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Testimony of Gov. Walter Dasher to the U.S. Senate Committee on Energy and Natural Resources Monday, February 21, 2011

Thank you Senator Bingaman, for the opportunity to testify before you on the natural gas outage that occurred here in New Mexico earlier this month, during a period of some of the coldest weather in our state's recent history. Additionally, I also wish to thank Senator Udall, Congressman Lujan and Congressman Heinrich for their support and presence at this hearing today.

My comments are directed to the magnitude of this calamity, the wide variety of measures implemented by Santa Clara Pueblo to deal with it, and our suggestions going forward.

The Pueblo of Santa Clara is a federally recognized Indian tribe situated in Northern New Mexico, where much of the gas outage occurred. The outage affected my Pueblo beginning on Thursday, February 3rd and ending, with the restoration of natural gas to the homes of Tribal Members in the La Mesilla area, on Monday evening, February 7th. There are 600 Pueblo-member households and over 12,000 non-member households in what we refer as the exterior boundaries of the Santa Clara Reservation, which boundaries run from the northern area of Fairview to the western area of the La Loma and Espanola, the southern area to San Ildefonso Pueblo and La Mesilla, and the eastern boundary running in the areas of Sombrillo, San Pedro, Santa Cruz, and Riverside, New Mexico.

It is our understanding that the outage was caused by the loss of power at a compressor located in Texas, which was followed by decisions made by the New Mexico Gas Company ("NMGC") to cut service on some, but not all, natural gas transmission lines in the state. As the result of the decisions made by NMGC, the burden of the cut-off was shifted to and borne by people least able to bear the costs of it -- tribes and poorer communities throughout the state. In northern New Mexico, our Pueblo, and the Pueblos of Taos, Ohkay Owingeh, and San Ildefonso, and many communities located from San Ildefonso north to Questa and to the south the communities of Bernalillo, parts of Santa Ana and Zia were cut off, while Santa Fe and Los Alamos, Albuquerque, and Rio Rancho were not cut-off.

We were informed of the outage during a Tribal Council meeting, but the Council was not made aware of its true impact at that time. We found out later that the outage would not be resolved within eight hours. We immediately took steps to address the problems caused by the outage, but were unable to entirely insulate the community, its residents, or our businesses from the consequences of the outage.

The consequences for our people and other residents of this area were severe. Many families were completely without heat in their homes and were unable to cook on their gas-fired stoves. Many homes, businesses and offices had water lines freeze and burst. Businesses, including our Pueblo's Santa Clara Hotel and Casino and hotel, experienced significant interruptions that caused substantial financial losses. Governmental offices, including all but the most essential of the Pueblos offices, had to shut down, causing a major interruption of vitally needed services to our people. Because of the complexities of re-pressurizing the natural gas lines, moreover, it took several days to restore service.

Santa Clara has had more than its share of experiences with emergency situations, having sustained major losses in the Oso Complex Fire in 1998, and the disastrous Cerro Grande Fire in 2000, and for that reason we have developed protocols for emergency preparedness that, we think, served us well in this instance. I would like to summarize the measures that we were able to put into place as soon as we had word of the gas outage, and some of which continued right up through February 10th:

- We immediately turned our new senior center into an emergency shelter for people who needed assistance, and the center was staffed 24 hours/day by approximately 30 to 50 tribal employees.
- We served three hot meals a day at the senior center, serving 150-200 persons at each meal.
- Our Community Health Representatives worked around the clock, conducting daily visits (and sometime several visits per day) to approximately 300 of our elders and handicapped members who were unable to come to the senior center, and took meals to many of those persons.
- We provided blankets to those who needed them, and we were able to obtain shipments of electric heaters, totaling at least 300 in all, from Las Vegas and Albuquerque, New Mexico, and as far away as Phoenix, Arizona, that we distributed to persons who lacked other heat sources.
- For those who had wood stoves and fireplaces, the tribe distributed approximately 210 cords of firewood.
- We brought in 3 contract plumbers, who were employed full-time for a week, to go house to house, addressing individual plumbing and heating problems.
- Throughout the crisis, we maintained a fully staffed emergency operations center that was in constant communication with all of our various tribal agencies engaged in emergency services.
- Our tribal police department brought in three additional officers and kept the full force on overtime, to help handle the situation.

As a result of these efforts, we believe that the impact of the outage on Santa Clara members, although severe, was considerably less than it could have been, and we are very proud of the way in which our staff rose to the occasion and helped those in need of assistance.

But this effort was very costly, and came at a time when the Pueblo has been undergoing some major financial stress. We are still trying to determine the full cost of the undertaking, but we currently estimate that we spent more than \$100,000 on the services I have described. And there are some items of damage, such as a cracked pump on one of our fire engines, the cost of which has not yet been determined.

Additionally, Santa Clara Development Corporation, our wholly owned economic development entity, has estimated that it incurred added costs and lost revenues in its various entities, including the Santa Claran Hotel, the Big Rock Casino, the Puye Travel Center and others, of approximately \$265,000. That results in a net loss to the Pueblo itself of that amount, as that amount comes off of the corporation's bottom line, and thus directly reduces the revenues that would otherwise be paid to the Pueblo.

We at Santa Clara very much want to be a part of a process to develop preparedness on the part of all of our communities, so that if the unthinkable should occur, the lifeboats are in place and sufficient to save all who are affected. We think we have much to offer that process, and I am sure there is much we could learn as well, that would improve our own response.

We specifically propose the following suggestions:

- 1. Preventive measures need to be in place so that this disaster never happens again.**
 - a. Auxiliary power supplies ought to be required at all compressor stations.
 - b. NMGC should be required to devise pipeline interconnections to provide back-up supply when pressure fails in a segment of the system.

- 2. Poor communities should not bear the brunt of a cut-off.**
 - a. NMGC made decisions on its own as to which areas would get cut off, when pressure began to fall in the system. They should not have such discretion.
 - b. There ought to be some agreed-on plan, perhaps approved by the New Mexico Public Regulation Commission, as to how such decisions are made, and how to notify affected users in a timely manner, and including advance notice to governmental and social service agencies. The plan moreover ought to take into account the relative abilities of different areas to bear the cost and the burden of gas cut-offs.

- 3. Improve the efficiency of procedures for bringing areas that have been cut off back into service.**
 - a. In tribal communities, involving tribal governments could improve communication.
 - b. Technicians apparently went to houses in some arbitrary numerical sequence, rather than simply going door to door, which would have been faster.

- c. There should be a publicly discussed and approved protocol in place for gas service restoration.
- 4. Congressional funds to assist people and businesses damaged by the outage.**
- a. Many people suffered serious damage, by way of broken pipes, interrupted businesses, and others, that should be compensated. NMGC=s \$1 million fund may be insufficient to cover them all.
 - b. Can Congress provide funds to assist such people and businesses?
- 5. Federal grants to tribes and other entities to research alternative energy sources.**
- a. This would be a good occasion to institute a program of modest-sized grants to fund alternatives energy sources in order to reduce the impacts of any future outage.

We hope that this type of incident will never be repeated, and while it is too early to say with any assurance, we suspect that pending inquiries may well show that this incident could have been avoided, had appropriate preventive measures been in place. We look forward to federal support to implement any such preventive measures.

Thank you for the opportunity to present our views.