="" type="checkbox"/> |

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

Evaluator Notes:

The inspectors conducted a standard inspection which covered the entire inspection form except procedures and public education and liaison.

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:

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

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

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

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

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

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

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

Evaluator Notes:

The New Mexico Pipeline Safety Bureau 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:

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

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

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

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

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

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

Evaluator Notes:

The New Mexico Pipeline Safety Bureau does not have a 60106 Agreement.

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