



U.S. Department  
of Transportation

**Pipeline and Hazardous  
Materials Safety  
Administration**

1200 New Jersey Avenue, SE  
Washington, D.C. 20590

**OCT 31 2013**

Mr. Jason N. Montoya, P.E.  
Pipeline Safety Bureau Chief  
New Mexico Public Regulation Commission  
Post Office Box 1269  
1120 Paseo de Peralta, #416  
Santa Fe, NM 87504-1269

**PHMSA-2013-0147**

Dear Mr. Montoya:

The Pipeline and Hazardous Materials Safety Administration (PHMSA) reviewed your letter of August 9, 2013, notifying us that the New Mexico Public Regulation Commission, Pipeline Safety Bureau ("PSB"), requested an amendment to the original waiver notification of June 7, 2013, regarding a waiver application PSB received from New Mexico Gas. The amendment seeks to withdraw pre-code gas transmission pipeline facilities from the original application, and to leave pre-1970 gas distribution pipelines in the application for a waiver from compliance with certain maximum allowable operating pressure (MAOP) pipeline safety requirements of 49 CFR § 192.619(a)(3) as adopted by New Mexico.

After a careful review, PHMSA has concluded that the amended PSB waiver dated August 9, 2013, does not provide for specific integrity verification criteria based upon actual safety findings for the distribution pipelines needed to establish appropriate remediation measures. Accordingly, the current record does not contain sufficient information to permit a conclusion that the waiver would not be inconsistent with pipeline safety. This letter serves as PHMSA's notice of objection to the waiver pursuant to 49 U.S.C. § 60118(d).

Prior to the grant of any MAOP waiver, thorough safety reviews for MAOP determination on pipeline systems for public safety and code compliance verification need to be conducted. PHMSA requests PSB to submit a summary of the code compliance findings and the proposed compliance requirements for the distribution pipeline segments that are the subject of the waiver application. Compliance documentation reviews should include the review of documentation to meet § 192.619(a)(1) through (4) for pre-1970 distribution pipelines. Pipeline segment documentation results should include known operating details such as: design pressure and material properties; pressure tests; highest actual operating pressure; dates of operation and pressure gradient; and any history of corrosion, leaks, or failures. Pipeline segment documentation results should also note where information is not available. PHMSA will reconsider the PSB's notification upon receiving this additional information and will work with

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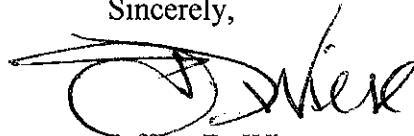
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PSB to review any proposed waivers on incremental segments, prior to the inspection and documentation results of the complete New Mexico Gas system being completed.

If you wish to discuss this or any other pipeline safety matter, my staff would be pleased to assist you. Please contact John Gale, Director of Standards and Rulemaking, 202-366-0434, on regulatory matters, and Kenneth Lee, Director, Engineering and Research, 202-366-2094, on technical matters. Thank you for your continued efforts in pipeline safety.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Wiese". The signature is stylized with a large, sweeping initial "J" and a long horizontal stroke extending to the left.

Jeffrey D. Wiese

Associate Administrator for Pipeline Safety