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Nevada becomes the first state to require annual leak surveying of all intrastate natural gas pipelines

Carson City, Nev. – New pipeline safety regulations recommended by the Public Utilities Commission of Nevada (PUCN) received final approval last week.

The PUCN opened an investigation and rulemaking docket in 2019 to consider requiring natural gas and liquefied petroleum gas (LPG) utilities to conduct annual leak detection surveys of all distribution pipelines. The Regulatory Operations Staff (Staff) filed a petition in August 2019 requesting that the PUCN take action to consider such leak detection surveys. The PUCN adopted proposed regulations in July 2021 that were considered and ultimately approved by the state Legislative Commission on Oct. 22.

Staff recommended that the PUCN mandate leak detection surveys at least once each calendar year at intervals not exceeding 15 months for all systems transporting natural gas or LPG. With the PUCN's adoption of annual leak surveys for all distribution systems, Nevada becomes the first state in the nation to apply such a standard to every type, vintage, and mile of distribution pipe.

Current federal regulations require operators to conduct annual leak detection only in "business districts" within a utility's service area; however, the regulations do not define "business districts." Staff states that utilities were responsible for determining what areas are considered "business districts," but that determination was not uniform across utilities and led to variations in how operators determined which properties should be subject to annual leak surveys. In areas outside of business districts, federal regulations require leak detection surveys at least once every five years.

By requiring annual leak detection surveys on all distribution systems transporting natural gas or LPG, Staff said the inspections will ensure all business and residential areas are surveyed in a timely manner. Staff states that this approach will likely identify more gas leaks before they are reported by the public through odor calls. Staff also states that identifying leaks sooner will reduce the risk of injury and property damage from an explosion due to a hazardous gas leak. Additionally, Staff argues that quicker detection could benefit the environment by lowering methane emissions.

"This is a triple win - it improves safety, it will reduce greenhouse gas emissions by finding leaks much sooner than they would have been found on the current five-year requirement, and it's more jobs in Nevada as walking and leak surveying underground gas lines requires people working in the state and that task cannot be outsourced," said Paul Maguire, PUCN Engineering Manager.

The operators affected by this regulation include NV Energy, Southwest Gas Corporation, Wendover Gas Co. and Amerigas Propane, L.P. The cost of damages from some gas incidents across the country have reached into the tens of millions of dollars, Staff noted in its petition. Avoiding just one such incident would represent an instant payback compared to the increased costs of mandating annual leak detection surveys, Staff said.

For more information about the investigation and rulemaking proceeding, visit the PUCN website at puc.nv.gov. From the top navigational bar on the home page, select Dockets and then select All Dockets. Scroll to Docket No. 19-09011 and click "View."