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MINUTES
of the
SECOND MEETING
of the
NATURAL GAS EMERGENCY INVESTIGATION TASK FORCE
January 19, 2012
Room 321, State Capitol
Santa Fe, New Mexico

The Natural Gas Emergency Investigation Task Force was called to order by Secretary Thomas E. Clifford, chair, on January 19, 2012 at 1:30 p.m. in Room 321 of the State Capitol.

Present

Secretary Thomas E. Clifford, Chair
Secretary Michael Duvall
Rep. Roberto "Bobby" J. Gonzales
Commissioner Ben Hall,
Public Regulation Commission
General Paul Pena, New Mexico National Guard

Absent

Attorney General's Designee
Sen. William F. Burt
Superintendent John Franchini,
Public Regulation Commission
Sen. Richard C. Martinez
Rep. James R.J. Strickler

Staff

Gregory S. Shaffer, Chief Legal Counsel, Department of Finance and Administration
John Yaeger, Assistant Director for Legislative Affairs, Legislative Council Service

Secretary Clifford, who noted the task force was convening as a subcommittee because a quorum was not present, asked the members of the task force to introduce themselves. The members present approved the minutes of the July 25, 2011 meeting subject to review and approval by the full task force.

General Pena reported that about 350 New Mexico National Guard members participated in training pursuant to the Emergency Gas Pilot Relighting Act, Section 12-12B-1 et. seq. NMSA 1978. General Pena also reported that the national guard is working with the state land office and selected local governments to assist in stockpiling firewood in the event it is needed for supplemental heating during another cold weather emergency.

Public Regulation Commission Presentation

Roy E. Stephenson, director of the Utility Division of the Public Regulation Commission (PRC), and Bruno Carrara, chief of the Electrical Engineering Bureau of the PRC, briefed the task force on the December 21, 2011 draft findings and recommendations prepared by the PRC staff. A copy of the report and the presentation made to the task force is included in the meeting file.

Gas Company of New Mexico Presentation

At the invitation of Secretary Clifford, Tom Domme, vice president and general counsel, and Ken Oostman, vice president of engineering, of the Gas Company of New Mexico reported

on some of the steps the company has taken since the February 2011 curtailment to better prepare for a similar event. They reported that the company has a procedure in place to identify escalating and de-escalating levels of emergencies that was tested during the Cerro Grande fire of 2011; more uniform and widely distributed emergency operations policies are in place; key employees have undergone incident command system training; the company's communications systems have been integrated with the state's emergency management communications system; and the curtailment and service restoration plan has been reviewed and revised.

The company also reported it has recorded the GPS coordinates of customer gas meters in selected towns and communities so that utility workers unfamiliar with New Mexico will be able to help in a future emergency. The company is also exploring local gas storage and supply alternatives, but most of those options are expensive and would require years to implement.

Mr. Oostman reported that a review of the event by Los Alamos National Laboratory (LANL) concluded that had the Gas Company of New Mexico's suppliers delivered the natural gas for which the gas company had contracted to purchase, no curtailments would have been necessary and the company's infrastructure would have been able to meet the demand.

At the request of the task force, the company said it would provide the task force with a copy of the company's curtailment plan and the LANL review.

Overview of the Report by the FERC and NERC

Gillis Lang, senior economist at the Department of Finance and Administration (DFA), summarized the "Report on Outages and Curtailments During the Southwest Cold Weather Event of February 1-5, 2011" conducted by the staffs of the Federal Energy Regulatory Commission (FERC) and the North American Electric Reliability Corporation (NERC). A copy of Mr. Lang's report is in the meeting file.

Comparison of Statutory Topics of Investigation and Work of Other Governmental Entities

Gregory S. Shaffer, general counsel for the DFA, briefed the task force on the work other agencies have done relative to the task force's charge. His report is in the meeting file.

Based on Mr. Shaffer's report, the task force discussed information and issues it wished to pursue, including a more comprehensive estimate of both the insured and uninsured damage from the event; the state and local governmental response; weatherization standards for utility processing plants; and curtailment protocols.

Secretary Clifford said he would work with Representative Gonzales and staff on the best way to continue the work of the task force and would, if appropriate, schedule a subsequent meeting of the task force.

There being no further business, the task force adjourned at 4:30 p.m.