26-01007

Public Utilities Commission of Nevada
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by: /s Cyndi Martin

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Executive Director

November 3, 2026

Trisha Osborne
Assistant Commission Secretary
PUBLIC UTILITIES COMMISSION OF NEVADA
1150 East William Street
Carson City, NV 89701

RE: Docket No. 26-01007
NV Energy
Response – 2026-Q3 Damage Prevention Program Audit and Inspection

Dear Ms. Osborne:

Attached for filing in the above-referenced docket is a formal response letter from Susan Barnette, Director of Gas Compliance and Training, NV Energy responding to Staff's Audit Summary letter regarding possible issues and/or violations of 49 Code of Federal Regulations Part 192 regarding pipeline safety code compliance. Staff's letter was sent on September 9, 2026; NV Energy responded to the letter on October 7, 2026. Staff Counsel is filing this response letter on behalf of NV Energy.

Sincerely,

/s/ Donald Lomoljo

Donald Lomoljo
Staff Counsel

DL/cmm
Attachments

October 7, 2026

Delivered by Electronic Mail

Paul Maguire, P.E.
Manager, Engineering Division
Public Utilities Commission of Nevada
1150 East William Street
Carson City, NV 89701-3109

Re: NV Energy 2026-Q3 Damage Prevention Program Audit and Inspection, August 6-7, 2026

Dear Mr. Maguire:

In a letter dated September 9, 2026, the Regulatory Operations Staff ("Staff") identified two (2) Issues of Concern ("IOC") associated with Sierra Pacific Power Company d/b/a NV Energy's ("Sierra") Damage Prevention Program. As requested by Staff, Sierra is providing a response to those items.

Issues of Concern:

IOC #1 – 49 CFR 192.614 Damage prevention program. Applicability of Line Locating Verification Procedures to NV Energy Personnel.

During review of the NV Energy Gas Operations and Maintenance Manual, Part D, Section 7 – Locating and Excavating, it was observed that Section 7.2.1 establishes qualification and procedural requirements for personnel performing underground facility locates. The procedure requires personnel performing locates for excavation activities to be operator qualified. The procedure further establishes a minimum verification standard specifically for contractor personnel, requiring the use of at least two methods of confirmation when performing a locate: mapping documentation and line locating equipment. The same section assigns NV Energy Damage Prevention personnel responsibility for investigating problem locates and provides for NV Energy personnel to perform locating and marking activities, utilize specialized locating equipment, coordinate potholing, conduct standbys during excavation activities, and employ other methods necessary to achieve a proper locate. However, the procedure does not expressly state that the minimum two-method confirmation requirement established for contract locating personnel is also applicable to NV Energy employees when those employees directly perform facility locating activities.

Corrective Actions:
NV Energy needs to review and possibly revise its written locating procedures to clearly establish the applicable locating and verification requirements for all personnel performing locates on behalf of NV Energy, including both contract locating personnel and NV Energy employees.

At a minimum, NV Energy should consider extending the established verification methodology, including the use of mapping documentation and appropriate line locating equipment to NV

Energy employees performing locating activities unless an alternate verification procedure is specifically established and documented. Establishing consistent and clearly documented requirements would promote uniform locating practices, reduce ambiguity regarding procedural expectations, and provide assurance that comparable verification standards are applied regardless of whether the locate is performed by an NV Energy employee or its contracted locating representative.

Regulation and OPS Manual References

49 CFR 192.614 Damage prevention program.

(a) Except as provided in paragraphs (d) and (e) of this section, each operator of a buried pipeline must carry out, in accordance with this section, a written program to prevent damage to that pipeline from excavation activities. For the purposes of this section, the term "excavation activities" includes excavation, blasting, boring, tunneling, backfilling, the removal of aboveground structures by either explosive or mechanical means, and other earthmoving operations.

(b) An operator may comply with any of the requirements of paragraph (c) of this section through participation in a public service program, such as a one-call system, but such participation does not relieve the operator of responsibility for compliance with this section. However, an operator must perform the duties of paragraph (c)(3) of this section through participation in a one-call system, if that one-call system is a qualified one-call system. In areas that are covered by more than one qualified one-call system, an operator need only join one of the qualified one-call systems if there is a central telephone number for excavators to call for excavation activities, or if the one-call systems in those areas communicate with one another. An operator's pipeline system must be covered by a qualified one-call system where there is one in place. For the purpose of this section, a one-call system is considered a "qualified one-call system" if it meets the requirements of section (b)(1) or (b)(2) of this section.

(1) The state has adopted a one-call damage prevention program under § 198.37 of this chapter; or

(2) The one-call system:

(i) Is operated in accordance with § 198.39 of this chapter;

(ii) Provides a pipeline operator an opportunity similar to a voluntary participant to have a part in management responsibilities; and

(iii) Assesses a participating pipeline operator a fee that is proportionate to the costs of the one-call system's coverage of the operator's pipeline.

(c) The damage prevention program required by paragraph (a) of this section must, at a minimum:

(1) Include the identity, on a current basis, of persons who normally engage in excavation activities in the area in which the pipeline is located.

(2) Provides for notification of the public in the vicinity of the pipeline and actual notification of the persons identified in paragraph (c)(1) of this section of the following as often as needed to make them aware of the damage prevention program:

(i) The program's existence and purpose; and

(ii) How to learn the location of underground pipelines before excavation activities are begun.

(3) Provide a means of receiving and recording notification of planned excavation activities.

(4) If the operator has buried pipelines in the area of excavation activity, provide for actual notification of persons who give notice of their intent to excavate of the type of temporary marking to be provided and how to identify the markings.

(5) Provide for temporary marking of buried pipelines in the area of excavation activity before, as far as practical, the activity begins.

(6) Provide as follows for inspection of pipelines that an operator has reason to believe could be damaged by excavation activities:

(i) The inspection must be done as frequently as necessary during and after the activities to verify the integrity of the pipeline; and

(ii) In the case of blasting, any inspection must include leakage surveys.
(d) A damage prevention program under this section is not required for the following pipelines:
(1) Pipelines located offshore.
(2) Pipelines, other than those located offshore, in Class 1 or 2 locations until September 20, 1995.
(3) Pipelines to which access is physically controlled by the operator.
(e) Pipelines operated by persons other than municipalities (including operators of master meters) whose primary activity does not include the transportation of gas need not comply with the following:
(1) The requirement of paragraph (a) of this section that the damage prevention program be written; and
(2) The requirements of paragraphs (c)(1) and (c)(2) of this section..

7.2. Procedure

7.2.1. Locating NV Energy Facilities

Locating NV Energy gas facilities requires training from Damage Prevention Department. Gas Compliance Operations Department. or through the contract locating company. Personnel performing locates for excavation activities must be Operator Qualified.

The use of locating equipment is unique to each manufacturer. Follow the manufactures instructions on the proper use and operation of their equipment.

NOTE: Locating high priority (6" and larger or greater than 100 psig distribution mains) and Transmission pipeline facilities requires special procedures available from the Damage Prevention Department.

Contractor personnel must use a minimum of two methods of confirmation for performing locates: mapping documentation and line locating equipment. The following issues would initiate a "problem locate":

- Evidence of facilities without mapping information
- Discrepancy between map and locating signal
- Inability to achieve an adequate locating signal
- Any other issue that affects a proper line locate

Sierra Response to Staff IOC #1

Sierra believes the current Operations and Maintenance ("O&M") procedures have been effectively implemented and require personnel performing locating activities to be operator qualified, with established practices and expectations that locates be verified using multiple sources of information and appropriate locating methods to ensure accurate facility identification.

Section 7.2.1 identifies minimum verification requirements for contract locating personnel because they perform the majority of routine locating activities on behalf of Sierra. When Sierra employees perform locating activities, they utilize available mapping records, locating equipment, specialized tools, potholing, standbys, and other verification methods, as appropriate, to achieve an accurate locate.

Sierra agrees that additional clarification would improve the procedure and eliminate any

potential ambiguity. During the next update to the O&M Manual, Sierra will revise the applicable section to provide additional clarity and better reflect current practices.

IOC #2 – 49 CFR 192.614 Damage prevention program. Electronic Positive Response for Required Standby. During the field observation of Ticket No. 2026080400493, NV Energy determined that additional controls were necessary because the location of a facility stub could not be definitively established. NV Energy personnel communicated directly with the excavator and instructed the excavator to contact NV Energy and arrange for an NV Energy employee to be present during excavation within the identified area.

The Nevada Electronic Positive Response system provides a specific response code for this circumstance. EPR Code 031 – Requires Stand By At Time Of Excavation – Contact Facility Owner. This code communicates to the excavator that excavation is subject to additional coordination with the facility owner and that a standby is required.
The electronic positive response ultimately submitted for Ticket No. 2026080400493 was Code 010 – Locate Area Marked. Code 010 does not communicate the additional standby requirement that NV Energy provided verbally to the excavator in the field. As a result, the electronic positive response available through the One Call system did not fully reflect the conditions NV Energy had established for excavation in the applicable area.

Corrective Actions:
NV Energy needs to utilize the applicable Electronic Positive Response code whenever conditions or restrictions are placed on excavation activities. Specifically, when NV Energy determines that an excavator must contact NV Energy and schedule an NV Energy representative to be present during excavation, the electronic positive response should reflect that requirement through the use of Code 031 – Requires Stand By At Time Of Excavation – Contact Facility Owner, or any subsequently adopted response code specifically designated for that circumstance.
The electronic positive response should accurately and consistently communicate the status of the locate and any conditions imposed by the facility operator. Verbal communication with an excavator should not be used in place of an electronic positive response that accurately reflects the requirements associated with the ticket. Consistent use of the appropriate EPR code is necessary to ensure that the electronic ticket record accurately communicates required excavation controls, provides the excavator with clear notice of the operator's requirements, and maintains consistency between field instructions and the information available through USA North 811.
NV Energy should review its internal procedures and personnel guidance regarding Electronic Positive Response selection to ensure that Code 031 is utilized whenever NV Energy requires a standby during excavation.

Regulation and OPS Manual References
See above.

Sierra Response to Staff Recommendation #1
Sierra partially disagrees with this finding. While Sierra agrees that additional guidance regarding electronic positive response ("EPR") code assignment would be beneficial and will incorporate such guidance in the next O&M Manual update, Sierra believes the field response and damage prevention activities associated with Ticket No. 2026080400493 were appropriate.

For Ticket No. 2026080400493, the electronic positive response was initially submitted using EPR Code 010 but updated immediately to EPR Code 031 – Requires Stand By At Time Of Excavation-Contact

Facility Owner, as recommended by Staff during the audit. This was consistent with the instructions provided directly to the excavator after NV Energy determined the facility stub location could not be definitively established.

The excavator subsequently contacted NV Energy to coordinate standby activities, and a standby was performed while excavation work was conducted. Attachment 1 includes the electronic positive response and standby documentation demonstrating that the standby requirement was communicated and implemented.

Sincerely,

Susan Burnette

Susan Burnette
Director of Gas Compliance and Training

cc: Nicholas Aboumrad, Vice President, Gas Delivery
Neil Pascual, Sr. Gas Pipeline Engineer

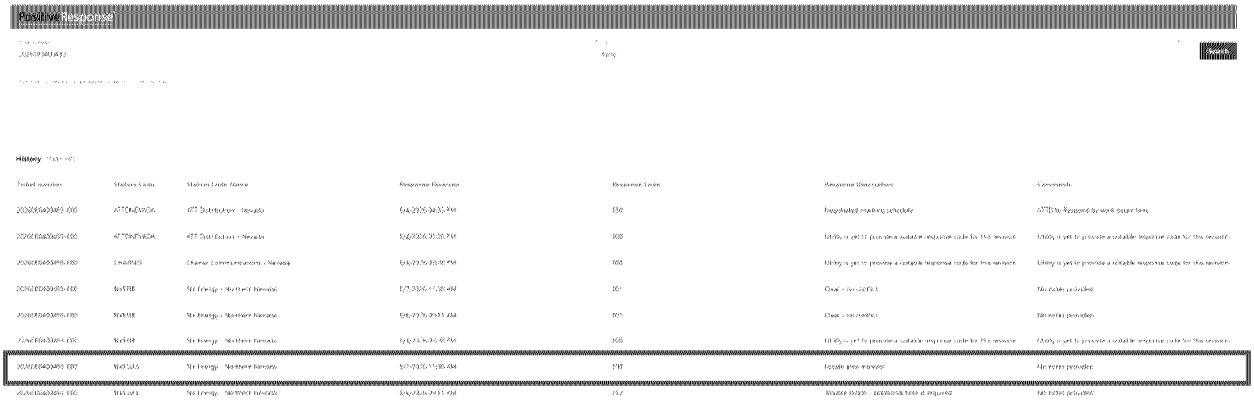
Attachment 1

Positive Response

Updated 8-7-2026 11:39AM



Original positive response from NVE Locator 8-7-2026 11:38AM



Attachment 1

Standby Report

North Standby Gas NVE Inspectors Work

Reason for Standby: Main

Verified extent of excavation?: Yes

Locate Marks visible, accurate?: Yes

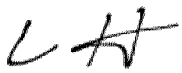
Confirm Locate Marks?: Yes

How were the marks confirmed?: Electronic,Documents,Potholing

Additional Comments: Standby not need. Plan changed and trench is no longer in conflict with gas.

Standby Date: August 13, 2026

Standby Time: 12:30am America/Los_Angeles

Inspector Signature signature: 

Time on Site: 00: 00: 00