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MAR 03 2016

**Georgia Public Service Commission**

(404) 463-6526  
(800) 282-5813

244 Washington Street, SW  
Atlanta, GA 30334-5701

EXECUTIVE SECRETARY FAX: (404) 463-6532  
G.P.S.C. www.psc.state.ga.us

City of Lumpkin Gas Department  
P. O. Box 278  
Lumpkin, GA 31815

Docket No. 37066

**DOCKET#** \_\_\_\_\_

**ASSIGNMENT#** 162441

Certified Mail  Regular Mail

Attention: Mr. Phillip Hite

On January 7, 2016, a representative of the Georgia Public Service Commission Pipeline/Facilities Safety Office conducted a follow-up inspection of your gas system and found that:

- Previously existing probable violation(s) has/have been cleared.
- Previously existing probable violation(s) still exist.

The enclosed inspection report numbered DJ16-002 is provided for your information and file.

Please review and respond to this report in accordance with the attached Instructions for Responding to Enforcement Actions, Enforcement Letters, and Notifications Issued by the Georgia Public Service Commission. Please refer to Docket No. 37066 in your response.

Please let me know if there are any questions concerning this report at (404) 463-6526 or michellet@psc.state.ga.us. Thank you for your continuing contribution toward increased pipeline safety.

Sincerely,

Michelle L. Thebert  
Director, Office of Pipeline Safety/Facilities Protection

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### REPORT OF NATURAL GAS SAFETY

INSPECTION NO: DJ16-002

OPERATOR: City of Lumpkin Gas Department

INVESTIGATOR: Daphne Jones

INSPECTION DATE: January 7, 2016      REPORT MAILED DATE: February 18, 2016

Any questions concerning this report may be directed to the above address or by telephoning (404) 463-6526.

#### 1. PURPOSE OF INSPECTION

To perform a Follow-up inspection of the operators previous violations for compliance with Part 192 of the Pipeline Safety Regulations.

## 2. CONTINUING VIOLATIONS

<b>Violation</b>	<b>Description</b>	<b>Inspection#</b>	<b>Date</b>
192.455	External corrosion control: Buried or submerged pipelines installed after July 31	LB10-047	5/4/2010

## 3. CLEARED VIOLATIONS

Cleared on 1/7/2016

<b>Violation</b>	<b>Description</b>	<b>Inspection#</b>	<b>Date</b>
192.13(c)	Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and...	DJ15-012	3/24/2015

## 4. NEW VIOLATIONS

## 5. OTHER RECOMMENDATIONS/COMMENTS

On January 6-7, 2016 Commission Staff reported to the City of Lumpkin Natural Gas to perform a Drug and Alcohol Inspection under Inspection Number LB16-003 and Inspection Number DJ16-002 to perform a follow-up inspection of the Operator's previously existing probable violations.

During this inspection the Operator was represented by:

Mr. Randy Butts - City Manager  
Mr. Randy Howard – Chief of Police (DER)  
Mr. Daniel Keith - Water/Sewer/Gas Superintendent  
Mr. Chris Welborn – SRCS (Consultant)

Commission Staff was represented by:

Ms. Daphne Jones – Lead Inspector  
Mr. Lynn Buffington – Pipeline Safety Inspector

At the time of this inspection, the City of Lumpkin was under the existing probable violations of 49CFR, §192.455 which was cited under Inspection Number LB10-047 and 49CFR, §192.13(c) which was cited under Inspection Number DJ15-012. Staff reviewed the Operator's existing probable violations and determined the following:

### PROBABLE VIOLATION CONTINUING

In regard to the probable violation of §192.455 which were originally cited in Inspection Number LB10-047: In that inspection, Staff noted that "During the field review staff confirmed that operator has not identified the apparent bare steel risers in their system as recommended by staff in a previous inspection."

In the Operator's response to Inspection Number CW14-028, on August 27, 2014, the Operator stated that "Lumpkin has performed many bare service replacements, but will not complete the remaining 25 bare steel services in house. The city will be selecting a different contractor to complete the replacements. Selection of a contractor and final remediation will be completed by February 2015."

In the Operator's response to Inspection Number DJ15-012, on July 28, 2015, the Operator stated that "Niya Williams would provide the current status, updates, expected completion dates, and proposed modifications, if any, of the continuing and/or existing violation(s) that were not cleared as a result of the current inspection."

During this inspection, the Operator stated that Ms. Niya Williams, Interim City Manager/City Administrator, is no longer employed by the City of Lumpkin. Also, Mr. Randy Butts is now the new City Manager. Staff noted that the Operator had previously selected D. Lance Souther as its new contractor to complete the bare steel replacements but the City of Lumpkin has not signed a contract as of yet to start the project due to major changes of employees. Staff verified that the Operator has not made any progress on the removal of 23 bare

steel services in the last year and they remain active. Operator stated in Inspection Number DJ15-012 that the final remediation would be completed by December 2015 but during this inspection, the operator is requesting additional time to remove these bare steel services. Staff determined that this violation cannot be cleared at this time.

#### PROBABLE VIOLATION CLEARED

In regard to the probable violation of 49CFR §192.13(c) and which was cited in Inspection Number DJ15-012, in that inspection Staff stated that:

49CFR §192.13(c) - What general requirements apply to pipelines regulated under this part? Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part.

1. CODE REQUIREMENT: 49CFR §192.463(a) - Each cathodic protection system required by this subpart must provide a level of cathodic protection that complies with one or more of the applicable criteria contained in appendix D of this part. If none of these criteria is applicable, the cathodic protection system must provide a level of cathodic protection at least equal to that provided by compliance with one or more of these criteria.

OBSERVED DEFICIENCY: The Operator's procedure fails to identify the specific criteria to be used in determining levels of cathodic protection for the Operator's system. The Operator's procedure also fails to address interpretation of voltage IR drops or determination of polarization voltage shifts for cathodic protection voltage. Operator's procedure does not establish requirements as to how the amount of cathodic protection will be controlled so as not to damage the protective coating of the pipe.

OPERATOR RESPONSE: In their response letter, dated July 28, 2015 the City of Lumpkin stated that "Lumpkin has revised the corrosion control section of its Operations and Maintenance Manual to address the deficiency cited in this Notice of Amendment."

OBSERVED CORRECTION: Resources are now provided in the operator's Operations and Maintenance Manual (O&M). Operator has amended its O&M plan per Section 9; Operator current version in use is Version 2.5. Staff determined that this probable violation could be cleared during this inspection.

2. CODE REQUIREMENT: 49CFR §192.453 General - The corrosion control procedures required by §192.605(b)(2), including those for the design, installation, operation, and maintenance of cathodic protection systems, must be carried out by, or under the direction of, a person qualified in pipeline corrosion control methods.

OBSERVED DEFICIENCY: Design, Operation, and Installation are located in O&M Manual Section 9A and appears acceptable while the Maintenance procedures do not state "by or under the direction of a qualified person in pipeline corrosion control methods".

OPERATOR RESPONSE: In their response letter, dated July 28, 2015 the City of Lumpkin stated that "Lumpkin has revised the corrosion control section of its Operations and Maintenance Manual to address the deficiency cited in this Notice of Amendment."

OBSERVED CORRECTION: Resources are now provided in the operator's Operations and Maintenance Manual (O&M). Operator has amended its O&M plan per Section 9; Operator current version in use is Version 2.5. Staff determined that this probable violation could be cleared during this inspection.

Please review and respond to this report in accordance with the attached Instructions for Responding to Enforcement Letters Issued by the Georgia Public Service Commission.

## **Information for Natural Gas Operators Regarding Enforcement Actions, Enforcement Letters, & Notifications Issued by the GPSC's Pipeline Safety Director**

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Commission Rules 515-9-3-.09 and .10 provide the options available to respond when an Enforcement Letter is issued by the Facilities Protection Unit Director/Pipeline Safety Director (Director) of the Georgia Public Service Commission ("Commission"). The following information provides natural gas operators with general information, the process for responding to said Enforcement Letters, and procedures for requesting a hearing.

For all written responses or any other official correspondence, the Operator shall file the response at the following address:

Mr. Reece McAlister, Executive Secretary  
Georgia Public Service Commission  
244 Washington Street, SW  
Atlanta, Georgia 30334

The Operator must file **five (5)** copies of any response and/or official correspondence, as well as a CD with an electronic version of the response in Microsoft Word and/or a PDF, if applicable.

### **I. General Information Regarding Enforcement Actions, Enforcement Letters, and Notifications Issued by the Commission**

#### **A. Enforcement Actions:**

1. Notice of Probable Violation (NOPV)-The purpose of this enforcement action is to document and to provide notice concerning any probable violations of a rule or regulation. A NOPV may or may not contain a proposed civil penalty.
2. Notice of Amendment (NOA)-The purpose of this enforcement action is to document and to provide notice concerning a required plan amendment for an Operator.

Enforcement Actions require a written response from the Operator detailing how the issue will be addressed or corrected, and the proposed timeframe(s) for said corrections. See *Process for Responding to Enforcement Actions* below for additional details.

#### **B. Enforcement Letters:**

1. Warning Letter-The purpose of this letter is to document and to provide notice concerning any probable violations of a rule or regulation.
2. Letter of Concern- The purpose of this letter is to document concerns with an Operator's plans, programs, or facilities, which could result in a probable violation unless action is taken to address the issue.

Enforcement Letters require a written response within thirty (30) days acknowledging receipt of the letter(s). Enforcement Letters serve as notice to the Operator that if appropriate action is not taken to correct the probable violation(s), enforcement actions may be taken if a subsequent inspection reveals continuing or new violation(s). The Operator is not required to provide corrective action or file a written plan of action; however, it is in the best interest of the Operator to provide notice as to whether any corrective action will be taken. Failure to provide this information may result in formal interrogatories from the Director through data requests.

#### **C. Notifications:**

1. Observed Issue: The purpose of this notification is to inform the Operator of identified or observed conditions or operating practices that may or may not be in violation at the time. However, if the issue is not corrected, it may result in a future violation or an unsafe situation.

## **Information for Natural Gas Operators Regarding Enforcement Actions, Enforcement Letters, & Notifications Issued by the GPSC's Pipeline Safety Director**

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2. **No Violation:** The purpose of this notification is to inform the Operator that no violations were noted during the inspection. This notification will be sent to the Operator by electronic mail. Please note that it is the Operator's responsibility to ensure that the GPSC has the correct e-mail address for the required recipient of Commission correspondence.

Notifications require an electronic response to the Director @ [michellet@psc.state.ga.us](mailto:michellet@psc.state.ga.us) within five (5) days acknowledging receipt of the notification.

### **II. Process for Responding to Enforcement Actions**

Unless otherwise noted, the Operator has thirty (30) days from the date the Enforcement Action is received by the Operator filed to file a written response with the Executive Secretary or request an informal conference with the Director. Any Operator who chooses to request an informal conference shall request such a conference through either emailing or calling the Director at [michellet@psc.state.ga.us](mailto:michellet@psc.state.ga.us) / 404-463-2765.

#### **A. Notice of Probable Violation (NOPV)**

The Operator may request an informal conference with the Director and/or her Staff to discuss the NOPV. The violation may be resolved at this stage; however, if agreement cannot be reached, enforcement procedures shall continue. If you chose not to seek an informal conference, the following due process options are available:

1. The Operator may submit a written statement to the Director indicating that corrective measures have achieved compliance; or
2. The Operator may submit a written plan of action to the Director outlining the corrective measures that will be taken to achieve compliance and when compliance is anticipated.

If the corrective measures that the Operator presents or proposes are acceptable to the Director, the violation may be cleared at this point. Such acceptance shall be verified by written statement issued by the Director following a re-inspection of the operator's facilities.

If the proposed solution as outlined is not satisfactory to the Director, the violation shall be referred to the Commission for formal resolution in either of the following manners:

1. The Commission may seek an injunction or mandamus in superior court in cases where immediate action is necessary; or
2. The Commission may issue a show cause order and/or schedule a hearing requiring the operator to demonstrate why the operator should not be subject to the penalties set forth by O.C.G.A. §46-2-91.

#### **B. Notice of Probable Violation with a Proposed Civil Penalty**

The Operator may request an informal conference with the Director and/or her Staff to discuss the NOPV and proposed civil penalty. The violation and/or proposed civil penalty may be resolved at this stage; however, if agreement cannot be reached, enforcement procedures shall continue. If you chose not to seek an informal conference, the following due process options are available:

1. If you are not contesting the violation alleged or the proposed civil penalty, submit a written response notifying the Director of your desire to settle this matter by paying the recommended proposed civil penalty. Upon such notification, you will be provided with a Consent Agreement that shall be fully executed by the Operator, and submitted along with a

## Information for Natural Gas Operators Regarding Enforcement Actions, Enforcement Letters, & Notifications Issued by the GPSC's Pipeline Safety Director

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certified check for the full amount of the recommended civil penalty and made payable to the Georgia Public Service Commission. You must ensure that the Operator's name and the applicable Docket No. and Inspection Report No. are included in the "memo" line of the certified check. The certified check shall be mailed to:

Ms. Michelle Thebert, Director  
Facilities Protection Unit  
Georgia Public Service Commission  
244 Washington Street  
Atlanta, Georgia 30334

2. If you are not contesting the violation alleged, but are contesting the proposed civil penalty, and wish to submit written explanations, information, or other materials you believe warrant mitigation of the civil penalty, you may submit such materials. The Director will review the materials and provide the operator with a draft Consent Agreement that will represent the Staff's initial settlement offer. You must either sign the draft Consent Agreement or submit a counter-offer back to the Staff within thirty (30) days. Please refer to Commission Rule 515-9-3-.011, for the factors that the Commission considers regarding the assessment of civil penalties.

If an agreement cannot be reached, the alleged violation and proposed civil penalty shall be referred to the Commission for formal resolution in either of the following manners:

1. The Commission may seek an injunction or mandamus in superior court in cases where immediate action is necessary; or
  2. The Commission may issue a show cause order and/or schedule a hearing requiring the operator to demonstrate why the operator should not be subject to the penalties set forth by O.C.G.A. §46-2-91.
3. If you are contesting both the alleged violation and the proposed civil penalty, you may request a hearing before the Commission. Please see *Procedures for Requesting a Hearing* below.

### C. Notice of Amendment (NOA)

The Operator may request an informal conference with the Director and/or her Staff to discuss the NOA. If you chose not to seek an informal conference, the following due process options are available:

1. If you are not contesting the NOA, you must submit to the Director the measures taken or of your plan(s) to address the observed deficiencies identified in the NOA. If the corrective measures that you present, or propose, are acceptable to the Director, the violation may be cleared this point. Such acceptance shall be verified by written statement issued by the Director following a re-inspection of the operator's facilities;
2. If you are not contesting the NOA, but you wish to submit written explanations, information, or other materials believed to warrant modification of the NOA in whole or in part, or if you are seeking clarification of the terms of the NOA, you may submit such materials; or
3. If you wish to contest the NOA, you must submit written explanations, information, or other materials in answer to the allegations in the NOA stating your reasons for objecting to the NOA, in whole or in part. If the information provided is acceptable to the Director, the issue may be closed at this point. Such acceptance shall be verified by written

## **Information for Natural Gas Operators Regarding Enforcement Actions, Enforcement Letters, & Notifications Issued by the GPSC's Pipeline Safety Director**

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statement issued by the Director. If the information provided is not acceptable to the Director, then the Operator will be given the option of an Informal Conference with the Director or the case will be referred to the Commission for a formal resolution on the contested issue.

### **D. Continuing and/or Existing Violations**

Continuing and/or existing violations that were not cleared as a result of the current inspection must be addressed in the response letter. The Operator shall provide the current status, updates, expected completion dates, proposed modifications, etc., of the continuing and/or existing violations in each response letter, even if this information was provided in a previously filed response letter. Failure to provide this information may result in formal interrogatories from the Director through data requests. **Please Note:** Referencing a previously filed response letter does not meet the intent of this provision.

### **III. Procedures for Requesting a Hearing**

The Operator has the right to request a hearing to contest the alleged probable violations, recommended civil penalties, and all other proposed actions of enforcement. A request for a hearing must be submitted in writing and in accordance with Commission Rule 515-2-1-.04. The Operator must include a statement of the issues that you intend to raise at the hearing. The issues may relate to the allegations, new information, proposed compliance order, proposed civil penalty, or any other recommendation for enforcement action. Please refer to Commission Rule 515-9-3-.11 and O.C.G.A. § 46-2-91 for assessment considerations upon which civil penalties are based. An operator's failure to specify an issue may result in a waiver of the right to raise that issue at hearing. Your request must also indicate whether or not you will be represented by counsel at the hearing.

You are advised that any material provided to the Commission, and all materials prepared by the Commission, including the Notice of Probable Violations and any Orders issued in this case, may be considered public information and subject to disclosure under the Georgia Open Records Act (O.C.G.A. § 50-18-70 et seq.).

If you believe that any portion of your response material is security sensitive, privileged, confidential or may cause your company competitive disadvantages and would qualify for protection under the Commission's "Trade Secret Rule" (Commission Rule 515-3-1-.11), you must, along with the complete original document clearly marked "TRADE SECRET" on each page, provide a second copy of the document with the portions you believe qualify for trade secret treatment redacted, and an explanation of why you believe the redacted information qualifies for such trade secret treatment. Should the Commission receive a request for disclosure of any "TRADE SECRET" material, you will be notified, if after review, the materials and your provided justification are deemed not to meet any exemptions provided in the Georgia Open Records Act. You may appeal the Commission's decision to release material at that time. Your appeal will stay the release of those materials until a final decision is made.

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION  
STATE OF GEORGIA

IN THE MATTER OF: )  
)  
Continuing Probable Violation(s) and Cleared ) DOCKET NO. 37066  
Probable Violation(s) Enforcement Report )  
City of Lumpkin Gas Department )  
Inspection DJ16-002 on January 7, 2016 )

CERTIFICATE OF SERVICE

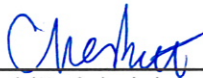
I hereby certify that the *Continuing Probable Violation(s) and Cleared Probable Violation(s) Enforcement Report, City of Lumpkin Gas Department, Inspection DJ16-002 on January 7, 2016* was filed with the Commission's Executive Secretary in the above-styled Docket, and a copy of same was served upon all parties and persons listed below via electronic mail as indicated by an asterisk. I further certify that the *City of Lumpkin Gas Department* was served a hard copy of the above-stated document by U.S. Mail, certified/return receipt requested.

\*Reece McAlister, Executive Secretary  
Georgia Public Service Commission  
244 Washington Street, SW  
Atlanta, GA 30334

\*Phillip Hite, City Administrator  
City of Lumpkin Gas Department  
P.O. Box 278  
Lumpkin, GA 31815  
lumpkinadmin@bellsouth.net

\*Michelle Thebert, Facilities Protection Unit Director  
Georgia Public Service Commission  
244 Washington Street, SW  
Atlanta, GA 30334

Respectfully Submitted this 9th day of March 2016:



\_\_\_\_\_  
Cathy Nesbitt, Administrative Assistant  
Georgia Public Service Commission  
Facilities Protection Unit  
244 Washington Street, SW  
Atlanta, GA 30334