



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

PUBLIC UTILITIES COMMISSION NEVADA

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: Nevada

Agency Status:

Date of Visit: 08/27/2018 - 08/31/2018

Agency Representative: Paul McGuire, Neil Pascual

PHMSA Representative: Michael Thompson

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

Name/Title: Stephanie Mullen, Executive Director

Agency: Public Utility Commission of Nevada

Address: 1150 E. William Street

City/State/Zip: Carson City, NV 89701

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
43	43
15	15
11	11
8	8
11	11
0	0
0	0

TOTALS

111 111

State Rating 100.0

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:

Accurate. Reviewed local documents and information on PHMSA portal.

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

Evaluator Notes:

Verified days thru review of inspection activities reports and forms.

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

Verified thru comparison with data on PHMSA PDM

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

Yes, verified with comparison to information on PHMSA PDM

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

Evaluator Notes:

Yes, reviewed inspection reports and compliance actions taken by the state to verify.

- | | | | |
|---|---|---|---|
| 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, all program records were well organized and easily reviewed.

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

Yes, verified thru review of state documents and information on PHMSA TQ site (SABA)

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

Yes,

Maximum Penalties: \$200,000.00 per Incident with a maximum of \$2,000,000.00

Part 191: All Adopted

Part 192: All Adopted * N/A Amendment 122-81FR91860 1/18/2017 ? Safety of Underground Storage Facilities ? Nevada has no UGSF

Part 193: All Adopted

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

Yes, the PUCNV did a good job of its accomplishments on the 2017 progress report

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

Evaluator Notes:

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 inspection procedures are found in Section 8 of the PUCNV manual.

See Pages 54-83

- | | | | |
|---|--|---|---|
| 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 inspection procedures are found in Section 8 of the PUCNV manual.

See Pages 54-83

- | | | | |
|---|--|---|---|
| 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 inspection procedures are found in Section 8 of the PUCNV manual.

See Pages 54-83

- | | | | |
|---|---|---|---|
| 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 inspection procedures are found in Section 8 of the PUCNV manual.

See Pages 54-83, forms pages 94-95

- | | | | |
|---|--|---|---|
| 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, see Section 5.4, pg 24-29. Addresses the joint PHMSA/State seminar, when to do additional operator training (i.e. a small operator gets a new operations manager, new rulemaking, etc.) and how to document the training.

- | | | | |
|---|--|---|---|
| 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, inspection procedures found in Section 8, section 6.3, section 7.3 and 7.5

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

PUCNV would benefit from enhancing its procedures for risk ranking inspections by adding a process that includes the evaluation of leakage, incidents and compliance actions, excavation damage, corrosion, natural forces and outside forces at a minimum.

8 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

B7 - PUCNV would benefit from enhancing its procedures for risk ranking inspections by adding a process that includes the evaluation of leakage, incidents and compliance actions, excavation damage, corrosion, natural forces and outside forces at a minimum.

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):
617.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 4.99 = 1097.80

Ratio: A / B
617.00 / 1097.80 = 0.56

If Ratio >= 0.38 Then Points = 5, If Ratio < 0.38 Then Points = 0
Points = 5

Evaluator Notes:

Yes, the ratio for 2017 inspection days was;
220X4.9 = 1097.8 -- 617/1097.8 = .56

Construction Inspections were .43 percent of total inspection days

- 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:

Yes.

- In 2017 the PUCN had 6 of 6 Inspectors with all the Core Course, including OQ and could lead Standard/ Construction Inspections.
- In 2017 the PUCN had 6 of 6 Inspectors with the DIMP Class and those people were lead on any DIMP Audits.
- In 2017 the PUCN had 4 of 6 Inspectors (Craig Rogers, Kelly Everson, Neil Pascual and Ken Saarem) who had completed the full TIMP training classes. On July 27, 2018, both Mike Evans and Daniel completed the final outstanding TIMP training class and therefore the PUCN now has 6 of 6 Inspections with the complete TIMP series.
- In 2017 the PUCN had 3 Inspectors (Craig Rogers, Kelly Everson & Ken Saarem) with the Root Cause Training Class. Neil Pascual completed the Root Cause Class in June 2018, and both Mike and Daniel an enrolled to take the Root Cause Class in 2018. Therefore 3 of 6 (50%) of inspectors in 2017 had the Root Cause Class, including a person both North and South.
- Other training includes MSHA training to access Newmont and Prospector facilities.

- 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. Neil has all of the PHMSA Core Classes, all IMP and DIMP Classes and the majority of the specialty classes. Neil and Paul have been to multiple NAPS Western and Annual meetings with PHMSA and understand State program requirements. Paul Maguire is also on the NARUC pipeline safety sub-committee which meets with PHMSA (including Zach Barrett) at every NARUC meeting. They have also been involved since 2012 in annual program reviews. Neil also attended NAPS New Program Manager training at the 2016 & 2017 NAPS Annual Meeting.

- | | | | |
|---|--|---|----|
| 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 | NA |
|---|--|---|----|

Evaluator Notes:

No letter was required for the 2016 evaluation.

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

Evaluator Notes:

Yes, a seminar was held on September 8-9, 2015

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

Evaluator Notes:

Yes. All LDCs (three inspection units) were audited quarterly, with some additional special audits also occurring plus hundreds of construction and smaller O&M inspections. All other operators were audited in 2017 (a minimum of once). Staff audits each operator every year in one or more compliance areas.

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

Evaluator Notes:

Yes./ The PUCNV Staff uses the PHMSA Inspection forms for scheduled/formal audits/inspections.

- | | | | |
|---|---|---|----|
| 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 | NA |
|---|---|---|----|

Evaluator Notes:

No known cast iron in Nevada

- | | | | |
|---|--|---|----|
| 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 | NA |
|---|--|---|----|

Evaluator Notes:

No known cast iron in Nevada

- | | | | |
|----|---|---|---|
| 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. The PUCNV sent questionnaires to all operators in 2015 requiring a response. These questions are also part of the special PHMSA/NTSB check list created for inspections.

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

Evaluator Notes:

Yes. PUCNV has more stringent reporting requirements than PHMSA does.
(outlined in Docket No. 17-01001)

-
- | | | | |
|-----------|--|---|---|
| 12 | 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:

Yes, PUCNV reviews Operator Reports when they are filed and often issues questions and/or meets with operator to go over data that changes from prior years or that looks inconsistent.

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

Evaluator Notes:

Yes, PUCNV Staff requests confirmation each year from transmission operators that each has submitted the required NPMS submittal. See Attached tracking spreadsheet regarding NPMS submittal by each transmission operator.

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

Evaluator Notes:

Yes. PUCNV performs D&A inspections periodically using the large Comprehensive D&A Form, for the Large LDC operators using a tracking spreadsheet.

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

Evaluator Notes:

Yes. PUCNV performs OQ Program reviews and OQ Field inspection of operators and uploaded those to PHMSA database for 2017.

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

Evaluator Notes:

Yes. PUCNV staff performed TRIMP Implementation Audits for the two LDCs (Southwest Gas and NV Energ/Sierra Pacific) in Q2-2017 and Timet on 11-15-2017. ** Uploaded of PHMSA DB

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

Evaluator Notes:

Yes. The PUCNV is in the process of performing its second round and in some cases third round of DIMP Inspections (with Joint ACC/CPUC Audit of SWG in 2016) the first round was completed by 2014, some of the Master Meter operators never making it to the second round because of conversions to the regulatory LDC. This is in part because of difficulty complying with the DIMP rule.

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

Evaluator Notes:

Yes.

Yes. The two large LDCs (Southwest Gas & NV Energy Public Awareness Programs were audited in 2016) with NVE having a follow-up in Jan-2018 after having outside firm perform Effectiveness Eval. Staff raised this issue in 2016 of NVE not doing what we believed to be a proper eval.

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

Evaluator Notes:

Yes, all enforcement actions and audit summary letters are filed on a periodic basis for public and other operator review in annual Commission Dockets. Also this information is posted on the PUCN Gas Safety website.

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

Evaluator Notes:

No SRCs reported in 2017

- | | | | |
|-----------|---|---|---|
| 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?
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|

Evaluator Notes:

Yes. This question has been added to a Special type Check List called "PHMSA and NTSB Questions

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

Evaluator Notes:

Yes. Neil Pascual and/or Paul Maguire typically try to respond to all surveys (Examples)

- NAPSRS Survey Jan 1, 2017 "EFV Rule Who Pays"
- NAPSRS Survey Jan 20, 2017 "OQ New Construction"
- NAPSRS Survey 2-14-2017 "Base Grant Funding"
- NAPSRS Survey 3-13-2017 "Disposition of Penalties Money from Incidents"
- NAPSRS Survey 7-5-2017 "Transmission Odorization"
- API RP 1162 PA Revision Survey

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

Evaluator Notes:

No Special Permits have been issued recently. Nevada had issued a total of 4 waivers, all of which have since been rescinded.

- Wendover Gas 1998 (Branch Service-Main Definition)
- Southwest Gas 1990 (Branch Service-Main Definition)
- NV Energy/SPPC 1990 (Branch Service-Main Definition)
- Southwest Gas 2009 (Waiver of Maintenance on PBV Valves)

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. Neil Pascual attended the 2017 National NAPS Meeting in Columbus, Ohio.

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:

Damages per 1000 locate tickets have over the past three years from 3.7 in 2014 to 2.6 in 2017.

Inspection days per 1000 miles of pipeline has stayed steady from 2016 at about 27. This is an increase from the 22 in 2015.

Inspection days per MMO/LPG have dropped to slightly over 3 days per MMO/LPG unit in 2017 from 3.75 in 2016. The high for this was in 2015 at approximately 4.25.

Pipeline inspector qualification has improved in all areas over 2016 including core training, additional training and the percent of 5 ? year retention.

Gas distribution system leaks show that the number of leaks repaired per 1000 miles was down from almost 200 in 2016 to about 180 in 2017. Hazardous leaks repaired also dropped significantly from slightly over 100 to approximately 60. Leaks left outstanding remained at 0 the third straight year.

Enforcement program evaluation score has stayed the same from 2010 to 2016 at 100 percent.

Incident investigation score has stayed the same from 2010 to 2016 at 100 percent.

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 the inspection days estimated on the State Inspection Calculating Tool (SICT) and their accuracy with both Paul and Neil. The SICT showed only 398 days estimated for the 2017 year with 637 days reported on the 2017 progress report. Explained that the tool is suppose to be used to verify the resources need to complete all types of inspections for each year and needs to be as accurate as possible. They have update the 2019 estimate to 421 days.

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

Evaluator Notes:

No flow reversals in the gas systems in Nevada at this time.

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

Evaluator Notes:

Total points scored for this section: 43
Total possible points for this section: 43



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 4 4
Yes = 4 No = 0 Needs Improvement = 1-3
- a. Procedures to notify an operator (company officer) when a noncompliance is identified Yes ☒ No ☐ Needs Improvement ☐
- b. Procedures to routinely review progress of compliance actions to prevent delays or breakdowns Yes ☒ No ☐ Needs Improvement ☐
- c. Procedures regarding closing outstanding probable violations Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

- A. = Section 8.6
B. = Section 8.7 & 8.8
C. = Section 8.12

- 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 4 4
Yes = 4 No = 0 Needs Improvement = 1-3
- a. Were compliance actions sent to company officer or manager/board member if municipal/government system? Yes ☒ No ☐ Needs Improvement ☐
- b. Document probable violations Yes ☒ No ☐ Needs Improvement ☐
- c. Resolve probable violations Yes ☒ No ☐ Needs Improvement ☐
- d. Routinely review progress of probable violations Yes ☒ No ☐ Needs Improvement ☐
- 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 ☒ No ☐ Needs Improvement ☐
- f. Within 90 days, to the extent practicable, provide the owner or operator with written preliminary findings of the inspection. Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

Reviewed all inspection records and followed all probable violations found thru the PUCNV compliance process.

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

Evaluator Notes:

Reviewed all inspection records and followed all probable violations found thru the PUCNV compliance process.

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

Evaluator Notes:

Yes. All civil penalty actions in 2017 were resolved via a stipulation as explained in Attachment 5 of the Nevada 2017 Progress Report. All compliance actions were reviewed.

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

Evaluator Notes:

Yes. Both Neil and Paul are very familiar with the states process for imposing civil penalties.

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

Evaluator Notes:

Yes, There were \$303,000.00 in civil penalties leveled in 2017, with all being collected during 2017.

7 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

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



PART E - Incident Investigations

Points(MAX) Score

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

Evaluator Notes:

Yes. Section 12 of the PUCNV procedures manual.

- 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. Emergency phone numbers are provided to each operator via External Emergency Contact phone list, positive voice confirmation is required on all Federal Reportable Incidents. Staff responded and performed site investigation of both Federal Reportable Incidents in 2017.

- 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:

The PUCNV responded to and did on-site investigations for both federally reportable incidents in 2017.

- 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
8-18-2018 NV Energy (PHMSA Form 11 Report) plus NOPV and Response that outlined procedure changes

9-27-2017 SWG Incident Report (PHMSA Form 11Report) plus NOPV and Response that outlined recommendations and actions taken.

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

Evaluator Notes:

Yes
NOPV issued on 10-30-2017 for the NV Energy 8-18-2017 Incident (1 violations, & 1 IOC);

NOPV issued on 2-6-2018 for the SWG 9-27-2017 Incident (2 violations, & 1 IOC);

Close-out letters sent on both Incidents, no civil penalties issued for either incident;

- | | | | |
|----------|---|---|---|
| 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. Worked with PHMSA AID on both incidents reported in 2017

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

Evaluator Notes:

Yes. The PUCNV shares incident investigation information at the NAPSAR Western Region meeting during their State of the State report.

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

Evaluator Notes:

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. They only have two large LDCs that use this type of installation method and they have reviewed the procedures for both.

- | | | | |
|---|--|---|---|
| 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. A list of participating operators is independently requested from the One-Call Center (USA North) at the beginning of each year and that list is checked to ensure each jurisdictional operator is an active member.

- | | | | |
|---|--|---|---|
| 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 PUCN worked with its 4 largest operators to have them begin reporting to the CGA DIRT (Southwest Gas, NV Energy, Wendover Gas and Prospector Pipeline) damage data as these are the most likely entities to receive tickets and actually have damages.

- | | | | |
|---|--|---|---|
| 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. This data is tracked by the PUCN and a report submitted to the Commission in Feb/March each year.

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

Evaluator Notes:

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:

1. SW Gas Northern Division 2. SW Gas Northern Division

Name of State Inspector(s) Observed:

1. Daniel Adeesina 2. Daniel Adesina, Ken Sharem

Location of Inspection:

1. New service installation Gardnerville, NV 2. Headquarters records inspection Carson City, NV

Date of Inspection:

1. 8/28/18 and 2. 8/29/18

Name of PHMSA Representative:

Michael Thompson

Evaluator Notes:

- 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 in advance of both inspections.

- 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:

1. Yes. The inspector used a special construction checklist to conduct the inspection.
2. Yes. the inspectors used the PHMSA IIA distribution form.

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

Evaluator Notes:

1. Yes. The inspector kept hand written notes and took pictures of physical facilities and materials on the job site.
2. Yes. Both inspectors kept hand written notes and requested copies of records for their inspection.

- 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:

1. Yes. The inspector requested the calibration information on pressure gauges and leak detection equipment used on the job.

- 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:

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

Evaluator Notes:

1. Yes. The inspector showed adequate knowledge of the pipeline safety program and regulations during the inspection.
2. Yes. Both inspectors showed adequate knowledge of the pipeline safety program and regulations during the inspection

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

Evaluator Notes:

1. Yes. The inspector conducted an exit interview at the end of the inspection day.
2. Yes. The lead inspector conducted an exit interview covering the issues found during the inspection of records.

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

Evaluator Notes:

No PVs identified during either inspection

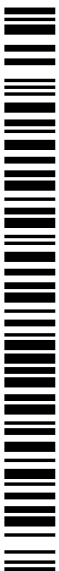
10	General Comments: 1) What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) 2) Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) 3) Other. Info Only = No Points	Info Only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

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

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

Evaluator Notes:

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



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:

PUCNV NOT an interstate agent

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

Evaluator Notes:

PUCNV NOT an interstate agent

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

Evaluator Notes:

PUCNV NOT an interstate agent

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

Evaluator Notes:

PUCNV NOT an interstate agent

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

Evaluator Notes:

PUCNV NOT an interstate agent

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

Evaluator Notes:

PUCNV NOT an interstate agent

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

Evaluator Notes:

PUCNV NOT an interstate agent

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

Evaluator Notes:

PUCNV 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:

PUCNV does NOT have a Agreement

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

PUCNV does NOT have a Agreement

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

PUCNV does NOT have a Agreement

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

PUCNV does NOT have a Agreement

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

PUCNV does NOT have a Agreement

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

PUCNV does NOT have a Agreement

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

Evaluator Notes:

PUCNV does NOT have a Agreement

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