



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

2021 Gas Base Grant Progress Report

for

PUBLIC UTILITIES COMMISSION NEVADA

Please follow the directions listed below :

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Electronic Submission Date: 3/8/2022 11:34:52 AM



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

OFFICE OF PIPELINE SAFETY
2021 Gas Base Grant Progress Report

Office: PUBLIC UTILITIES COMMISSION NEVADA

Neil Pascual

Authorized Signature

Neil Pascual

Printed Name

Inspector

Title

3/8/2022 11:34:52 AM

Date



PROGRESS REPORT ATTACHMENTS (GAS)

PHMSA Form No. PHMSA F 999-92

Attachment 1: State Jurisdiction and Agent Status over Facilities.

Attachment 2: State Field Inspection Activity

Attachment 3: Facilities Subject to State Safety Jurisdiction

Attachment 4: Pipeline Incidents

Attachment 5: State Compliance Actions

Attachment 6: State Record Maintenance and Reporting

Attachment 7: State Employees Directly Involved in the Pipeline Safety Program

Attachment 8: State Compliance with Federal Regulations

{there is no attachment 9}

Attachment 10: Performance and Damage Prevention Questions



Attachment 1 - Stats on Operators

STATE JURISDICTION AND AGENT STATUS OVER GAS FACILITIES AS OF DECEMBER 31, 2021

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%	11	11	100.0%
Other		X/60105	0	0	N/A	0	0	N/A
Transmission								
Intrastate		X/60105	6	6	100.0%	7	7	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			14	14	100.0%	22	22	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's pipeline safety program (PSP) experienced some changes in 2021 regarding the number of jurisdictional

operators and inspection units reported. Those changes are as follows:

1. In 2021, AmeriGas, OPID 32013, made piping modifications to one (1) jurisdictional LPG system in Nevada, resulting in the system no longer being 49 CFR 192 jurisdictional. This change resulted in the number of AmeriGas LPG inspection units falling from five (5), as reported in the 2020 Progress Report, to the four (4) outlined in this Progress Report. The AmeriGas changes occurred at the Lockwood 3 mobile home park. The system was converted to individual LPG tanks in September 2021. Since AmeriGas operates all 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.

2. In 2020, TIMET, OPID 39236, permanently shut down their approximately 3000-foot chlorine gas transmission pipeline. TIMET, which used the chlorine gas to make titanium for use in airplanes faced unprecedented economic pressure following the COVID-19 pandemic and TIMET made the decision to permanently shut down its pipeline and manufacturing plant in June 2020. TIMET filed the NATIONAL REGISTRY NOTIFICATION Form B-20200814-24310 on August 14, 2020 outlining the "ceasing of operation" for the pipeline. The TIMET pipeline is still no longer in operation and is therefore still not being inspected, although they did file a 2020 annual transmission report in March of 2021 since they were in operation for part of 2020. The report was reviewed for compliance purposes.

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 Division (SND) and Northern Nevada Division (NND). These comprise the three Inspection Unit figure outlined in the table above.

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 2021, Nevada PSP is still listing Docs Cottages as a jurisdictional master meter system in this 2021 Progress Report.

LPG: AmeriGas performed conversion work on one (1) LPG system making that system no longer jurisdictional which reduced the number of jurisdictional LPG systems AmeriGas operates in Nevada from five (5) to four (4). Therefore, the current jurisdictional LPG operators (which makes up the 11 Inspection Units) in Nevada are as follows:

AmeriGas-4 jurisdictional units; Western States Propane-1 jurisdictional unit; Wendover Gas-4 jurisdictional units (all located in the City of West Wendover, NV. These units typically inspected together); 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 2021 and as Suburban Propane did in 2016. In 2022, NV Energy's LPG system is scheduled to be replaced with natural gas and will become part of the NV Energy LDC. Additionally, in 2022 Western States Propane will likely cease being a jurisdictional operator, Southwest Gas has expanded natural gas service to the Spring Creek, NV area and all of Western States Propane customers have committed to convert to natural gas once service lines to these businesses have been completed.

Transmission Intrastate: No new transmission operators were added in 2021 but as stated above TIMET, OPID 39236, permanently shut down their chlorine gas transmission pipeline and ceased being an operator in 2020. As such, there are currently six (6) jurisdictional Transmission operators in Nevada and they are as follows:

Nevada Gold Mines-2 jurisdictional units; Empire Mining-1 jurisdictional unit; Ryze Renewables-1 jurisdictional unit; Prospector Pipeline Company-1 jurisdictional unit; Southwest Gas Corporation-1 jurisdictional unit; Sierra Pacific Power Company d/b/a NV Energy-1 jurisdictional unit

One of the existing intrastate transmission pipelines continued to be in idle status in 2021. The idle pipeline is the 36-mile Empire Mining Pipeline OPID 39536, (formerly owned by US Gypsum) which taps off 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.

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 purview of the PUCN.



Attachment 2 - State Inspection Activity

TOTAL STATE FIELD INSPECTION ACTIVITY AS OF DECEMBER 31, 2021

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	134.250	254.750	7.000	22.000	14.000	0.750	23.500	15.500	471.750
Municipal	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Master Meter	0.750	0.000	0.000	0.000	0.250	0.000	0.000	0.000	1.000
LPG	24.250	0.000	0.000	3.000	4.250	0.750	0.000	6.000	38.250
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Transmission									
Intrastate	41.250	1.500	0.000	17.000	1.750	0.000	0.000	0.000	61.500
Interstate	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
LNG									
Intrastate	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Interstate	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other									
Gathering Lines	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Offshore Facilities	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	200.500	256.250	7.000	42.000	20.250	1.500	23.500	21.500	572.500

Drug and Alcohol

Total Count of Drug and Alcohol Inspections	0
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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 are allocated between the different operator types. Additionally, multiple inspection types are often performed on the same operator during multi-day inspections therefore the time is 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 to 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 and state funds for non-gas related inspections) 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 are tracked separately from the gas field inspections that are performed pursuant to 49 CFR 192. Nevada's PSP tracks these different inspection hours separately, so the numbers above do not include the 200 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 2021 is 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 2021 comprising the sixth consecutive year with no turnover. Additionally, Nevada sent inspectors to only two T&Q classes in 2021 (because they are essentially all fully trained) allowing more field inspection work to occur. However, Nevada does have several people participating in NAPSRS sponsored committees (Distribution Team, Plastic Pipe Committee, and the NARUC Pipeline Safety Staff Sub-Committee) and the resources needed to actively participate in those committees detracted small number of field days in 2021 when compared to 2020. Also, the State of Nevada required all employees to take a furlough one day a month from Jan. through June 2021 because of the economic impact from the COVID-19 pandemic. This resulted in over 36 pipeline safety workdays being lost playing a role in the lower total field day numbers for 2021 when compared to 2020.

Nevada PSP far exceeded that minimum number of construction inspection days required by PHMSA (20 percent) and the construction inspection days in 2021 made up approximately 45 percent of all inspection days. With the significant construction and pipe replacements work occurring in Nevada the increase in construction inspection work is warranted and important.

The strong overall number of inspection days were a result of:

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;
- Odorant reads;
- Emergency response and excavation damage repairs;
- Etc.

The strong construction inspection day figure is associated with the following:

- Nevada being one of the fastest growing States and the significant new construction that is occurring statewide.
- Southwest Gas replacing some 30 miles of higher risk, more leak prone PVC and Aldyl A pipelines in its Southern Nevada division.
- Southwest Gas performing large school customer owned yard line replacement projects.
- Southwest Gas expanding its service territory to Mesquite, Nevada and Spring Creek, Nevada including all the construction activities associated with bringing natural gas to a new city/region.

Nevada's PSP performed zero (0) comprehensive form Drug and Alcohol ("D&A") inspections in 2021 as no inspections were due based upon our 5-year D&A inspection cycle. However, Nevada PSP did perform its annual in-depth review of operator and contractor's compliance with the 50 percent random testing rate and the Nevada PSP actually issued a Notice of Probable Violation to one operator because one of its contractors failed to comply with the minimum 50 percent random testing rate.

Annual DIMP update meetings/reviews were performed on both large LDCs, those being Southwest Gas and NV Energy. Additionally, full DIMP Inspections were also performed on both large LDCs in 2021. Other DIMP audits were performed on smaller operators and some DIMP field inspection work was performed regarding inspecting formal DIMP mitigation programs.

A Joint PHMSA/Nevada/Arizona Control Room Audit was performed in May 2021 on Southwest Gas, which contributed to the strong Standard Inspection Day number.

A TRIMP field In-Line-Inspection ("ILI") was performed in 2021. That inspection was coordinated with inspectors from the Arizona Corporation Commission as the pipeline being assessed was a transmission pipeline that starts in Arizona and terminates in Nevada. Several smaller External Corrosion Direct Assessment ("ECDA") and ILI Dig and Inspect work was also performed adding to the strong TRIMP field numbers for 2021

The continued decline in the number of master meter and small LPG operator inspection units has allowed for increased inspections of larger higher consequence LDC and transmission operators, such as the strong construction inspections number outlined for 2021.



Attachment 3 - List of Operators

GAS FACILITIES SUBJECT TO STATE SAFETY JURISDICTION AS OF DECEMBER 31, 2021

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	4	0	0	0	0	0	0	0
Docs Cottages 37064 P.O. Box 3626, Stateline, NV 89449	0	0	1	0	0	0	0	0	0	0	0
Empire Mining Co, LLC 39536 Nevada Highway 447 - MP 68, Empire, NV 89405	0	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	0
Nevada Gold Mines 30052 1655 Mountain City Highway, Elko, NV 89822	0	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	0	1	0	0	0	0	0
Prospector Pipeline Company 38923 2981 Gold Canal Drive, Rancho cordova, CA 95670	0	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	0	1	0	0	0	0	0

Southwest Gas Corporation 18536 5241 Spring Mountain Road, Las Vegas, NV 89150	2	0	0	0	0	1	0	0	0	0	0
Wendover Gas Company 31497 460 Mesa Street, Wendover, NV 89883	0	0	0	4	0	0	0	0	0	0	0
Western States Propane Company (dba Spring Creek Plaza) 36244 1207 Water Street, Elko, NV 89801	0	0	0	1	0	0	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	11	0	7	0	0	0	0	0

Total Operators

11

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, considering 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 one (1) LPG system making it non-jurisdictional (change from 5 units in 2020 to 4 in 2021).

In 2020, TIMET, OPID 39236, permanently shut down their approximately 3000-foot chlorine gas transmission pipeline. TIMET, which used the chlorine gas to make titanium for use in airplanes faced unprecedented economic pressure following the COVID-19 pandemic and made the decision to permanently shut down its pipeline and manufacturing plant in June 2020. TIMET filed the NATIONAL REGISTRY NOTIFICATION Form B-20200814-24310 on August 14, 2020 outlining the "ceasing of operation" for the pipeline.

One intrastate transmission pipeline continues to be in idle status in 2020. 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 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, 2021

Date of Incident	Location - City/County/etc.	System Type	Injuries #	Fatalities #	Property Damage ³ \$	Operator Cause Code ¹	State Cause Code ¹
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Name of Operator:

Operator ID:

Report No:

Summary²

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.

Attachment 4 Notes

Nevada did not have any Federally Reportable Incidents in 2021. However, investigation work and pursuit of a civil penalty continued regarding the 2020 "Southwest Gas: 4337 Silver Dollar Avenue, Las Vegas, Nevada, June 24, 2020 Leak Incident."



Attachment 5 - Stats on Compliance Actions

STATE COMPLIANCE ACTIONS -- CALENDAR YEAR (CY) 2021

Probable Violation Categories	Intrastate	Interstate
Number carried over from all previous CY's	2	0
Number Found During CY	17	0
Number submitted for DOT action [60106 Agreement agent only]	0	0
Number corrected during CY (including carry over from previous year(s))	9	0
Number to be corrected at end of CY (including carry over)	10	0

Number of Compliance Actions Taken ¹
(see definition) 27

Civil Penalties

Number assessed during CY	3
Dollars assessed during CY	\$30,500.00
Number collected during CY	3
Dollars collected during CY	\$30,500.00

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

Attachment 5 Notes

The \$30,500 in civil penalty figure issued in 2021 is comprised of three (3) different proceedings. The following is a summary of those three (3) civil penalty cases:

#1. A civil penalty totaling \$20,000 was assessed against Southwest Gas Corporation, OPID 18356. In Q1 and Q2 of 2020, Southwest Gas had seventeen (17) at-fault excavation damages to its pipeline facilities and several of the at-fault excavation damages involved Southwest Gas not marking any underground gas facilities even though 811 tickets had been called in. Failure to properly mark underground natural gas damages is a violation of 49 CFR 192.614, 49 CFR 192.605 and Nevada's One-Call Law, NRS 455. After several months of negotiations, on December 15, 2020, Staff and Southwest Gas reached a settlement agreement and filed a Stipulation outlining a \$20,000 civil penalty for the non-compliance and a requirement that Southwest Gas make a \$10,000 contribution to the Nevada Regional Common Ground Alliance in order to help sponsor 811 public awareness events. The Stipulation was designated as Docket No. 20-12014. On February 12, 2021, the PUCN accepted the Stipulation. The civil penalty payment amount of \$20,000 was paid by Southwest Gas on March 5, 2021 and proof of the \$10,000 contribution to help sponsor 811 public awareness events was provided on April 13, 2021.

#2. A civil penalty totaling \$500 was assessed against Shoshone Propane. Between April 19 and April 25, 2021, Shoshone Propane operated (turned off) an AmeriGas jurisdictional valve, disconnected an AmeriGas

jurisdictional meter, and installed a plug on the meter riser. These actions were violations of 49 CFR 192.13, 192.605(a), and 192.805, because Shoshone Propane cannot work on and operate another jurisdictional operator's LPG system without that operator's knowledge and consent; further, Shoshone Propane does not have the requisite plans, procedures, manuals, or qualification programs to perform such functions in accordance with 49 CFR 192. After some negotiations, on July 1, 2021, Staff and Shoshone reached a settlement agreement and filed a Stipulation outlining a \$500 civil penalty and Shoshone's commitment to not work on jurisdictional LPG systems in the future. The Stipulation was designated as Docket No. 21-07005. On August 31, 2021, the PUCN accepted the Stipulation. The civil penalty payment amount of \$500 was paid by Shoshone Propane on September 2, 2021.

#3. A civil penalty totaling \$10,000 was assessed against Southwest Gas Corporation, OPID 18356. During the 2021-Q1 Audit of its Northern Nevada Division, pressure regulating, and relief device records were reviewed. Pursuant to 49 CFR 192.743, pressure relief devices at pressure regulating stations must have sufficient capacity to protect the facilities to which they are connected, and this capacity must be determined at intervals not exceeding 15 months, but at least once each calendar year by testing the devices in place or by review and calculations. Southwest Gas had contracted with its upstream gas supplier and subsidiary, Paiute Pipeline Company ("Paiute Pipeline"), for the overpressure protection service at the location in question. Paiute Pipeline failed to perform the required annual capacity relief reviews for four consecutive years (2017-2020) on a transmission regulating station where Paiute Pipeline provides over-pressure protection to Southwest Gas' facilities and Southwest Gas' customer, Nevada Gold Mines (Phoenix Mine), in violation of 49 CFR 192.743. After several months of negotiations, on July 15, 2021, Staff and Southwest Gas reached a settlement agreement and filed a Stipulation outlining a \$10,000 civil penalty for the non-compliance. The Stipulation was designated as Docket No. 21-07017. On September 8, 2021, the PUCN accepted the Stipulation. The civil penalty payment amount of \$10,000 was paid by Southwest Gas on September 23, 2021.

Nevada's PSP and the PUCN also assessed \$59,000 (15 different cases) in civil penalties in 2021 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 2021

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 AID 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.
NAPSR correspondence and NAPSR survey responses
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.
Annual odor call and leak call emergency response times

Attachment 6 Notes

Attachment 7 - Staffing and TQ Training

STATE EMPLOYEES DIRECTLY INVOLVED IN THE GAS PIPELINE SAFETY PROGRAM DURING CY 2021

Name/Title	% Time	# Months	Qual. Cat.
Supervisor			
Maguire, Paul Manager Engineering	24.000	12	II
Pascual, Neil Senior Gas Pipeline Engineer	49.440	12	II
Inspector/Investigator			
Adelere Adesina Gas Pipeline Engineer	94.730	12	I
Kelly Everson Gas Pipeline Engineer	97.890	12	II
Kenneth Saarem Gas Pipeline Engineer	97.380	12	I
Mike Evans Gas Pipeline Engineer	95.560	12	II
Neil Pascual Senior Gas Pipeline Engineer	49.440	12	II
Paul Maguire Manager Engineering	19.000	12	II
Rogers, Craig Gas Pipeline Engineer	64.550	12	II
Clerical and Administrative Support			
Cyndi Martin Administrative Assistant, Carson City	27.140	12	IV



Summary

<u>Employee Type</u>	<u>No. of Staff</u>	<u>Person-Years</u>
Supervisor	2	0.730
Damage Prevention/Technical	0	0.000
Inspectors/Investigators	7	5.190
Clerical/Administrative	1	0.270
Total	10	6.190

Attachment 7 Notes

The number of Nevada PSP inspectors was stable and fully staffed in 2021, with no employee turnover and no new hires. This was the sixth 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. 98% of his time was split between the two positions with the remaining 2% 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, DIMP and OQ inspections. As such, it is estimated that Paul Maguire will perform roughly 25 to 40 inspection days per year, which equates to 15 to 20 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 NAPSR regional meetings.

The other Inspectors listed above also perform One-Call inspections and enforcement of Nevada's Call Before Your Dig Law ("NRS 455") which 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 6-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, 2019, 2020 and again in 2021 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's six (6) inspectors currently have the Root Cause class. Nevada PSP is looking at one retirement in January of 2022, which will result in a new employee having to be hired and that employee beginning the process of completing all the T&Q classes.

Attachment 8 - Compliance with Federal Regulations

STATE COMPLIANCE WITH FEDERAL REQUIREMENTS AS OF DECEMBER 31, 2021

No.	Effective Date	Impact	Adoption Date	AdoptionStatus
1		<p>Maximum Penalties Substantially same as DOT (\$225,134/\$2,251,334). State must adopt minimum penalties of at least (\$100,000/\$1,000,000). Indicate actual amount in notes.</p> <p>The PUCN's regulations (NAC 704.460) automatically adopts the latest Federal Pipeline Safety Regulations contained in 49 CFR 191, 192, 193 and 199.</p> <p>Note¹ 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 then Federal civil penalty standard of \$200,000 per day per violation to a maximum of \$2 million. The PUCN is not currently pursuing new legislation to adopt the new Federal inflation adjusted civil penalty amount. The PUCN needs to study the inflation adjustment language more closely as it could be problematic to adjust the civil penalty authority amount every year.</p> <p>PHMSA still accepts the \$200,000/\$2 million civil penalty standard as being comparable/acceptable to the PHMSA standard.</p>	05/2015	Adopted (\$200,000/\$2,000,000)
2		Part 192 Amendments		
1-115	Pre 2011	[All applicable amendments prior to and including 2010]	12/31/2010	Adopted
Note ¹	Adoption of all amendments prior to 2011			
116 - 76 FR 5494	4/4/2011	Mechanical Fitting Failure Reporting Requirements	04/2011	Adopted
Note ¹				
117-76 FR 35130	8/15/2011	Control Room Management/Human Factors	08/2011	Adopted
Note ¹				
118 - 78 FR 58897	10/25/2013	Administrative Procedures, Updates, and Technical Corrections (Not applicable to States)	09/2013	Adopted
Note ¹				

119 - 80 FR 168	3/6/2015	Periodic Updates of Regulatory References to Technical Standards and Miscellaneous Edits	03/2015	Adopted
Note ¹				
120 - 80 FR 12779	10/1/2015	Miscellaneous Changes to Pipeline Safety Regulations (Part 192.305 DELAYED)	10/2015	Adopted
Note ¹				
121 - 81 FR 70989	4/14/2017	Expanding the Use of Excess Flow Valves in Gas Distribution Systems to Applications Other Than Single-Family Residences	4/2017	Adopted
Note ¹				
123 - 82 FR 7972	3/24/2017	Operator Qualification, Cost Recovery, Accident and Incident Notification, and Other Pipeline Safety Changes	3/2017	Adopted
Note ¹				
124 - 83 FR 58694	1/22/2019	Use of Plastic Piping Systems in the Transportation of Natural and Other Gas	1/22/2019	Adopted
Note ¹	new amendment for 2019			
125 - 84 FR 52180	7/1/2020	Pipeline Safety: Safety of Gas Transmission Pipelines: MAOP Reconfirmation, Expansion of Assessment Requirements, and Other Related Amendments	7/1/2020	Adopted
Note ¹	Pursuant to NAC 704.460, this regulation was automatically adopted			
126 - 86 FR 2210	3/12/2021	Pipeline Safety: Gas Pipeline Regulatory Reform (Delayed to 3/21) (Delayed Compliance date 10/12/2021)	03/12/2021	Adopted
Note ¹				
3	Part 193 Amendments (applicable only where state has jurisdiction over LNG)			
1-23	Pre 2011	[All applicable amendments prior to and including 2010]	12/31/2010	Adopted
Note ¹	Adoption of all amendments prior to 2011			
24 - 78 FR 58897	10/25/2013	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			
1-24	Pre 2011 [All applicable amendments prior to and including 2010]		12/31/2010	Adopted
Note ¹	Adoption of all amendments prior to 2011			
25 - 78 FR 58897	10/25/2013 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				
28 - 84 FR 16770	4/23/2019 Conforming Amendments and Technical Corrections to Department Rules Implementing the Transportation Industry Drug Testing Program		04/23/2019	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. Note ¹	Mandatory operator response to notification	07/1987	Adopted
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 2021 NAPS Regional Meeting:

Attended full time (Lead rep or alternative pipeline staff)

Frequency of General Legislative Session: Biennially

Attachment 8 Notes

The PUCN was successful in getting new legislation passed (during the current 2021 session) to have the blanket exemption for natural gas utilities from having to have professional engineers review and stamp interstate natural gas utility projects removed. This legislation change was a result of the NTSB recommendations that came out of the 2018 Merrimack Valley, MA, pipeline safety incident and report. The new legislation was passed via Assembly Bill 173 during the 2021 Nevada Legislative Session. A Rule Making Docket, Docket No. 21-06039, was opened by the PUCN after the passage of the bill and that Rule Making Docket outlines, via regulations, what types of natural gas utility projects require the review of a Nevada licensed professional engineer.



Attachment 10 - Performance and Damage Prevention Questions

CALENDAR YEAR (CY) 2021

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

With COVID-19 restrictions not fully lifted by our Operator Companies, we plan to complete our annual audits in 2022 in hybrid fashion. For the Operators not fully open, we will conduct web-based audits for the documentation (procedures and records) portion of audit, while performing field audits in person (while respecting Operator's COVID-19 guidelines in respect to social distancing and masks.) On the other hand, for Operators that are fully open, we plan to return to business as usual with documentation portions of audits at the Operator's facility and in-person field audits.

Nevada has Operators that are either being replaced by an LDC or have made the decision that Federal regulations are too onerous for them to be in the business of being a utility operator. One of those operators has an LPG facility that will be replaced by natural gas from the LDC. For that operator, the Nevada Pipeline Safety Program (PSP) will perform construction inspections to ensure a safe transition to natural gas. For the Operator planning to migrate from LPG to electric power, the Nevada PSP will work with them through the long transition to ensure that they are not missing/dropping vital safety operations and maintenance work while transitioning.

Nevada is staffed with seven Gas Pipeline Safety Engineers who currently have all the required core training classes from PHMSA TQ. Most Engineers have the required specialty courses as well. In fact, the Nevada PSP had not had turnover in about six years. However, with the retirement of one Engineer in the beginning of 2022, the Nevada PSP will search for a suitable replacement. To maximize success during this transition period, the Nevada PSP plans to map out a succinct training plan that involves the PHMSA TQ courses both on-line and in person (when available) and familiarizing the new Engineer with vital resource material (CFR, NAC and NRS codes, NAPSRS resource material, Nevada PSP Operations Manual, Nevada PSP activity reporting tools as well as various other materials including training conducted by the State of Nevada). The plan will also include onboarding techniques that will allow the new team member in-field time with our seasoned Engineers (including annual and quarterly audits).

In 2022, the Nevada PSP is hosting the NAPSRS Western Region meeting in Las Vegas. This is the first live meeting by the Western Region in three years. During this meeting, the Nevada PSP plans to convey important information from PHMSA, NAPSRS, Operators, Industry as well as between the Western Region States.

Nevada agrees with PHMSA's recent emphasis on construction inspections especially when considering Nevada's rapid commercial and residential growth. The PUCN's construction inspections will focus on both new pipelines and replacements of aging, higher risk pipeline.

One long term goal of the Nevada PSP program is enforcing recent legislation of requiring all jurisdictional operators to perform annual leak surveys of ALL their facilities by 2023. The Nevada PSP is working with Operators to help ensure that they ramp up their workforce and equipment to meet the new demands of the legislation and plans to perform inspection to ensure that the new law is followed.

As damages are the leading threat to pipelines, damage prevention continues to be on the forefront of the Nevada PSP efforts. The Nevada PSP endeavors to be on site to many of the pipeline damages (30 to 50% of damages) and investigates all damages by either on-site investigation or reviewing damage documentation (photos, damage cause, disqualification forms, etc.) Because of an agreement the Nevada PSP has with its Operators, they are notified of the damage typically within 30 minutes of their occurrence, so field investigations often occur on "fresh" damages; meaning the excavator is still present and the damage has not yet been buried during the investigation.

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?

Even through COVID-19 shutdowns, the Nevada PSP has been able to perform inspections of every jurisdictional Operator in Nevada every year. Along with that, based on their higher risk assessments, the LDCs are audited quarterly (not including the numerous construction inspections.) This has long been a goal with the Nevada PSP, and its success means that the program will continue to

make an effort to inspect every Operator annually at a minimum.

In 2021, there were 169,737 one-call tickets issued, which remains relatively close to previous years. However, Nevada PSP efforts have managed to keep damages at a low level. The 2.15 gas damages per 1,000 tickets figure represents the lowest amount of damages since this metric was tracked in 2000. This tracks with Nevada PSPs long term goal of keeping pipeline damages low despite continued increases in construction in the state.

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.

Attachment 10 Notes

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. These meetings were suspended for several months because of COVID-19 and have now merged to virtual meetings.

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 is available and are often put on at excavating company offices in order to allow for more training and easier access. In person training was really hampered because of COVID-19 and it is hoped that in-person training can once again begin in 2022.

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 gold 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 issues 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.

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 with managing multiple dig tickets. There is also a drive to promote on-line ticket processing. We are also working on requirements for locators to provide a "positive response" for completed locates (Docket number 21-01028). These would appear on the dig ticket as completed locates.

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 2020 the 2.23 gas damages per 1,000 tickets represents the lowest amount in the program's history.

