



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

1200 New Jersey Avenue SE
Washington DC 20590

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Pipeline Safety

2019 Gas Base Grant Progress Report

for

PUBLIC UTILITIES COMMISSION NEVADA

Please follow the directions listed below:

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Electronic Submission Date: 3/3/2020 11:18:34 AM



Pipeline and Hazardous Materials Safety Administration
1200 New Jersey Avenue, SE
Washington DC 20590

OFFICE OF PIPELINE SAFETY

2019 Gas Base Grant Progress Report

Office: PUBLIC UTILITIES COMMISSION NEVADA

Paul Maguire

A handwritten signature of Paul Maguire in black ink, written over a horizontal line.

Authorized Signature

Paul Maguire

Printed Name

Manager

Title

3/3/2020 11:18:34 AM

Date



PROGRESS REPORT ATTACHMENTS (GAS)

PHMSA Form No. PHMSA F 999-92

INSTRUCTIONS:

These attachments request information either for the entire calendar year (CY 2019: January 1 through December 31, 2019) or as of (or on) December 31, 2019. Please report actual as opposed to estimated numbers on the attachments. Be careful to provide complete and accurate information since the PHMSA State Programs will be validating the attachments during the state's next annual evaluation.

Attachment 1: State Jurisdiction and Agent Status Over Facilities. Requires the state to indicate those pipeline

- operator types over which the state agency has jurisdiction under existing law. If the state does not have jurisdiction over an operator type, indicate why not in the column designated No, using the one alpha code (A or B) which best describes the reason. If the state agency has jurisdiction over an operator type, place an X in the column designated Yes and provide information on the number of operators, the number and percent of operators inspected, the number of inspection units, and the number and percent of inspection units inspected. If the jurisdiction over a type of operator is under a Section 60106 Agreement, indicate X/60106 in the column designated Yes. If an operator has multiple types of system (i.e. gas distribution and intrastate transmission), each type should be counted in corresponding category. Total operator count listed in Attachment 3 may not match Attachment 1 totals due to multiple types of systems per operator. If the same operator/inspection unit is visited more than once during the year, count only once under number of operators inspected/number of inspection units inspected on Attachment 1. The multiple visits would, however, be reflected under total inspection person-days in Attachment 2.
- **Attachment 2: Total State Field Inspection Activity.** Requires the state to indicate by operator type the number of inspection person-days spent during CY 2019 on inspections; standard comprehensive; design, testing, and construction; on-site operator training; integrity management; operator qualification; investigating incidents or accidents; damage prevention activities; and compliance follow-up. Attachment 2 should include drug and alcohol inspections. Counting "In Office" Inspection Time - An inspector may choose to review pipeline company procedure manuals or records away from the company facility in order to effectively use on-site inspection time. The amount of time spent reviewing procedures and records may be counted as part of the inspection process. It is important that an inspector only record time for activities that normally would be completed as part of an on-site inspection. For example, an inspector may attribute the three hours he or she spent reviewing a pipeline operator's procedure manual and records prior to an on-site inspection towards the total inspection time. Each supervisor must carefully review the reported time to ensure the time attributed is consistent with the activity completed and is carefully delineated from normal office duties.
- **Attachment 3: Facility Subject to State Safety Jurisdiction.** States should only list the facilities that are jurisdictional under Parts 192 and 193 (Gas) and Part 195 (Hazardous Liquid) of which the state has safety authority over. This attachment requires the business name and address of each person subject to the pipeline safety jurisdiction of the state agency as of December 31, 2019. Also indicate the operator type (e.g., intrastate transmission) consistent with the listing in Attachment 1 and include the number of inspection units in each operator's system. The operator identification number (OPID) assigned by PHMSA must also be included on this attachment. If an operator has multiple types of system (i.e. gas distribution and intrastate transmission), each type should be counted in corresponding category. Total operator count listed in Attachment 3 may not match Attachment 1 totals due to multiple types of systems per operator.
- **Attachment 4: Pipeline Incidents.** Requires a list of incidents investigated by or reported to the state agency that involved personal injury requiring hospitalization, a fatality, property damage exceeding \$50,000, and others deemed significant by the operator. Clearly identify the operator's reported cause AND the state's determination of the cause of the incident using the one most appropriate alpha code footnoted in the attachment. We summarize this information for Congress by classifying the cause into one of eight top-level categories: (A) corrosion failure; (B) natural force damage; (C) excavation damage; (D) other outside force damage; (E) material failure of pipe or weld; (F) equipment failure; (G) incorrect operation; (H) other accident cause. Within each top-level cause you will find multiple sub-causes, select the appropriate cause code. You can also choose (IP) Investigation Pending for those incidents remaining under investigation as of December 31. Then provide a summary of incident investigations.

- **Attachment 5: State Compliance Actions.** This requires a summary of state pipeline inspection and compliance actions. [In the Number of Compliance Actions Taken column, keep in mind one compliance action can cover multiple probable violations.]
- **Attachment 6: State Record Maintenance and Reporting.** Requires a list of records and reports maintained and required by the state agency.
- **Attachment 7: State Employees Directly Involved in the Pipeline Safety Program.** This attachment requires a list by name and title of each employee directly involved in the pipeline safety program. Be sure to include the percentage of time each employee has been involved in the pipeline safety program during 2019. If an employee has not been in the pipeline safety program the full year of 2019, please note the number of months working on the program. Indicate a Qualification Category for each of the state's inspectors (see Attachment 7a). The categories are shown in descending order of education and experience. Please enter the number of the highest description applicable to each inspector. Finally, provide in summary form the number of all staff (supervisors, inspectors/ investigator, damage prevention/technical and clerical/administrative) working on the pipeline safety program and the person-years devoted to pipeline safety. Person-years should be reported in hundreds (e.g., 3.25).
- **Attachment 8: State Compliance with Federal Requirements.** This requires the state to indicate whether it is in compliance with applicable federal requirements. If a particular requirement is not applicable to the state (e.g. offshore inspections), indicate NA in the column designated Y/N/NA and indicate in the notes section why the regulation is not applicable. If a regulation has been adopted, indicate the date adopted (e.g., 05/01/04) in the appropriate column. If the regulation is applicable but has not been adopted indicate N in the Y/N/NA column and explain why not in the appropriate column (e.g., requires legislative action). If the state has not adopted the maximum penalty amounts for a related series of violations please indicate civil penalty levels in effect in the state as of December 31. For State Adoption of Part 198 State One Call Damage Prevention Program if a state has any penalty amount for its damage prevention law please mark item 7.h as "Adopted but Different Dollar Amounts" and list the penalty amount in the Note section. Note at the end of Attachment 8 we are requesting each state to indicate the frequency its legislature meets in general session. This information will be taken into account when determining if applicable federal regulations have been adopted within 24 months of the effective date or two general sessions of the state legislature.
- **Attachment 10: Performance and Damage Prevention Questions.** This attachment requires a narrative of each states goals and accomplishments. In addition it requires a narrative on each states progress toward meeting the nine elements of an effective damage prevention program as described in the PIPES Act of 2006.



DEFINITIONS

- **Inspection Unit.** An inspection unit is all or part of an operator's pipeline facilities that are under the control of an administrative unit that provides sufficient communication and controls to ensure uniform design, construction, operation, and maintenance procedures for the facilities. (See Glossary of Terms in Guidelines for States Participating in the Pipeline Safety Program for application of the inspection unit concept to transmission and hazardous liquid pipeline systems, distribution systems, liquefied gas systems, municipality, master meter system, regulated gathering pipeline systems, and propane-air systems/petroleum gas systems.)
- **Inspection Person-Day.** An inspection person-day is all or part of a day spent by a state agency representative including travel in an on-site examination or evaluation of an operator or his system to determine if the operator is in compliance with federal or state pipeline safety regulations, in an on-site investigation of a pipeline incident, or in job-site training of an operator. Time expended on such activities should be reported as one inspection person-day for each day devoted to safety issues, regardless of the number of operators visited during that day.
- **Probable Violation.** A probable violation is a non-compliance with any section or, where a section is divided into subsections (a), (b), (c), etc., any subsection of federal or state pipeline regulations. Each numbered section should be counted separately. Multiple non-compliances of a numbered section discovered on the same inspection should be counted as one probable violation with multiple pieces of evidence.
- **Compliance Action.** A compliance action is an action or series of sequential actions taken to enforce federal or state pipeline regulations. One compliance action can cover multiple probable violations. A compliance action may take the form of a letter warning of future penalties for continued violation, an administratively imposed monetary sanction or order directing compliance with the regulations, an order directing corrective action under hazardous conditions, a show-cause order, a criminal sanction, a court injunction, or a similar formal action.



Attachment 1 - Stats on Operators

STATE JURISDICTION AND AGENT STATUS OVER GAS FACILITIES AS OF DECEMBER 31, 2019

Operator Type	State Agency Jurisdiction/ Agent Status		No. of Operators	Operators Inspected		No. of Inspection Units	Units Inspected	
	No ¹	Yes		#	%		#	%
Distribution								
Private		X/60105	2	2	100.0%	3	3	100.0%
Municipal		X/60105	0	0	N/A	0	0	N/A
Master Meter		X/60105	1	1	100.0%	1	1	100.0%
LPG		X/60105	5	5	100.0%	18	18	100.0%
Other		X/60105	0	0	N/A	0	0	N/A
Transmission								
Intrastate		X/60105	7	7	100.0%	8	8	100.0%
Interstate	F		0	0	N/A	0	0	N/A
LNG								
Intrastate		X/60105	0	0	N/A	0	0	N/A
Interstate	F		0	0	N/A	0	0	N/A
Other								
Gathering Lines	A		0	0	N/A	0	0	N/A
Offshore Facilities	A		0	0	N/A	0	0	N/A
Total			15	15	100.0%	30	30	100.0%

¹Codes: A - None in state and does not have jurisdiction;

B - State does not have jurisdictional authority (Provide current status or action being taken to obtain authority in notes section below)

F - No, State is currently not an interstate agent.

X/60105P = Yes, I have Section 60105 (Certification) over some of the operator type (meaning: I have 60105 authority over some, but not all of this operator type and do not have a 60106 agreement with PHMSA to inspect them). These operators are identified in the notes below.

X/IA - Yes, I have Interstate Agent jurisdiction over this type of operator

Distribution "Other" - ie Co-ops, Public Utility Districts, etc.

States should explain any special circumstances

General Instructions - All above facilities should only include facilities as defined by federal pipeline regulations and should not include extended jurisdiction by state regulation.

Attachment 1 Notes:

Nevada pipeline safety program (PSP) experienced some changes in 2019 regarding the number of jurisdictional

inspection units it is reporting. Those changes are as follows:

In 2019, AmeriGas made piping modifications on four (4) jurisdictional LPG systems in Nevada, resulting in those systems no longer being 49 CFR 192 jurisdictional. These change resulted in the number of AmeriGas LPG inspections units falling from fifteen (15), as reported in the 2018 Progress Report, to the eleven (11) as outlined in this Progress Report. The four (4) AmeriGas changes occurred at the Shaw's Silver & Gold system in Virginia City, NV, the Jewelry House system in Virginia City, NV, the Lockwood 1 system in Sparks NV, and the Lockwood 2 system in Sparks NV. The system configurations were changed to either a single tank, single customer LPG system, or to a system that involved less than 10 residential customers being served from a single LPG tank. Since AmeriGas operates all of its LPG systems in Nevada under its corporate name and corporate OPID (#32013), this reduction in the LPG system inspection units did not impact the number of LPG operators listed for Nevada.

Private Distribution - Nevada has 2 private LDC operators, those being Southwest Gas Corporation (SWG) and Sierra Pacific Power Company (d/b/a NV Energy). SWG is broken up into two units, Southern Nevada Divisions (SND) and Northern Nevada Division (NND), and that is how the three Inspection Unit figure outlined in the table above is derived.

Municipal Distribution - Nevada does not have any Municipal Distribution natural gas or LPG facilities.

Master Meter - In 2012, as part of Docket No. 12-06043, the PUCN approved a plan to have aging master meter systems located within the LDC's service territories replaced by new modern plastic pipeline systems owned and operated by the LDC. To-date approximately ten (10) of these such conversions have occurred. There is only one (1) remaining known master meter natural gas systems in Nevada, that being Docs Cottages. However, in 2018 Nevada's PSP performed a detailed investigation into the Docs Cottages system and no longer believes it qualifies as a jurisdictional master meter system. On September 19, 2018, Nevada PSP sent an interpretation letter to PHMSA asking PHMSA if it agreed with Nevada PSP's conclusion that Docs Cottages did not meet the definition of a master meter system as outlined in 49 CFR 191.3. Because a response to that interpretation letter was not received by the end of 2019, Nevada PSP is still listing Docs Cottages as a jurisdictional master meter system in this 2019 Progress Report.

LPG - AmeriGas performed conversion work on four (4) LPG systems making those systems (Shaw's Silver and Gold, Jewelry House, Lockwood 1 and Lockwood 2) no longer jurisdictional which reduced the number of jurisdictional LPG systems AmeriGas operates in Nevada from 15 to 11. Therefore the current jurisdictional LPG operators (which makes up the 18 Inspection Units) in Nevada are as follows:

AmeriGas - 11 jurisdictional units; Western States Propane - 1 jurisdictional unit; Wendover Gas - 4 jurisdictional units (all located in the City of West Wendover, NV and these units are all inspected together at the same time); NV Energy - 1 jurisdictional system (operated as part of its LDC and inspected as part of the LDC); Mt. Charleston Cabins - 1 jurisdictional system

The number of LPG operators and inspection units is likely to change from year to year going forward. As Nevada's PSP enforces the provision of 49 CFR 192 on these small systems, which typically have annual profit margins of \$1000 per year per system (or less), operators are likely to continue to convert the systems to non-jurisdictional systems as AmeriGas did in 2019 and 2018, and as Suburban Propane did in 2016.

Transmission Intrastate - No new transmission operators were added or deleted in 2019. One of the existing intrastate transmission pipelines continued to be in idle status in 2019. The idle pipeline is the 36 mile Empire Mining Pipeline OPID 39536, (formerly owned by US Gypsum) which taps off of the interstate Tuscarora pipeline. The pipeline is currently physically disconnected from the Tuscarora pipeline and it is filled with a small amount of pressurized nitrogen. Depending on economic conditions it is unclear if this pipeline will ever be placed back in-service, but the operator, Empire Mining, currently wants to keep the pipeline viable just in case.

The 1700 foot RYZE Renewable Reno, LLC pipeline (formerly known as RESC, LLC/Advanced Refining Concepts) which also taps off the interstate Tuscarora pipeline had been shutdown since 2015, but it was re-gassed and put back into service in October 2019.

Intrastate LNG - There are currently no Intrastate LNG facilities in Nevada, but Nevada has adopted 49 CFR 193, so the

current assumption is that if an Intrastate LNG facility were to be constructed it would be state jurisdictional and would fall under the prevue of the PUCN.



Attachment 2 - State Inspection Activity

TOTAL STATE FIELD INSPECTION ACTIVITY AS OF DECEMBER 31, 2019

Operator Type	Standard Comprehensive	Design, Testing and Construction	On-Site Operator Training	Integrity Management	Operator Qualification	Investigating Incidents or Accidents	Damage Prevention Activities	Compliance Follow-up	Total
Distribution									
Private	157.75	276.75	0	4.75	11	10.5	35.75	14.25	510.75
Municipal	0	0	0	0	0	0	0	0	0
Master Meter	1	0	0	0	1.25	0	0	0	2.25
LPG	46.25	7.75	4	3.25	8	0.5	0	13	82.75
Other	0	0	0	0	0	0	0	0	0
Transmission									
Intrastate	37.5	2.25	0	32.25	2.25	0	0.25	1	75.5
Interstate	0	0	0	0	0	0	0	0	0
LNG									
Intrastate	0	0	0	0	0	0	0	0	0
Interstate	0	0	0	0	0	0	0	0	0
Other									
Gathering Lines	0	0	0	0	0	0	0	0	0
Offshore Facilities	0	0	0	0	0	0	0	0	0
Total	242.5	286.75	4	40.25	22.5	11	36	28.25	671.25
Drug and Alcohol									
Total Count of Drug and Alcohol Inspections									0

Attachment 2 Notes

The numbers above are based upon an inspection day being a full 8 hours. Multiple operator types are sometimes inspected in the same day therefore the time on those days must be allocated between the different operator types. Additionally, multiple inspection types are often performed on the same operator during multi-day inspections therefore the time has to be allocated to each inspection type being performed during these multi-day inspections (example: 4 hours OQ, 4 hours DIMP, 16 hours Standard). Adjustments are made for those inspections that are performed in excess of 8 hours in a single day in order to not overstate the figures for those

limited instances in which the inspector is in the field for greater than 8 hours in a single day.

Additionally, because Nevada PSP inspectors also perform One-Call inspections of excavators in the field (via a One-Call grant provided by PHMSA) to ensure that those excavators are complying with Nevada's One-Call Law (NRS 455) when excavating around underground natural gas facilities, these One-Call inspections must be tracked separately from the gas field inspections that are performed pursuant to 49 CFR 192 and 199. Nevada's PSP tracks these different inspections hours separately, so the numbers above do not include the 250 plus field inspection and enforcement activities relating to protecting natural gas facilities (including PHMSA jurisdictional pipelines) via Nevada's One-Call Law.

The strong number of field days in 2019 was mainly a result of Nevada's PSP being fully staffed and having qualified gas field personnel participating in inspection related activities. Nevada also had no employee turnover in 2019, and that is the 4th year in a row with no turnover. Additionally, Nevada sent inspectors to the lowest number of T&Q classes in the past 5 years (because they are all fully trained), this allowed more field inspection work to occur. The strong Standard Comprehensive inspection days were a result of:

- Performing more focused quarterly audits of both Local Distribution Companies ("LDC"), which includes NV Energy and both Southwest Gas Corporation inspection units;
- Performing annual records audits of some LPG operators who have had compliance difficulties in the past;
- Performing numerous field inspections of LDC and LPG Operator standard inspection work activities including:
 - Leak survey work;
 - Valve maintenance work;
 - Numerous leak repairs;
 - Taking rectifier and pipe to soil reads;
 - Regulator maintenance;
 - Etc.

Other key aspects of the field inspection data above are as follows:

- The strong construction inspection day figure is associated with the following:
 - Nevada being the fastest growing State and the significant new construction that is occurring statewide.
 - Southwest Gas replacing 60 plus miles of higher risk, more leak prone, PVC pipelines in its southern Nevada division.
 - Southwest Gas expanding its service territory to Mesquite, Nevada and all the construction activities associated with bringing natural gas to a new city.
 - NV Energy performing multiple black wrap coated steel pipe replacement projects.
- Nevada's PSP performed no comprehensive Drug and Alcohol Inspections in 2019 and that is why the Drug and Alcohol Inspections being reported in 2019 is zero. Staff did perform multiple smaller Drug and Alcohol inspections, including finding one operator who had a contractor that did not meet the 50 percent random testing rate. A notice of probable violation was issued for this insufficient testing.
- The LPG on-site operator training was associated with Staff assisting AmeriGas and its new District Managers in understanding the requirements of complying with 49 CFR 192.
- The vast majority of the Incident Investigation inspection days were associated with the two Federal Reportable Incidents outlined in Attachment 4, but there were a couple of other small State reportable type incidents that were investigated as well. Additionally, there were a couple of explosion/fire incidents that were investigated

which turned out to be non-jurisdictional customer owned piping incidents.

- Annual DIMP update meetings/reviews were performed on both large LDCs, those being Southwest Gas and NV Energy.

- Several TRIMP field In-Line-Inspections ("ILI") were observed in 2019, including one on Nevada's largest operator Southwest Gas and another one of Nevada's second largest operator NV Energy.

- The continued decline in the number of master meter operator inspections in 2019 is a direct result of the master meter replacement program performed in Nevada. The decline in the number of master meter operators has allowed for increased inspections of larger higher consequence LDC operators, such as the strong construction inspections number outlined for 2019.



Attachment 3 - List of Operators

GAS FACILITIES SUBJECT TO STATE SAFETY JURISDICTION AS OF DECEMBER 31, 2019

Operator Business Name Operator ID Address	Distribution (Operator type & Inspection Units)				Transmission (Operator type & Inspection Units)		LNG(Operator type & Inspection Units)		Other (Operator type & Inspection Units)	
	Private	Municipal	Master Meter	LPG Other	Intrastate	Interstate	Intrastate	Interstate	Gathering Lines (Jurisdictional)	Offshore Facilities (State Waters)
Amerigas Consolidated Systems 32013 460 N Gulph Rd, King of Prussia, PA 89415	0	0	0	11	0	0	0	0	0	0
Does Cottages 37064 P.O. Box 3626, Stateline, NV 89449	0	0	1	0	0	0	0	0	0	0
Empire Mining Co, LLC 39536 Nevada Highway 447 - MP 68, Empire, NV 89405	0	0	0	0	1	0	0	0	0	0
Mount Charleston Resort Cabins 36756 5355 Kyle Canyon Road, Las Vegas, NV 89124	0	0	0	1	0	0	0	0	0	0
Nevada Gold Mines 30052 1655 Mountain City Highway, Elko, NV 89822	0	0	0	0	2	0	0	0	0	0
NV Energy (dba Sierra Pacific Power Company) 18308 6100 Neil Road, P.O. Box 10100 Reno, NV 89520	1	0	0	1	1	0	0	0	0	0
Prospector Pipeline Company 38923 2981 Gold Canal Drive, Rancho cordova, CA 95670	0	0	0	0	1	0	0	0	0	0
Ryze Renewables Reno, LLC 39590 14830 Kivett Lane, Reno, NV 89521	0	0	0	0	1	0	0	0	0	0



Southwest Gas Corporation 18536 5241 Spring Mountain Road, Las Vegas, NV 89150										
	2	0	0	0	0	0	0	0	1	0
Timet Titanium Metals Corporation 39236 181 North Water Street Gate 3 BMI Park, Henderson, WV 89015	0	0	0	0	0	0	0	0	1	0
Wendover Gas Company 31497 460 Mesa Street, Wendover, NV 89883	0	0	0	0	4	0	0	0	0	0
Western States Propane Company (dba Spring Creek Plaza) 36244 1207 Water Street, Elko, NV 89801	0	0	0	0	1	0	0	0	0	0



	Distribution (Operator type & Inspection Units)				Transmission (Operator type & Inspection Units)		LNG(Operator type & Inspection Units)		Other (Operator type & Inspection Units)		
	Private	Municipal	Master Meter	LPG	Other	Intrastate	Interstate	Intrastate	Interstate	Gathering Lines (Jurisdictional)	Offshore Facilities (State Waters)
Inspection Unit totals by type	3	0	1	18	0	8	0	0	0	0	0

Total Operators

12

Attachment 3 Notes:

The Operators listed above as well as the number of inspection units matches the number reported in Attachment 1 of this Progress Report, when considering that NV Energy operates three types of systems (LPG, Transmission and LDC/Private) and Southwest Gas operates two types of systems (Transmission and LDC/Private).

AmeriGas reconfigured four (4) LPG systems making these systems non-jurisdictional (change from 15 units in 2018 to 11 in 2019).

In 2019 Newmont Mining Corporation changed its name to Nevada Gold Mines. Newmont filed the official name change document with PHMSA on July 18, 2019. The address and OPID (#30052) remain the same.

One intrastate transmission pipeline continues to be in idle status in 2019. The 36 mile Empire Mining Pipeline OPID 39536, (formerly owned US Gypsum) which taps off of the interstate Tuscarora pipeline is currently physically disconnected from the Tuscarora pipeline and it is filled with a small amount of pressurized nitrogen. Depending on economic conditions it is unclear if this pipeline will ever be placed back in-service, but the operator, Empire Mining, currently wants to keep the pipeline viable just in case.

Attachment 4 - Incidents/Accidents

SIGNIFICANT⁴ GAS INCIDENTS/ACCIDENTS JANUARY 1, THROUGH DECEMBER 31, 2019

Date of Incident	Location - City/County/etc.	System Type	Injuries #	Fatalities #	Property Damage ³ \$	Operator Cause Code ¹	State Cause Code ¹
04/17/2019	LAS VEGAS	GD	0	0	\$82,175.00	C3	C3

Name of Operator: SOUTHWEST GAS CORP

Operator ID: 18536

Report No: 20190051

Summary²

On April 17, 2019, Southwest Gas Corporation Southern Nevada Division ("SWG-SND") was notified by Las Vegas Electric Company ("LVE") at 12:35 a.m. of a natural gas excavation damage that had occurred at 1175 E. Flamingo Road, Las Vegas, Nevada. SWG-SND determined that a 2-inch polyethylene ("PE") distribution service pipeline had been hit and in order to safely isolate that leaking pipe, SWG-SND closed several valves resulting in the loss of gas service to 664 customers ("the Incident"). SWG-SND notified the Public Utilities Commission of Nevada ("PUCN") Regulatory Operations Pipeline Safety Staff ("Staff") of the excavation damage on the morning of April 17, 2019, because the cost of the Incident was expected to exceed \$50,000 reporting threshold, thereby making the damage a Federal Reportable Incident as defined in 49 CFR 191.3 & 191.5. SWG-SND notified the National Response Center ("NRC") telephonically on April 18, 2019. SWG-SND also updated the NRC with its second 48-hour report stating the incident as required.

Staff Senior Gas Pipeline Engineer, Neil Pascual performed an on-site investigation of the Incident on the morning of April 17, 2019.

Between April 26, 2019, and August 29, 2019, Staff sent and received a total of 41 data requests/response to/from SWG-SND regarding the Incident, via Staff Special Investigatory Docket No. 55-1912. Based upon Staff's investigation into this Incident, Staff has not identified any Probable Violations or Issues of Concern and Staff agrees with the apparent cause of the Incident as reported by SWG-SND in its 30-day PHMSA Distribution Incident Report.

Staff did enter into a settlement agreement with LVE regarding the excavation damage and LVE's violation of Nevada Revised Statute ("NRS 455"). The settlement agreement was filed and approved by the Commission as part of Docket No. 19-06011. The settlement agreement focused on LVE's failure to maintain SWG-SND's marks and its failure to excavate with hand tools when crossing SWG-SND's natural gas pipeline. The civil penalty amount assessed to LVE was \$2000.

08/26/2019	RENO	GD	0	0	\$86,170.00	D2	D2
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Name of Operator: NV ENERGY

Operator ID: 18308

Report No: 20190107

Summary²

On Monday August 26, 2019, the Public Utilities Commission of Nevada's ("Commission") Regulatory Operations Staff ("Staff") was notified by NV Energy of a Recreation Vehicle ("RV")

versus meter collision that eventually led to a gas ignition at 2879 Barong Court, Reno, Nevada ("Incident"). Pipeline Safety Engineers Ken Saarem, Mike Evans, and Daniel Adesina responded to the Incident and performed an on-site investigation. The on-site investigation determined that the homeowner was backing out his RV from the right side of the house (facing the house from the street) when the stairs on the RV clipped the anodeless service riser just below the stopcock valve, causing an uncontrolled release of gas that could not be shutoff at the riser.

The homeowner called 911 after the gas release occurred; NV Energy was also notified. An NV Energy dispatcher directed both a gas serviceman and a gas inspector to the site. The NV Energy serviceman and his apprentice were first on scene to the Incident and were unable to find the service line curb valve and the gas needed to be shut down by shutting off the main pipeline valve feeding the eleven homes on the Barong Court cul-de-sac. Prior to the NV Energy crew shutting off the gas feed, two Reno Fire Department ("FD") fire fighters attempted to shut off power to the home by opening the main circuit breaker on the main house electrical panel located approximately 6 feet away from the damaged service riser. Based upon reports from the scene, a gas ignition occurred at the electrical panel when the two Reno FD fire fighters opened the breaker, burning both fire fighters. A second ignition appeared to take place in the attic of the home shortly after the first ignition at the electrical panel. The Reno FD extinguished both ignitions and the two burned fire fighters were sent to the hospital and released that same day.

On August 30, 2019, Staff sent 47 data requests to NV Energy regarding the Incident, via Staff special investigation 55-1927, and Staff subsequently sent several follow-up data requests. Additionally, Staff held a meeting with NV Energy on September 20, 2019, to review a draft of NV Energy's 30-day Pipeline Hazardous Material Safety Administration ("PHMSA") Incident Report. NV Energy filed its 30-day PHMSA Incident Report on September 23, 2019.

Based upon Staff's investigation to-date, Staff has identified four (4) Probable Violations ("PVs") and one (1) Issue of Concern ("IOC"). Staff sent a Notice of Probable Violation letter to NV Energy on November 6, 2019.

Staff has not yet concluded its investigation of this incident and is currently in settlement negotiations with NV Energy. However, Staff does agree with the apparent cause of the Incident as reported by NV Energy in its 30-day PHMSA Distribution Incident Report.

¹High Level Cause Codes: A - Corrosion failure; B - Natural Force Damage; C - Excavation Damage; D - Other Outside Force Damage; E - Pipe, Weld or Joint Failure; F - Equipment Failure; G - Incorrect Operation; H - Other Incident Cause; IP - Investigation Pending;

²Please include a summary or report of the state agency's investigation of each of the above incidents.

³Interstate agents should use the 191.3 Incident definition for listing incidents investigated on interstate facilities.

⁴Significant: Investigated by or reported to the state agency, involving personal injury requiring hospitalization, fatality, property damage exceeding \$50,000 and other incidents otherwise considered significant which involved jurisdictional facilities.

Attachment 4 Notes

Attachment 5 - Stats on Compliance Actions

STATE COMPLIANCE ACTIONS -- CALENDAR YEAR (CY) 2019

Probable Violation Categories	Intrastate	Interstate
Number carried over from all previous CY's	13	0
Number Found During CY	44	0
Number submitted for DOT action [60106 Agreement agent only]	0	0
Number corrected during CY (including carry over from previous year(s))	37	0
Number to be corrected at end of CY (including carry over)	20	0

Number of Compliance Actions Taken ¹

(see definition) 39

Civil Penalties

Number assessed during CY	4
Dollars assessed during CY	\$612,000.00
Number collected during CY	4
Dollars collected during CY	\$612,000.00

¹Do not double count for a related series of actions.

Attachment 5 Notes

The \$612,000 in civil penalties issued in 2019 is comprised of four (4) different proceedings and that civil penalty amount is a Nevada PSP record. The following is a summary of the four (4) civil penalty cases assessed that comprises the \$612,000 being reported:

#1 - A civil penalty totaling \$500,000 was assessed against NV Energy, OPID 18308, for the March 22, 2018, 324 Eureka Avenue Federal Reportable Incident that was outlined in the 2018 Progress Report. The \$500,000 civil penalty was associated with NV Energy making temporary service connections via means that were not consistent with its procedures. One of the service connections ended up leaking which eventually led to the house explosion. On December 24, 2018, Staff and NV Energy reached a settlement agreement and filed a Stipulation outlining the \$500,000 civil penalty as well as an agreement to have NV Energy spend an additional \$120,000 on public awareness activities. The Stipulation also outlined that NV Energy was required begin having its new construction and pipe replacement contractors become Operator Qualified. Finally, the Stipulation included a provision that precluded NV Energy from requesting cost recovery of the \$353,000 incident cost from ratepayers. On February 15, 2019, the PUCN accepted the Stipulation and civil penalty in Docket No. 18-12022. The civil penalty payment amount of \$500,000 was paid by NV Energy on March 27, 2019.

#2 - A civil penalty totaling \$10,000 was assessed against Southwest Gas, OPID 18536, for the January 15,

2018, Hawk Springs and Mesa Park Federal Reportable Incident that was outlined in the 2018 Progress Report. The \$10,000 civil penalty was associated with a significant leak that occurred on Southwest Gas' distribution system, with the leak being caused by a 4-inch polyethylene butt fusion that was not performed consistent with Southwest Gas' procedures and the plastic pipe joining regulations contained in 49 CFR 192. On March 20, 2019, Staff and Southwest Gas reached a settlement agreement and filed a Stipulation outlining the \$10,000 civil penalty. The Stipulation also outlined that Southwest Gas was required to spend an additional \$10,000 to begin an electronic Operator Qualification Card tracking program. The Stipulation also included a provision that precluded Southwest Gas from requesting cost recovery of the \$112,000 cost of the incident from ratepayers. On May 7, 2019, the PUCN accepted the Stipulation and civil penalty in Docket No. 19-03028. The civil penalty payment amount of \$10,000 was paid by Southwest Gas on May 10, 2019.

#3 - A civil penalty totaling \$8,000 was assessed against AmeriGas Corporation ("AmeriGas"), OPID 32013, regarding the jurisdictional LPG systems it operates in Nevada. The civil penalty was associated with AmeriGas' repeated failure to perform and document proper regulator maintenance inspections at multiple jurisdictional LPG systems. AmeriGas's failure to perform and document that inspections was a violation of 49 CFR 192.729. On May 14, 2019, Staff and AmeriGas reached a settlement agreement and filed a Stipulation outlining the \$8,000 civil penalty. On July 10, 2019, the PUCN accepted the Stipulation and civil penalty in Docket No. 19-05020. The civil penalty payment was paid by AmeriGas on July 26, 2019.

#4 - An additional civil penalty totaling \$94,000 was assessed against Southwest Gas, OPID 18536, for the July 26, 2016, Acacia Tree Drive and Anasazi Drive Federal Reportable Incident that occurred in Las Vegas, Nevada. During a review of the costs associated with Southwest Gas' 2018 general rate case filing (Docket No. 18-05031), PSP Staff found that the cost of the replacement backhoe that was destroyed in the July 26, 2016, Incident had been included in Southwest Gas' cost recovery request. As part of the civil penalty stipulation that was previously reached for the Incident (Docket No. 17-08020), Southwest Gas had agreed, as a result of violations of 49 CFR 192, and in lieu of a being assessed a larger civil penalty amount, to not request cost recovery of the replacement backhoe. Because of Southwest Gas' violation of a previously issued enforcement order, the Commission issued an additional \$94,000 civil penalty, via Docket No. 18-11033, against Southwest Gas. The \$94,000 additional civil penalty amount was paid by Southwest Gas on September 18, 2019

Nevada's PSP and the PUCN also assessed \$136,000 (32 different cases) in civil penalties to excavators/operators for violations of Nevada's One-Call Law (NRS 455). Because these violations were not associated with 49 CFR 192, they have not been included in the civil penalty figures above. However, Nevada's PSP believes it is important to inform PHMSA of these penalties given that PHMSA is evaluating States as to whether they have an effective One-Call Law/Enforcement.



Attachment 6 - List of Records Kept

GAS STATE RECORD MAINTENANCE AND REPORTING DURING CY 2019

Records Maintained by the State Agency

Records of inspections, probable violations, follow-up actions and enforcement activities.

Records of expenditures for the Gas Pipeline Safety Program.

Letters, directives, correspondence, certification, authorizations, etc.

Requested Interpretation Requests and Waiver Request Information.

Some NTSB reports and various safety releases.

Guidelines for States participating in the Gas Pipeline Safety Program.

Pipeline Safety Regulations (49 CFR Parts 191, 192, 193 and 199) including amendments.

Information related to T&Q training.

Records and correspondence from PHMSA program evaluations.

Some NAPSRS correspondence.

Incident Reports and Investigation Documentation.

Probable Violation Log.

One-Call Enforcement Log.

Pipeline Safety Manual / Procedures

Records for Pipeline Safety personnel Activity Tracking

Reports Required from Operators

Incident reports.

Annual reports.

Annual Results of Drug and Alcohol testing for applicable operators.

Operations Manuals.

LDC quarterly/yearly damage cause data.

Notification emails on excavation damages from larger operators.

Some misc. audit related documents, such as leak trend analyses, ILI Reports, ECDA Reports, etc.

Attachment 6 Notes

Attachment 7 - Staffing and TQ Training

STATE EMPLOYEES DIRECTLY INVOLVED IN THE GAS PIPELINE SAFETY PROGRAM DURING CY 2019

Name/Title	% Time	# Months	Qual. Cat.
Supervisor			
Pascual, Neil			
Senior Gas Pipeline Engineer	49	12	II
Maguire, Paul			
Manager Engineering	29	12	II
Inspector/Investigator			
Rogers, Craig			
Gas Pipeline Engineer	65	12	II
Neil Pascual			
Senior Gas Pipeline Engineer	49	12	II
Kenneth Saarem			
Gas Pipeline Engineer	95	12	I
Kelly Everson			
Gas Pipeline Engineer	95	12	II
Mike Evans			
Gas Pipeline Engineer	98	12	III
Adelere Adesina			
Gas Pipeline Engineer	98	12	I
Paul Maguire			
Manager Engineering	19	12	II
Clerical and Administrative Support			
Cyndi Martin			
Administrative Assistant, Carson City	33	12	IV



Summary

<u>Employee Type</u>	<u>No. of Staff</u>	<u>Person-Years</u>
Supervisor	2	0.78
Inspectors/Investigators	7	5.19
Damage Prevention/Technical	0	
Clerical/Administrative	1	0.33
Total	10	6.30



Attachment 7 Notes

The number of Nevada PSP inspectors was stable and fully staffed in 2019, with no employee turnover and no new hires. This was the fourth year in a row that the Nevada PSP had no employee turnover.

The Senior Gas Pipeline Engineer position is a half-inspector/half-supervisor position that is why Neil's position is broken up as 50 percent Supervisor and 50 percent Inspector. 97.3% of his time was split between the two positions with the remaining 2.7% spent on State One-Call inspections and enforcement issues which is not allocated against the Base Grant, but instead is charged against Nevada's One Call Grant or paid for by the State itself.

Engineering Manager, Paul Maguire, has all core T&Q classes, including the OQ class, and is fully qualified to lead standard, construction and OQ inspections. As such, it is estimated that Paul Maguire will perform roughly 20 to 30 inspection days per year, which equates to 15 percent of the time he spends on pipeline safety activities. The other time Mr. Maguire spends is supervisory in nature, including being on the NARUC pipeline safety Staff subcommittee and attending NAPSIR regional meetings.

The other Inspectors listed above also perform One-Call inspections and enforcement of Nevada's Call Before Your Dig Law ("NRS 455") and that is why each of those Inspector's time is less than 100 percent. The time spent inspecting and enforcing NRS 455 are tracked separately and those costs are not included in the Base Grant.

In 2016, Engineering Manager, Paul Maguire was required to step-in as temporary Pipeline Safety Program Manager (for a 4 month period) until a new Senior Gas Pipeline Engineer could be named. That is why Paul Maguire's time in 2016 was in 60 percent range. This normalized in 2017, 2018 and again in 2019 and Mr. Maguire's time is back in the 40% to 50% range.

All of the Nevada PSP Inspectors have completed their core classes and all the IMP classes. Nevada PSP has only three (3) scheduled enrollments for 2020 those being Root Cause, Inspection Assistant and DIMP. Five (5) of Nevada's six (6) inspectors currently have the Root Cause class, and that includes inspectors located in both Northern and Southern Nevada.

Because most classes are complete, we were able to send one of our Pipeline Safety Engineers to NACE training/certification.



Attachment 8 - Compliance with Federal Regulations

STATE COMPLIANCE WITH FEDERAL REQUIREMENTS AS OF DECEMBER 31, 2019

No.	Effective Date	Impact	Adoption Date	Adoption Status
1		Maximum Penalties Substantially same as DOT (\$213,268/\$2,132,268). State must adopt minimum penalties of at least (\$100,000/\$1,000,000). Indicate actual amount in notes.	05/2015	Adopted (\$200,000/\$2,000,000)
Note ¹		The PUCN was successful in getting Senate Bill 86 passed during the 2015 Nevada Legislative Session, which increased Nevada's pipeline safety civil penalty authority amount to the new Federal civil penalty standard of \$200,000 per incident and a maximum of \$2 million.		
2		Part 192 Amendments		
01-90	Pre 2002	[All applicable amendments prior to and including 2002]	10/2004	Adopted
Note ¹				
91	4/23/2004	Definition of high consequence areas for gas transmission lines	10/2005	Adopted
Note ¹				
92	9/4/2003	Procedures for Producer-operated outer continental shelf natural pipelines that cross directly into state waters	10/2004	Adopted
Note ¹				
93	10/15/2003	various changes to gas pipeline safety standards from NAPSR recommendations	10/2004	Adopted
Note ¹				
94	5/6/2005	Modification to the definition of a Transmission Line	06/2006	Adopted
Note ¹				
95	5/26/2004	Pipeline integrity management for transmission lines in HCAs	10/2005	Adopted
Note ¹				

96	9/14/2004	Pressure limiting and regulating stations	10/2005	Adopted
Note ¹				
97	7/28/2004	Passage of internal inspection devices on new and retrofitted transmission pipelines	10/2005	Adopted
Note ¹				
98	9/9/2004	Performance of periodic underwater inspections	10/2005	Adopted
Note ¹				
99	6/20/2005	API RP 1162 Public awareness campaign	06/2006	Adopted
Note ¹				
100	7/15/2005	PSIA Statuory changes to Operator Qualification Program	06/2006	Adopted
Note ¹				
101	11/25/2005	Adoption of NACE Standard as a direct assesment standard	06/2006	Adopted
Note ¹				
102	4/14/2006	Definition of a Gathering Line	10/2010	Adopted
Note ¹				
103	7/10/2006	Incorporate by Reference various Standards	10/2010	Adopted
Note ¹				
103a	2/1/2007	Update Incorporated by Reference and Correction	10/2010	Adopted
Note ¹				
72 FR 20055	4/23/2007	Design and Construction Standards to Reduce Internal Corrosion in Gas Transmission Pipelines	10/2010	Adopted
Note ¹				
104	5/23/2007	Integrity Management Program Modifications and Clarifications	10/2010	Adopted
Note ¹				
105	12/13/2007	Applicability of Public Awareness Regulations to Certain Gas Distribution Operators	10/2010	Adopted
Note ¹				

106-73 FR 16562	3/28/2008	Administrative Procedures, Updates and Technical Amendments (73 FR 16562)	10/2010	Adopted
Note ¹				
107-73 FR 62147	10/17/2008	Standards for Increasing the Maximum Allowable Operating Pressure for Gas Transmission Pipelines (73 FR 62147)	10/2010	Adopted
Note ¹				
108-73 FR 79002	12/24/2008	PA-11 Design Pressures (73 FR 79005)	10/2010	Adopted
Note ¹				
109-74 FR 2889	1/16/2009	Administrative Procedures, Address Updates , and Technical Amendments	10/2010	Adopted
Note ¹				
110-74 FR 17099	4/14/2009	Incorporation by Reference Update: American Petroleum Institute (API) Standards 5L and 1104	10/2010	Adopted
Note ¹				
111-74 FR 62503	11/30/2009	Editorial Amendments to Pipeline Safety Regulations	10/2010	Adopted
Note ¹				
112-74 FR 63310	12/3/2009	Control Room Management/Human Factors	10/2010	Adopted
Note ¹				
113-74 FR 63906	12/4/2009	Integrity Management Program for Gas Distribution Pipelines	10/2010	Adopted
Note ¹				
114 - 75 FR 48593	8/11/2010	Periodic Updates of Regulatory References to Technical Standards and Miscellaneous Edits	10/2010	Adopted
Note ¹				
115 - 75 FR 72878	11/26/2010	Updates to Pipeline and Liquefied Gas Reporting Requirements	11/2010	Adopted
Note ¹				
116 - 76 FR 5494	4/4/2011	Mechanical Fitting Failure Reporting Requirements	04/2011	Adopted
Note ¹				



117-76 FR 35130 Note ¹	8/15/2011	Control Room Management/Human Factors	08/2011	Adopted
118 - 78 FR 58897 Note ¹	9/28/2013	Administrative Procedures, Updates, and Technical Corrections (Not applicable to States)	09/2013	Adopted
119 - 80 FR 168 Note ¹	3/6/2015	Periodic Updates of Regulatory References to Technical Standards and Miscellaneous Edits	03/2015	Adopted
120 - 80 FR 12779 Note ¹	10/1/2015	Miscellaneous Changes to Pipeline Safety Regulations (Part 192.305 DELAYED)	10/2015	Adopted
121 - 81 FR 70989 Note ¹	4/14/2017	Expanding the Use of Excess Flow Valves in Gas Distribution Systems to Applications Other Than Single-Family Residences	4/2017	Adopted
122 - 82 FR 7972 Note ¹	3/24/2017	Operator Qualification, Cost Recovery, Accident and Incident Notification, and Other Pipeline Safety Changes	3/2017	Adopted
124 - 83 FR 58694 Note ¹	1/22/2019 new amendment for 2019	Use of Plastic Piping Systems in the Transportation of Natural and Other Gas	1/22/2019	Adopted
3	Part 193 Amendments (applicable only where state has jurisdiction over LNG)			
01-17 Note ¹	Pre 2002	[All applicable amendments prior to and including 2002]	10/2010	Adopted
18 Note ¹	4/9/2004	Updated LNG standards by section	10/2010	Adopted
19 Note ¹	7/10/2006	Incorporate by Reference various Standards	10/2010	Adopted

20-73 FR 16562	3/28/2008	Administrative Procedures, Updates and Technical Amendments (73 FR 16562)	10/2010	Adopted
Note ¹				
21-74 FR 2889	1/16/2009	Administrative Procedures , Address Updates and Technical Amendments	10/2010	Adopted
Note ¹				
22 - 75 FR 48593	8/11/2010	Periodic Updates of Regulatory References to Technical Standards and Miscellaneous Edits	10/2010	Adopted
Note ¹				
23 - 75 FR 72878	11/26/2010	Updates to Pipeline and Liquefied Gas Reporting Requirements	11/2010	Adopted
Note ¹				
24 - 78 FR 58897	9/28/2013	Administrative Procedures, Updates, and Technical Corrections	09/2013	Adopted
Note ¹				
25 - 80 FR 168	3/6/2015	Periodic Updates of Regulatory References to Technical Standards and Miscellaneous Edits	03/2015	Adopted
Note ¹				
4		Part 199 - Drug Testing	04/2000	Adopted
Note ¹				
5		Part 199 Amendments		
01-19	Pre 2002	[All applicable amendments prior to and including 2002]	10/2004	Adopted
Note ¹				
20	3/12/2003	Definition of Administrator	10/2004	Adopted
Note ¹				
21	12/31/2003	Instructions for Single Use Form for MIS	10/2004	Adopted
Note ¹				
22	7/14/2004	New address for reporting	10/2004	Adopted
Note ¹				

23	3/8/2005	Administration name change	10/2005	Adopted
Note ¹				
24-73 FR 16562	3/28/2008	Administrative Procedures, Updates and Technical Amendments (73 FR 16562)	10/2010	Adopted
Note ¹				
25 - 78 FR 58897	9/28/2013	Administrative Procedures, Updates, and Technical Corrections	09/2013	Adopted
Note ¹				
26 - 80 FR 168	3/6/2015	Periodic Updates of Regulatory References to Technical Standards and Miscellaneous Edits	03/2015	Adopted
Note ¹				
27 - 82 FR 7972	3/24/2017	Operator Qualification, Cost Recovery, Accident and Incident Notification, and Other Pipeline Safety Changes	3/2017	Adopted
Note ¹				
6	State Adoption of Part 198 State One-Call Damage Prevention Program			
a.		Mandatory coverage of areas having pipeline facilities	07/1987	Adopted
Note ¹				
b.		Qualification for operation of one-call system	07/1987	Adopted
Note ¹				
c.		Mandatory excavator notification of one-call center	07/1987	Adopted
Note ¹				
d.		State determination whether calls to center are toll free	07/1987	Adopted
Note ¹				
e.		Mandatory intrastate pipeline operator participation	07/1987	Adopted
Note ¹				
f.		Mandatory operator response to notification	07/1987	Adopted
Note ¹				

g. Note ¹	Mandatory notification of excavators/public	07/1987	Adopted
h. Note ¹	Civil penalties/injunctive relief substantially same as DOT Civil penalty amounts were increased in 2015 as part of Senate Bill 86.	10/1991	Adopted

'If Adoption Status is No, Please provide an explanation

State Attendance at 2019 NAPS Regional Meeting:

Frequency of General Legislative Session: Biennially

Attended full time (Lead rep or alternative pipeline staff)

Attachment 8 Notes

The PUCN's regulations (NAC 704.460) automatically adopts the latest Federal Pipeline Safety Regulations contained in 49 CFR 191, 192, 193 and 199.



Attachment 10 - Performance and Damage Prevention Questions

CALENDAR YEAR (CY) 2019

Planned Performance: What are your Planned Annual and Long-term goals for your Pipeline Safety Program?

1. With the majority of Master Meter Mobile Home Parks replaced by the LDC and Nevada being one of the fastest growing states in the Nation; the Nevada Pipeline Safety Program (PSP) will continue to focus on construction inspections.
2. The largest LDC in Nevada, Southwest Gas Corporation is currently in the process of expanding their service territories into the City of Mesquite, Nevada and Spring Creek, Nevada. The Nevada PSP plans to spend time inspecting this new construction and expansion work.
3. There are also various initiatives to replace early vintage plastic and steel pipelines in Nevada's system and the Nevada PSP will continue to focus on these types of construction inspections.
4. Nevada's second largest operator, NV Energy, is scheduled to perform an ILI on its largest transmission pipeline in 2020 and Nevada PSP plans to have multiple people inspecting this work.
5. Staff development is a key element to the Nevada PSP. As such, various inspectors will have the opportunity to lead LDC, LPG and transmission company audits. In addition, the Nevada PSP will encourage team members that have completed their Federal Training (TQ in Oklahoma) to continue their education in alternative venues such as NACE training or various committees.
6. The rapid growth in Nevada brings upon challenges of new excavation contractors, who have new and less experience employees with existing contractors as well as rush projects. As such, the Nevada PSP will strive to keep pipeline damages low. Some activities to accomplish this are random one-call inspections, excavator training, penalties and fines, and post-damage on-scene inspections.
7. Nevada PSP plans to continue to perform focused quarterly audits of its two largest LDC operators, Southwest Gas and NV Energy. These focused audits have led to Nevada PSP having a much deeper understanding of the LDC's operations and has allowed for the identification of more issues and violations.
8. With new line locating contractors for both LDC's in Northern and Southern Nevada, Nevada PSP plans to watch closely ensuring that they are adequately locating gas pipeline, including field inspections and a damage prevention audit.
9. There has been inconsistencies and discrepancies as to what our operators classify as residential vs business districts for leak surveys. The rapidly growing business districts in Nevada only add to the conflict and Pipeline Safety staff feels that there are or are potential business districts that are not being classified properly and missing the annual leak survey. To enhance safety, eliminate confusion, and ensure all consistency with classifying all business districts; Pipeline Safety Staff is proposing regulations that all pipeline (transmission, distribution, mains and services) will be leak surveyed annually.

Past Performance: What did the Pipeline Safety Program accomplish during the subject year (to this document) to contribute toward the program's annual and long-term goals?

1. The final master meter mobile home park was replaced by the LDC in late 2018. This leaves only one master meter operator in Nevada (a small hotel in the Lake Tahoe area). This reduction in master meter operators has allowed more resources to be dedicated to inspect larger, higher risk operators.
2. Nevada PSP performed inspections of its two largest operators, NV Energy and Southwest Gas, ILI TRIMP work. These inspections allowed Nevada PSP inspectors to utilize the TRIMP and ILI training they received from the T&Q classes. Since Nevada is a smaller State and does not have ILI work occurring every year, it is very important for Nevada PSP to inspect this work when it is occurring.
3. Even with the accelerated growth in Nevada and record excavation work, the PUCN was still successful in driving down the State's Pipeline Damage Rate (to 2.3 damages per 1000 tickets) through inspections, education/training and enforcement. In 2019 Nevada

had its lowest ever natural gas damage rate and issued its highest amount of one-call civil penalties.

4. The Nevada PSP continued to have a high ranking with the Pipeline Safety Trust.

5. The Nevada PSP experienced its fourth consecutive year of no employee turnover, this lack of turnover has resulted in the Nevada PSP having highly trained inspectors in the field performing inspections.

1. Has the state or agency reviewed the Damage Prevention Assistance Program (DPAP) document in the last twelve months?

Yes

2. Has the state or agency developed or is in the process of developing a plan to address the nine elements contained in the PIPES Act of 2006 for an effective State Damage Prevention Program?

Yes

If yes to question 2, where does the state or agency stand on implementation of the nine elements contained in the PIPES Act of 2006? Please provide a description of how the state or agency has or will meet each element. If not, please provide a brief passage explaining the reasons why the state or agency has not.

All 9 Elements have been implemented by Nevada. The majority of the Elements have been implemented through the Nevada Regional Common Ground Alliance ("NRCGA"). Implementation of Elements 6 and 7 (Enforcement) is primarily a function of the Public Utilities Commission of Nevada ("PUCN"), its pipeline safety program ("PSP") and its Staff legal department.

Element 1 Enhanced Communications between operators and excavators.

Nevada's One-Call Center, USA North ("USAN"), is a member of the NRCGA and participates in the monthly NRCGA meetings. These meetings and USAN's participation gives all stakeholders (operators and excavators) the opportunity to discuss the operations of the One-Call Center. The PUCN is working on legislation to use Positive Response, where each ticket has a current status that can be reviewed by the excavators, operators, locators and the PUCN.

Element 2 Fostering Support and partnership of all stakeholders.

This has been accomplished through the participation of operators, excavators, USAN, and the PUCN pipeline safety program Staff during the monthly NRCGA meetings. At least one member of the PUCN's pipeline safety group typically attends the monthly NRCGA meetings which are video linked to both Reno and Las Vegas.

Element 3 Operator use of performance measures for locators.

The two local distribution companies ("LDCs") Southwest Gas and NV Energy have Quality Assurance/Quality Control ("QA/QC") measures for locators and use the QA/QC measures to drive improvements. Additionally, both operators track the cause of each damage, including miss-marks and report that data on an annual basis to the CGA DIRT database. These damage numbers are reviewed at least quarterly/yearly, in order to track locating company performance.

Element 4 Stakeholder partnership in employee training.

Excavator training has been developed and implemented through the NRCGA with the assistance of the PUCN pipeline safety group and LDC operators. Training sessions are held on a regular basis, and on-site training sessions are available and are often put on at excavating company offices in order to allow for more training and easier access.

Element 5 Partnership in Public Education.

The NRCGA has increased its membership dues in order to raise additional funds for a Public Education Program. The PUCN is a paying member of the NRCGA. The NRCGA has a Public Outreach Sub-Committee, which the PUCN Staff also participates in. 811 Banners have been purchased and distributed to equipment rental yards and Home Shows are attended where 811 Call-Before-You-Dig information is handed out. Kinder Morgan has also painted a very large 811 logo on one of its white holding tanks in Reno that is visible from Interstate-80. The PUCN Staff, via its Public Outreach Director, regularly attends Home/Trade Shows both in Northern and Southern Nevada and to distribute literature regarding safe digging practices and the use of 811. The goal of these efforts is to increase public awareness and education of the 811 program. Additionally, the NRCGA placed numerous educational booths events local events (such as contractor and builder golf tournaments) in order to promote safe digging practices and the use of 811.

Element 6 Enforcement agencies role to help resolve issues.

The PUCN has authority to enforce Nevada's One-Call Law (NRS 455). Verbal warnings are given in the field for minor violations that are discovered. If the verbal warnings are not effective and repeat violations are observed, a formal written Warning Letter is sent from the PUCN Staff Legal Counsel to the violating operator/excavator. If further violations are found after a Warning Letter has been issued or if egregious acts are discovered, the PUCN Staff can file a Formal Complaint Petition with the PUCN requesting civil

penalties be assessed against those operators/excavators who continually violate and/or egregiously violate NRS 455.

Element 7 Fair and consistent enforcement of the law.

Nevada's One-Call Statute, NRS 455 was revised during the 2007 legislative session to include Enforcement by the PUCN Staff. Since that time the PUCN Staff, with the help of its Staff Counsel Division, has developed procedures for enforcing NRS 455.

Additionally, in 2015 the civil penalty amounts outlined in NRS 455 were increased from \$1000 per day per violation to \$2,500 per day per violation. Also, there is now a provision in the law that allows the civil penalty amount to be tripled if the violation involves high consequence facilities, such as pipelines operating above 90 PSI. In 2019, the PUCN assessed \$149,750 in One-Call civil penalties. This is the highest amount ever issued for a calendar year by the PUCN, which also correlates with the lowest amount in damages per 1000 tickets. The PUCN also issued 14 written warning letters and issued approximately 235 verbal field warnings. Civil penalties have been assessed to both contractor (excavators) and facility operators ensuring that they are both accountable for their role in damage prevention.

Element 8 Use of Technology to improve the locating process.

USA North is working with the NRCGA on an app for ticket management for contractors to provide information whether a request is valid, expired or in process. This will especially be helpful for contractors managing multiple dig tickets. There is also a drive to promote on-line ticket processing. On-line ticket usage have increased from 35% in 2016 to 79% in 2019; resulting in a faster "speed of answer" average. In 2016 the average time to answer a call was 5:27, and in 2019 this time improved to 1:05. The PUCN also has access to the one-call ticketing system allowing us to review several ticket categories, such as "Damage Tickets" and "No Response" tickets.

Element 9 Data analysis to continually improve program effectiveness.

The primary measure of program effectiveness is the number of dig-ins by year and the number of damages per 1000 tickets. Nevada has been tracking this data since 2000. In 2004, Nevada experienced its highest number of dig-ins at 1,522, the number of dig-ins for 2019 was 341. Additionally, the number of damages per 1000 ticket number also dropped dramatically in 2019 to 2.26. This is the lowest number since tracking began in 2000, which had a total of 14.24 damages per 1000 tickets.

Attachment 10 Notes

