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DOCKET#	Docket No. 37066
DOCUMENT#	172493

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

Certified Mail

Regular Mail

Attention: Ms. Shirley Walker

On January 23, 2018, a representative of the Georgia Public Service Commission Pipeline/Facilities Safety Office conducted an inspection of your gas system. The enclosed inspection report numbered JS18-002 is provided for your information and file.

In conjunction with this inspection report, Staff has recommended the following enforcement(s):

Enforcement Action:

- Notice of Probable Violation
- Notice of Probable Violation with Proposed Civil Penalty
- Notice of Amendment

Enforcement Letter:

- Warning Letter
- Letter of Concern

Enforcement Notification:

- Observed Issue
- No Violation

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

MEMORANDUM

TO: Natural Gas Operators Receiving Distribution Integrity Management Program
("DIMP") Implementation Inspection Report

FROM: Michelle Thebert *MT*
Director, Facilities Protection Unit

DATE: August 25, 2016

RE: DIMP Implementation Inspections – Enforcement for §192.1007(a)(5).

Background

There were several factors taken into consideration in determining what enforcement action would be applied to §192.1007(a)(5)¹. First, there is a noted time-lag between the effective date of the regulation (August 2011) and the Federal inspection forms that are used to determine compliance with the regulation (March 2015). Second, the regulation itself is general on the minimum data requirements—location and type of material. The inspection form, however, requires more specifics as to what type of data should have been included in the DIMP plans. While the regulation requirements may have been the guiding factor for many operators regarding what data was collected between the regulation date and the inspection form date, the PSC inspectors must utilize the Federal inspection forms for the inspections. These two issues taken together have resulted in uncertainty regarding the inspections.

The final factor considered was Operator participation in statewide DIMP Implementation workshops. PSC Pipeline Safety conducted workshops in September and October 2016 in various locations throughout the state to provide clarity on DIMP Implementation inspections. Additionally, the Pipeline Safety Director has offered, and continues to offer, her willingness to meet with any Operator to discuss the issue.

Enforcement

Neither of the first two factors were in the Operator's control, therefore, penalizing through enforcement is counter-productive, hence, the deficiencies are noted in the report as an Observed Issue. However, attendance at a PSC Pipeline Safety meeting, which explained the inspection requirements, was in the Operator's control, and enforcement for failure to attend is warranted. The importance of a PSC Pipeline Safety meeting held throughout the state is significant, given the amount of resources involved. Failure of an Operator to attend or make an effort to reach out to Pipeline Safety Staff for clarification of the inspection requirements justifies a Warning Letter for non-compliance with §192.1007(a)(5).

Please let me know if you have any questions.

Thank you

¹ §192.1005 states, "No later than August 2, 2011 a gas distribution operator must develop and implement an integrity management program that includes a written integrity management plan as specified in §192.1007."

§192.1007(a)(5) requires for the operators' integrity management plan to "Provide for the capture and retention of data on any new pipeline installed. The data must include, at a minimum, the location where the new pipeline is installed and the material of which it is constructed."

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REPORT OF NATURAL GAS SAFETY

INSPECTION NO: JS18-002

OPERATOR: City of Lumpkin Gas Department

INVESTIGATOR: Jason Smith

INSPECTION DATE: January 23, 2018

REPORT MAILED DATE: March 1, 2018

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

1. PURPOSE OF INSPECTION

To conduct an inspection of the Operator's Distribution Integrity Management Program (DIMP) for compliance with the minimum federal standards in 49CFR Part 192, SubPart P.

2. CONTINUING VIOLATIONS

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

3. CLEARED VIOLATIONS

Cleared on 1/23/2018

Violation	Description	Inspection#	Date
199.101	Anti-Drug Plan	LB16-003	1/6/2016
199.105	Drug Test Required	LB16-003	1/6/2016
40.73(c)	As a collector or collection site, you must ensure that each specimen you collect is shipped to...	LB16-003	1/6/2016
40.67(d)(2)	As the collector, you must explain to the employee the reason, if known, under this part for a...	LB16-003	1/6/2016
40.67(g)	As the collector, you must ensure that the observer is the same gender as the employee. You must...	LB16-003	1/6/2016

4. NEW VIOLATIONS

5. OTHER RECOMMENDATIONS/COMMENTS

On January 23-24, 2018, Staff reported to the City of Lumpkin Gas Department to perform an inspection of the Operator's Distribution Integrity Management Program (DIMP).

During this inspection the Operator was represented by:
Shirley Walker – City Manager
Chris Welborn – MGAG/SRCS (Consultant)

Commission Staff was represented by:
Jason Smith – Lead Inspector
Josh Lairsey – Pipeline Safety Inspector

At the time of this inspection the City of Lumpkin Gas Department was under six (6) previously existing probable violations. These violations are addressed under Inspection Number JS18-001.

NO VIOLATIONS FOUND

During this inspection Staff reviewed the City of Lumpkin Gas Department's written Distribution Integrity Management Program plan utilizing the appropriate PHMSA inspection form. Staff reviewed the following records during inspection:

- Current DIMP plan
- Previous DIMP plan
- SHRIMP interview questions/answers
- Leak Surveys
- Atmospheric Corrosion surveys
- Cathodic Protection surveys
- 7100's
- Multiple work orders

As part of this inspection, Staff conducted Operator Qualification field verification inspection on Mr. Willie

Clark on the following covered task:

- Task #0681 Joining of PE Pipe – Stab Fitting
- Task #1241 Outside Leak Investigation
- Task #1291 Locate Underground Pipelines

As a result of this inspection Staff noted no probable violations of the minimum federal safety standards.

LETTER OF CONCERN

49CFR §192.481(a) Each operator must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows: Onshore - At least once every 3 calendar years, but with intervals not exceeding 39 months.

COMMENTS: During the DIMP inspection, Staff reviewed the Operator's records for Atmospheric Corrosion inspections that was completed in conjunction with the Operator's Leak Survey. The City of Lumpkin conducted Leak Surveys/AC surveys on a four (4) year cycle until 2016. Staff determined that the City of Lumpkin completed a system wide AC inspection in 2016-2017. The table below shows the previous AC inspection records:

SYSTEM	Last AC inspection	Previous AC inspection
North West	2017	2012
South West	2017	2013
North East	2016	2015
South East	2016	2011

CONCERN: Staff has concerns that if the Operator conducts Leak Surveys/AC surveys on a four (4) year cycle as previously completed that the Operator would not be in compliance with the requirements under 49 CFR Part 192.481.

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

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

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 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 / 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

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

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:)
)
Enforcement Letter: Letter of Concern) DOCKET NO. 37066
City of Lumpkin Gas Department)
Inspection JS18-002 on January 23, 2018)
)

CERTIFICATE OF SERVICE

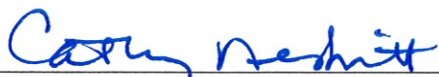
I hereby certify that the *Enforcement Letter: Letter of Concern, City of Lumpkin Gas Department, Inspection JS18-002 on January 23, 2018* was filed with the Commission's Executive Secretary in the above-styled Docket, and a copy of same was served upon all parties and persons listed below via electronic 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

*Shirley Walker, City Manager
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 24th day of May 2018:



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