



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:**

1. Review the entire document for completeness.
2. Review and have an authorized signatory sign and date page 2.
3. Scan the signed document to your computer and email it to [Carrie.Winslow@dot.gov](mailto:Carrie.Winslow@dot.gov).



**FedSTAR Information**

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 in black ink, appearing to read 'Paul Maguire', 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 <sup>1</sup>	Yes		#	%		#	%
<b>Distribution</b>								
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
<b>Transmission</b>								
Intrastate		X/60105	7	7	100.0%	8	8	100.0%
Interstate	F		0	0	N/A	0	0	N/A
<b>LNG</b>								
Intrastate		X/60105	0	0	N/A	0	0	N/A
Interstate	F		0	0	N/A	0	0	N/A
<b>Other</b>								
Gathering Lines	A		0	0	N/A	0	0	N/A
Offshore Facilities	A		0	0	N/A	0	0	N/A
<b>Total</b>			<b>15</b>	<b>15</b>	<b>100.0%</b>	<b>30</b>	<b>30</b>	<b>100.0%</b>

<sup>1</sup>Codes: 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
<b>Distribution</b>									
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
<b>Transmission</b>									
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
<b>LNG</b>									
Intrastate	0	0	0	0	0	0	0	0	0
Interstate	0	0	0	0	0	0	0	0	0
<b>Other</b>									
Gathering Lines	0	0	0	0	0	0	0	0	0
Offshore Facilities	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>242.5</b>	<b>286.75</b>	<b>4</b>	<b>40.25</b>	<b>22.5</b>	<b>11</b>	<b>36</b>	<b>28.25</b>	<b>671.25</b>
<b>Drug and Alcohol</b>									
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