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DOCKET# 37038
DOCUMENT# 204693

Docket No. 37038

City of Commerce Gas System
P. O. Box 348 27 Sycamore Street
Commerce, GA 30529

REF: Follow Up Inspection # DJ23-003

☐ Certified Mail ☐ Regular Mail ☒ Email

Attention: Mr. James Wascher

On January 25, 2023, a representative of the Georgia Public Service Commission Pipeline Safety/Facilities Protection Office conducted an on-site inspection of your gas system and found that previously identified probable violation(s) of the Pipeline Safety Regulations have either been cleared or are continuing, as identified below.

- ☒ Previously existing probable violation(s) has/have been cleared.
- ☒ Previously existing probable violation(s) still exist.
- ☐ Additional Enforcement
  - ☐ Notice of Proposed Violation
  - ☐ Notice of Proposed Violation with Proposed Civil Penalty
  - ☐ Warning Letter
  - ☐ Letter of Concern
  - ☐ Observed Issue
- ☐ Consent Agreement Pending

The enclosed inspection report numbered DJ23-003 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. 37038 in your response.

Please let me know if there are any questions concerning this report at (404) 985-4271 or mthebert@psc.ga.gov. Thank you for your continuing contribution toward increased pipeline safety.

Sincerely,

Michelle Thebert

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

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REPORT OF NATURAL GAS SAFETY

INSPECTION NO: DJ23-003

OPERATOR: City of Commerce Gas System

INVESTIGATOR: Daphne Jones

INSPECTION DATE: January 25, 2023 REPORT MAILED DATE: June 6, 2023

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

1. PURPOSE OF INSPECTION

To conduct a follow-up inspection of the Operators previously existing probable violations.

2. CONTINUING VIOLATIONS

3. CLEARED VIOLATIONS

Cleared on 1/25/2023

Violation	Description	Inspection#	Date
192.805(a)	Each operator shall have and follow a written qualification program. The program shall include...	DJ18-054	12/3/2018
192.13(c)	Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and...	JB19-011	9/4/2019
192.805(b)	Ensure through evaluation that individuals performing covered tasks are qualified.	JB19-011	9/4/2019
192.605(b)(9)	Taking adequate precautions in excavated trenches to protect personnel from the hazards of unsafe...	JB19-011	9/4/2019
192.805(d)	Evaluate an individual if the operator has reason to believe that the individual's performance of...	JB19-011	9/4/2019
192.805(e)	Evaluate an individual if the operator has reason to believe that the individual is no longer...	JB19-011	9/4/2019
Consent Agreement Pending	Operator is negotiating Consent Agreement with the FPU Director	JB20-001	3/10/2020

4. NEW VIOLATIONS

Violation	Description	Inspection#	Date
Under Consent Agreement	Operator is under a Consent Agreement.	DJ23-003	1/25/2023

5. OTHER RECOMMENDATIONS/COMMENTS

SEE ATTACHED INSPECTION REPORT

CITY OF COMMERCE GAS SYSTEM / FOLLOW-UP INSPECTION
INSPECTION NUMBER DJ23-003 / DOCKET NUMBER 37038

On January 25-26, 2023, Staff reported to the City of Commerce Gas System to perform a follow-up inspection of the Operators previously existing probable violations and Consent Agreement items.

From February 20-21, 2023, Staff reported to the City of Commerce Gas System to complete Follow-up inspection, perform Protocol 9 field inspections, and conduct exit meeting with the Operator and City Manager.

During this investigation, the Operator was represented by:
Lonnie Robinson – Gas Utility Director
Bruce Bagnasco - MGAG/SRCS Consultant

Commission Staff was represented by:
Daphne Jones – Lead Inspector
Joe Jones – Pipeline Safety Inspector
Daniel Clemmons – Pipeline Safety Inspector

At the time of this inspection the City of Commerce Gas System was under nine (9) previously existing probable violations. This report also addresses 11 Consent Agreement items from Inspection Number JB19-011.

NOTE: The item numbers in this report are out of sequence. The item numbers were retained from Inspection Number JB20-001 for tracking, and continuing consent agreement item follow this section.

PROBABLE VIOLATION CLEARED

1. In regard to the Probable Violation of 49CFR, §192.605(b)(9) which was cited in Inspection Number JB19-011; in that inspection Staff stated: "The City of Commerce failed to take adequate precautions in excavated trenches to protect their personnel from the hazards of unsafe accumulations of vapor or gas." Staff also recommended that the City of Commerce review the Covered Tasks identified under their OQ program, and then consolidate any associated task requirements from their O&M, Emergency Manual, other OQ Tasks, and non-OQ tasks, under the procedure for each applicable covered tasks.

   Staff proposed a civil penalty of $15,000.00 for this probable violation.

   OPERATOR RESPONSE: In their response letter to Inspection Number JB19-011, dated November 15, 2019, the City of Commerce requested an Informal Conference to discuss and the proposed civil penalty for this probable violation; and they stated: "By 02/29/20, Commerce will review the Covered Tasks identified under its Operator Qualification program, and then consolidate or cross-reference any associated task requirements form its Operations and Maintenance Manual, Emergency Plan, and other OQ and non-OQ tasks. In addition, the Gas Director will review the consolidated or updated Covered Tasks with all gas personnel to ensure staff is aware of the changes or enhancements."

   INFORMAL CONFERENCE: On February 6, 2020, the Facilities Protection Unit Director conducted an informal conference with the City of Commerce. During this conference the Director requested that Commerce provide updates to their original response.

   OPERATOR RESPONSE: On February 12, 2020, the City of Commerce provided additional details (by e-mail) to the responses they submitted on November 15, 2019. In their update they stated: "Commerce has now put in place an "emergency box / bag" containing SCBA, Harnesses, and we will

keep the CGI indicators in the trucks. This equipment will be utilized in situations where there could be escaping gas in an excavated trench. In addition, the CGI's will be available in situations where there is gas escaping even if it is not in a trench to measure the concentration of gas in the area. If the gas concentration is such that the SCBA is needed, crews will have them available inside the emergency bag. While we have functioning and qualifying SCBA gear, Commerce would like to purchase newer equipment."

FOLLOWUP INSPECTION #1: During this inspection (JB20-001), dated March 10, 2020, Staff found that the Operator is in negotiations with the Director regarding the proposed civil penalty for this probable violation. Staff reviewed the Operators response to this item and found that the Operator has cross-referenced some of their procedures; however, Staff found no references between the Operators OQ procedures and their O&M procedures for accidental ignition.

OPERATOR RESPONSE: In their response letter to Inspection Number JB20-001, dated July 27, 2020, the City of Commerce stated: "The City of Commerce staff has included references from the O&M manual for accidental ignition into the O&M Procedures manual for our personnel. This reference was listed under the related procedures portion for tasks where accidental ignition would apply. During the follow up inspection, Commerce staff and PSC staff discussed how to further enhance the manuals to help lessen the need for multiple books to be needed for field personnel. To accomplish this the City of Commerce will add an additional tab in the Operator's manual for other related procedures that are referenced. The other related procedures tab will have the full text of references, that are from different manuals, in one location and be indexed for quick reference. Commerce staff will also add the indexed location information to the reference in the O&M Procedures Manual. The City of Commerce expects to have this completed by August 31, 2020."

FOLLOWUP INSPECTION #2: During this inspection (DJ23-003), Staff has reviewed the Operators response and the documents provided by the Operator and found that it adequately addresses this violation. The City of Commerce has taken adequate precautions by purchasing an emergency trailer (See Exhibit A) filled with two CGI's, three SCBA's, two fire extinguishers, and other miscellaneous items to protect their personnel from the hazards of unsafe accumulations of vapor or gas. The City of Commerce has reviewed the covered tasks identified in their OQ manual, section O and consolidate any associated task requirements under the procedure for each applicable covered task (See Task #0321 as an example and attached photos).

Staff determined that this violation could be cleared at this time.

2. In regard to the Probable Violation of 49CFR, §192.805(b) which was cited in Inspection Number JB19-011; in that inspection Staff stated: "The City of Commerce failed to ensure that the individuals assigned to perform the covered tasks involved in this incident were qualified to do so." Staff also recommended that the City of Commerce review their OQ tasks to identify which of these tasks need to be amended if they could potentially be involved with PVC piping. Staff also recommended that the City of Commerce develop a list of required task coverage for each position that performs a covered task on their gas system, and then review each employee's assigned task listing to ensure they are qualified for those assigned tasks.

   Staff proposed a civil penalty of $15,000.00 for this probable violation.

   OPERATOR RESPONSE: In their response letter to Inspection Number JB19-011, dated November 15, 2019, the City of Commerce requested an Informal Conference to discuss and the proposed civil penalty for this probable violation; and they stated: "By 12/31/19, Commerce will review its Operator

Qualification tasks to identify which of these tasks need to be amended if they could potentially be involved with PVC piping. Commerce will develop a list of required task coverage for each position that performs a covered task on its gas system, and then review each employee's assigned task listing to ensure they are qualified for those assigned tasks."

INFORMAL CONFERENCE: On February 6, 2020, the Facilities Protection Unit Director conducted an informal conference with the City of Commerce. During this conference the Director requested that Commerce provide updates to their original response.

OPERATOR RESPONSE: On February 12, 2020 the City of Commerce provided additional details (by e-mail) to the responses they submitted on November 15, 2019. In their update they stated: "Commerce does not have a procedure for working on PVC. It is now our policy to remove and / or replace any PVC found according to Item #3."

~~FOLLOWUP INSPECTION #1: During this inspection (JB20-001), dated March 10, 2020, Staff found~~ that the Operator is in negotiations with the Director regarding the proposed civil penalty for this probable violation. Staff also found that Commerce did not review their OQ tasks to identify which of these tasks need to be amended if they could potentially be involved with PVC piping; however, they have adopted a policy through their DIMP plan where they will remove and replace any PVC piping found in their system. This policy also requires that the flow of gas be stopped on the PVC piping before it is replaced. Staff also found that while the Operator has identified the OQ Task required for the positions in their Gas Department, they have not completed a list of minimum required task coverage for each position.

OPERATOR RESPONSE: In their response letter to Inspection Number JB20-001, dated July 24, 2020, the City of Commerce stated: "The City of Commerce O&M procedures have not been amended for PVC because it is our intent to not work on PVC piping due to safety concerns. As referenced in the FOLLOW UP INSPECTION, we do have a policy in place to remove any PVC from service once it is discovered by going back to a location that has appropriate material to stop the flow of gas. At that time crews will install a new section of line with qualified materials. This policy will also be added to the O&M Manual. City Staff will also update OQ Qualification Requirements by job title vs a listing of all OQ qualification requirements. The OQ qualification by job title will also be used as a tool for promotion and advancement within the department. Due to this, the City will finish this process by September 30, 2020, to give sufficient time to coordinate with HR on related personnel issues."

FOLLOWUP INSPECTION #2: During this inspection (DJ23-003), Staff has reviewed the Operators response and the documents provided by the Operator and found that it adequately addresses this violation. Staff found that the City of Commerce did review their OQ tasks to identify which tasks needed to be amended if they potentially were involved with PVC piping; Staff also found that the Operator has identified the OQ tasks required for the positions in their Gas Department; The three positions identified are Gas Service Helper, Gas Service Technician, and Gas Crew Leader / Foreman. The Operator has completed a list of minimum required task coverage for each position. Furthermore, the Operator has adopted a policy through their DIMP plan where they will remove and replace any PVC piping found in their system.

Staff determined that this violation could be cleared at this time.

3. In regard to the Probable Violation of 49CFR, §192.805(d) which was cited in Inspection Number JB19-011; in that inspection Staff stated: "The City of Commerce failed to evaluate

their gas technicians involved in this incident to determine if their performance of the covered tasks related to this incident contributed to this incident as required by their Operator Qualification Program." Staff also recommended that the City of Commerce review their process for reviewing their employee's performance of O&M procedures following incidents, and that additional guidance regarding this requirement be included in the Operators procedure for performing failure investigations. Staff also recommends that the Operators process for this review require that it be conducted by, or with the assistance of a qualified individual who was not involved with the incident.

Staff proposed a civil penalty of $15,000.00 for this probable violation.

OPERATOR RESPONSE: In their response letter to Inspection Number JB19-011, dated November 15, 2019, the City of Commerce requested an Informal Conference to discuss and the proposed civil penalty for this probable violation; and they stated: "By 02/29/20, Commerce will review its process for reviewing its employees' performance of O&M procedures following incidents. Additional guidance as necessary regarding this requirement will be included in Commerce's procedure for performing failure investigations. Commerce's process for this review will require that it be conducted by or with the assistance of a qualified individual who was not involved with the incident if possible."

INFORMAL CONFERENCE: On February 6, 2020, the Facilities Protection Unit Director conducted an informal conference with the City of Commerce. During this conference the Director requested that Commerce provide updates to their original response.

OPERATOR RESPONSE: On February 12, 2020, the City of Commerce provided additional details (by e-mail) to the responses they submitted on November 15, 2019. In their update they stated: "The use of a potential ignition source during the incident was a failure of the entire gas department. Any disqualification would have needed to be applied to everyone rendering the gas department unusable. Since the investigation, The City Manager has talked with the Gas Director about the performance of the department which has led to increased training. Ignition sources was a topic of the first training scheduled. Also, all members of the department know they are allowed and expected to immediately notify another crew member if they see any violations happening during the performances of their duties and also to report it to the field supervisor, Gas Director, and City Manager if necessary to allow for full notification of a violation by any member of the team. The City Manager and Gas Director have also reviewed our process for after action reviews to be completed and deficiencies to be addressed. The OQ written plan currently has a mechanism for disqualification of an employee based on reasonable cause. This will be utilized on a case-by-case basis for future action and disqualifications when necessary. If disqualified, the employee will have to be requalified before they will be allowed to complete a task. Lastly, the City Manager will instruct the gas department employees to notify them in the event of a violation or disqualification. If warranted, further disciplinary action beyond disqualification can be implemented based on the situation and violation."

FOLLOWUP INSPECTION #1: During this inspection (JB20-001), dated March 10, 2020, Staff found that the Operator is in negotiations with the Director regarding the proposed civil penalty for this probable violation. Staff was not able to review the Operators revised process because they could not locate it.

OPERATOR RESPONSE: In their response letter to Inspection Number JB20-001, dated July 24, 2020, the City of Commerce stated: "The City of Commerce does have a process to review an operator's qualifications and performance based on reasonable cause. This process is located in our OQ written plan, section 4.7.1 with additional appendixes F1 and F2. The process has been reviewed and any future

occurrences will be conducted with the aid of a qualified individual not involved in the incident whenever possible. Due to the vast amount of information being covered during the most recent FOLLOW UP INSPECTION, we were not able to locate this section quickly and we moved onto other probable violations. On February 12,2020 the City of Commerce provided an additional operator's response recognizing departmental deficiencies and need for additional training. Since that time training has occurred and more is being scheduled. With the actions taken from the additional response given in February 2020 and the current response to the FOLLOW UP INSPECTION, this process is currently available for PSC staff review."

FOLLOWUP INSPECTION #2: During this inspection (DJ23-003), Staff has reviewed the Operators response and the documents provided by the Operator and found that it adequately addresses this violation. Staff reviewed the City of Commerce process in their Operator Qualification (OQ) plan under section 4.4.3 for qualified employees/individuals and performance based on reasonable cause under section 4.4.4. Other procedures discussing training, non-qualified individuals, and the review process were located in the OQ written plan under section 4.4.5, section 4.5, 4.6, 4.7, 4.7.2 with additional information in appendixes F1 and F2. Section 4.7.3- Performance contributing to an incident has been reviewed and any future occurrences will be conducted with the aid of a qualified individual not involved in the incident.

Staff determined that this violation could be cleared at this time.

4. In regard to the Probable Violation of 49CFR, §192.805(e) which was cited in Inspection Number JB19-011; in that inspection Staff stated: "The City of Commerce failed to evaluate their gas technicians based on observation of questionable performance of covered tasks related to this incident as required by their Operator Qualification Program." Staff also recommended that the City of Commerce review the requirements for Reasonable Cause to Verify Qualification under their OQ Program. Staff also recommended that additional guidance regarding this requirement be included in the Operators procedure for performing failure investigations.

   Staff proposed a civil penalty of $15,000.00 for this probable violation.

   OPERATOR RESPONSE: In their response letter to Inspection Number JB19-011, dated November 15, 2019, the City of Commerce requested an Informal Conference to discuss and the proposed civil penalty for this probable violation; and they stated: "By 02/29/20, Commerce will review the requirements for Reasonable Cause to Verify Qualification under its OQ Program and will include additional guidance as necessary in its procedure for performing failure investigations."

   INFORMAL CONFERENCE: On February 6, 2020, the Facilities Protection Unit Director conducted an informal conference with the City of Commerce. During this conference the Director requested that Commerce provide updates to their original response.

   OPERATOR RESPONSE: On February 12, 2020 the City of Commerce provided additional details (by e-mail) to the responses they submitted on November 15, 2019. In their update they stated: "This response is the same for item #10. This applies to any and all potential procedure deficiencies in the department."

   FOLLOWUP INSPECTION #1: During this inspection (JB20-001), dated March 10, 2020, Staff found that the Operator is in negotiations with the Director regarding the proposed civil penalty for this probable violation. Staff reviewed the Operators revised process under Appendix N-1 and found that it does not address this violation.

OPERATOR RESPONSE: In their response letter to Inspection Number JB20-001, dated July 24, 2020, the City of Commerce stated: "City of Commerce staff understands this violation is very similar to that referenced in item # 10 and that the response in # 10 covers this violation as well. We can provide the process out of section 4.7.1 for PSC staff review. In addition, the reference for Appendix N-1 listed above in the FOLLOW UP INSPECTION was added to provide guidance for reporting to outside agencies. We feel it will enhance our process for incidents since we will have guidance for after action reviews, review of operator's qualifications and performance, and communication with other agencies. The City of Commerce will evaluate all staff for qualifications or necessity to be retrained in current Emergency Manual Procedures. The City of Commerce is open to clarification from PSC staff on this violation if we are not interpreting it correctly. If the PSC sees that further clarification is needed, the City of Commerce will continue to work in a spirit of cooperation."

FOLLOWUP INSPECTION #2: During this inspection (DJ23-003), Staff has reviewed the Operators response and the documents provided by the Operator and found that it adequately addresses this violation. Staff reviewed the Operators revised process under Appendix N-1 Pipeline Failure Investigation Guidance, new instruction section T and section U, and found that it does address this violation.

Staff determined that this violation could be cleared at this time.

NOTICE OF AMENDMENT CLEARED

5. In regard to the Notice of Amendment, which was issued for 49CFR, §192.13(c) which was cited in Inspection Number JB19-011; in that inspection Staff stated: "The City of Commerce must review their covered tasks and amend the applicable tasks to incorporate, or to clearly reference their procedures for prevention of accidental ignition and precautions in excavated trenches." Staff also recommended that the Operator amend their OQ task procedures to incorporate all of the requirements that their personnel need to comply with to complete an entire task, and not just the steps that are required to address the OQ requirements. This would ensure that their personnel do not have to refer to multiple sections of multiple manuals to properly complete a task.

   OPERATOR RESPONSE: In their response letter to Inspection Number JB19-011, dated November 15, 2019, the City of Commerce stated: "By 02/29/20, Commerce will amend its OQ tasks procedures to incorporate or cross-reference all of the requirements that its personnel need to complete an entire task, and not just the steps that are required to address the OQ requirements. This would ensure that its personnel do not have to refer to multiple sections of multiple manuals to properly complete a task or allow them to confidently and efficiently do so."

   INFORMAL CONFERENCE: On February 6, 2020, the Facilities Protection Unit Director conducted an informal conference with the City of Commerce. During this conference the Director requested that Commerce provide updates to their original response.

   OPERATOR RESPONSE: On February 12, 2020, the City of Commerce provided additional details (by e-mail) to the responses they submitted on November 15, 2019. In their update they stated: "The City of Commerce has reviewed our covered tasks and procedures. We have added any non OQ references for things like excavating trenches into an appendix section within the same book that the procedure appears in. the task will reference the procedure and then the procedure can be found in the appendix. After the informal conference, Commerce will also go back and add language to the references for clarity on what is being referenced and where to find it. It is not practical to have each

referenced task incorporated as part of the task itself because there will be extreme redundancy and the books will be more difficult to navigate and manage."

FOLLOWUP INSPECTION #1: During this inspection (JB20-001), dated March 10, 2020, Staff reviewed the Operators amended procedures and found that that the Operator has cross-referenced some of their procedures; however, Staff found no references between the Operators OQ procedures and their O&M procedures for accidental ignition.

OPERATOR RESPONSE: In their response letter to Inspection Number JB20-001, dated July 24, 2020, the City of Commerce stated: "The City of Commerce staff has included references from the O&M manual for accidental ignition into the O&M Procedures manual for our personnel. This reference was listed under the related procedures portion for tasks where accidental ignition would apply. During the follow up inspection, Commerce staff and PSC staff discussed how to further enhance the manuals to help lessen the need for multiple books to be needed for field personnel. To accomplish this the City of Commerce will add an additional tab in the Operator's manual for other related procedures that are referenced. The other related procedures tab will have the full text of references, that are from different manuals, in one location and be indexed for quick reference. Commerce staff will also add the indexed location information to the reference in the O&M Procedures Manual. The City of Commerce expects to have this completed by August 31, 2020."

FOLLOWUP INSPECTION #2: During this inspection (DJ23-003), Staff has reviewed the Operators response and the documents provided by the Operator and found that it adequately addresses this violation. Staff reviewed the Operators amended procedures and found that that the Operator has cross-referenced their procedures between the Operators OQ procedures and their O&M procedures for accidental ignition; See O&M manual section O – Excerpts from Other Referenced Manuals section 13.Z and Task# 0321.

Staff determined that this violation could be cleared at this time.

6. In regard to the Notice of Amendment, which was issued for 49CFR, §192.605(b)(9) which was cited in Inspection Number JB19-011; in that inspection Staff stated: "The City of Commerce must review their covered tasks and amend the applicable tasks to incorporate, or to clearly reference their procedures for prevention of accidental ignition and precautions in excavated trenches." Staff also recommended that the City of Commerce amend their OQ task procedures to incorporate all of the requirements that their personnel need to comply with to complete an entire task, and not just the steps that are required to address the OQ requirements. This would ensure that their personnel do not have to refer to multiple sections of multiple manuals to properly complete a covered task.

   OPERATOR RESPONSE: In their response letter to Inspection Number JB19-011, dated November 15, 2019, the City of Commerce stated: "By 02/29/20, Commerce will amend its OQ tasks procedures to incorporate or cross-reference all of the requirements that its personnel need to complete an entire task, and not just the steps that are required to address the OQ requirements. This would ensure that its personnel do not have to refer to multiple sections of multiple manuals to properly complete a task or allow them to confidently and efficiently do so."

   INFORMAL CONFERENCE: On February 6, 2020, the Facilities Protection Unit Director conducted an informal conference with the City of Commerce. During this conference the Director requested that Commerce provide updates to their original response.

OPERATOR RESPONSE: On February 12, 2020 the City of Commerce provided additional details (by e-mail) to the responses they submitted on November 15, 2019. In their update they stated: "Similar to item #20 the references will be introduced and added to the back of the book in an appendix. In addition, more frequent training will take place to cover tasks and procedures such as ignition sources on a more frequent basis. Part of the internal training will be to navigate the additional reference resources for a task."

FOLLOWUP INSPECTION #1: During this inspection (JB20-001), dated March 10, 2020, Staff reviewed the Operators amended procedures and found that that the Operator has cross-referenced some of their procedures; however, Staff found no references between the Operators OQ procedures and their O&M procedures for accidental ignition.

OPERATOR RESPONSE: In their response letter to Inspection Number JB20-001, dated July 24, 2020, the City of Commerce stated: "The City of Commerce staff has included references from the O&M manual for accidental ignition into the O&M Procedures manual for our personnel. This reference was listed under the related procedures portion for tasks where accidental ignition would apply. During the follow up inspection, Commerce staff and PSC staff discussed how to further enhance the manuals to help lessen the need for multiple books to be needed for field personnel. To accomplish this the City of Commerce will add an additional tab in the Operator's manual for other related procedures that are referenced. The other related procedures tab will have the full text of references, that are from different manuals, in one location and be indexed for quick reference. Commerce staff will also add the indexed location information to the reference in the O&M Procedures Manual. The City of Commerce expects to have this completed by August 31, 2020."

FOLLOWUP INSPECTION #2: During this inspection (DJ23-003), Staff has reviewed the Operators response and the documents provided by the Operator and found that it adequately addresses this violation. Staff reviewed the Operators amended procedures and found that that the Operator has cross-referenced their procedures between the Operators OQ procedures and their O&M procedures for accidental ignition; See O&M manual section O – Excerpts from Other Referenced Manuals section 13.Z and Task# 0321.

Staff determined that this violation could be cleared at this time.

WARNING LETTER CLEARED

7. In regard to the Warning Letter which was issued for §192.805(a) which was cited in Inspection Number DJ18-054; in that inspection Staff stated: "The Operator failed to identify a covered task which is being performed by their employees.

   OPERATOR RESPONSE: In their response letter to Inspection Number DJ18-054, dated June 20, 2019, the City of Commerce stated: "Commerce Qualified appropriate personnel for the performance of this Covered Task in December 2018. Documentation of these Qualifications is being provided to the Lead Inspector by email."

   FOLLOWUP INSPECTION: On December 11-13, 2018, Staff reported to the City of Commerce Gas System to perform an inspection of the Operator's Operator Qualification (OQ) Program. (Ref. Inspection Number JJ18-046. In that inspection Staff stated: "At the time of this inspection the City of Commerce Gas System had one (1) previously existing probable violation; however, the Operator had not received their formal written notice."

OPERATOR RESPONSE: Staff found no response from the Operator for this inspection.

FOLLOWUP INSPECTION: From September 4 to 26, 2019, Staff reported to the City of Commerce to perform an investigation of an incident, which occurred at 30747 US Hwy 441 on September 3, 2019. In that inspection Staff stated: "At the time of this inspection the City of Commerce Gas System was under one (1) previously existing probable violations. Staff has comments concerning this violation in this report." Staff also stated:

> "On December 5, 2018, Staff completed a comprehensive inspection on the City of Commerce. (Ref: Inspection Number DJ18-054) A written report for this inspection was mailed to the Operator on June 6, 2019.
>
> In DJ18-054, Staff stated that they had reviewed the Operators procedure Task #1041(b), and they were concerned that the Operator needed to improve their procedure for inserting services that include details about how to handle blowing gas and protect people and property from accidental ignition. On June 20, 2019, Mr. Lonnie Robinson, the Gas Director for the City of Commerce responded to Inspection Number DJ18-054.
>
> During the investigation of this incident, Staff found that at the time of the response to DJ18-054, Mr. Robinson had only been with the City of Commerce for a short time. After reviewing the procedure for Task #1041(b), and as indicated throughout the investigation of this incident, Staff remains concerned with the City of Commerce's procedures for working with blowing gas.
>
> Staff asked Mr. Robinson if he had written this response letter, and he advised that he had had assistance with it."

OPERATOR RESPONSE: In their response letter to Inspection Number JB19-011, dated November 15, 2019, the City of Commerce stated: "Commerce Qualified appropriate personnel for the performance of this Covered Task in December 2018. Documentation of these Qualifications is being provided to the Lead Inspector by email."

INFORMAL CONFERENCE: On February 6, 2020, the Facilities Protection Unit Director conducted an informal conference with the City of Commerce. During this conference the Director requested that Commerce provide updates to their original response.

OPERATOR RESPONSE: On February 12, 2020 the City of Commerce provided additional details (by e-mail) to the responses they submitted on November 15, 2019. In their update they stated: "In December of 2018 a probable violation was brought to the attention of the gas department and City Manager. Shortly after that, a qualified procedure was implemented and is referenced as 1041-B. The City is open to additional guidance that the PSC can offer on improvements or alternates for this procedure."

FOLLOWUP INSPECTION #1: During this inspection (JB20-001), dated March 10, 2020, Staff reviewed the Operators response to this item and found that is not sufficient to address this violation. Staff advised the Operator that they still disagreed that this task was a Non-OQ task. Staff also advised the Operator that they disagreed with the fact that the performance of this task allows the Operators personnel to intentionally create a hazardous atmosphere, which is in direct conflict with their procedure for "Precautions in Excavated Trenches" (Procedure #05) which requires them to take actions to reduce the presence of gas or vapors while working in excavated trenches.

OPERATOR RESPONSE: In their response letter to Inspection Number JB20-001, dated July 24, 2020, the City of Commerce stated: "The City of Commerce has removed the 1041-B procedure and will no longer perform this task. While staff has not performed this task in quite some time, we will make the effective date for removal be July 24, 2020."

FOLLOWUP INSPECTION #2: During this inspection (DJ23-003), Staff has reviewed the Operators response and the documents provided by the Operator and found that it adequately addresses this violation. The City of Commerce has removed the 1041-B – Install mechanical clamps and sleeves bolted procedure and will no longer perform this task. The Operator stated that they no longer work on blowing gas. See copy of Management of Change (MOC) #07240-001, dated July 24, 2020.

Staff determined that this violation could be cleared at this time.

CONSENT AGREEMENT ITEM CONTINUING

On August 16, 2021, Staff and Respondent accepts and adopts the Consent Agreement executed between the parties to resolve Respondent's alleged probable violations and proposed civil penalties which were cited in Inspection Numbers JB19-011.

On January 7, 2022, the City of Commerce enters into a signed Consent Agreement with the Facilities Protection Unit in resolution of Inspection Report Numbers JB19-011. The Respondent shall abide by all of the terms of the Joint Consent Agreement.

During this inspection (DJ23-003), the Operator provided documentation which demonstrated that ten (10) out of eleven (11) of the agreed upon items of the Consent Agreement have been met. CA Item #5 is not fully completed. The Operator's completion of all eleven remedial actions must be satisfied to mitigate the proposed civil penalty under the operator's Consent Agreement.

Staff reviewed each of the items from the Consent Agreement and determined the following:

a) Consent Item 1) - Commerce shall execute this Consent Agreement within thirty (30) days of the Commission's approval of said Consent Agreement, unless otherwise stated herein;

   STAFFS FINDINGS: During this inspection (DJ23-003), Staff found that the City of Commerce has executed this Consent Agreement within thirty (30) days of the Commission's approval of said Consent Agreement.

   Staff determined that this item has been addressed.

b) Consent Item 2) – Commerce shall submit a certified check for Five Thousand ($5,000.00) dollars made payable to the Georgia Public Service Commission within thirty (30) days of the Commission's approval of the Consent Agreement. The city's name, Docket Number, and Inspection Report number(s) shall be written in the "memo" line of the certified check.

   STAFFS FINDINGS: During this inspection (DJ23-003), Staff found that the City of Commerce did submit a certified check #11461091 for Five Thousand ($5,000.00) dollars, dated November 3, 2021, made payable to the Georgia Public Service Commission. The city's name, Docket Number, and Inspection Report number(s) were written in the "memo" line of the certified check.

Staff determined that this item has been addressed.

c) Consent Item 3) - Commerce shall mail the certified check to:
Ms. Michelle Thebert, Director
Facilities Protection Unit
Georgia Public Service Commission
244 Washington Street
Atlanta, Georgia 30334

STAFFS FINDINGS: During this inspection (DJ23-003), Staff found that the City of Commerce did mail the certified check #11461091 for Five Thousand ($5,000.00) dollars to Michelle Thebert, Director Facilities Protection Unit on 11/3/2021. The check cleared on 1/20/2022.

Staff determined that this item has been addressed.

d) Consent Item 4) - Commerce shall be expressly prohibited from performing any maintenance, repairs, installations, tapping, operations, or system tie-ins on its pipeline facility with the intent of performing these actions on the pipeline facility where blowing and/or live gas is not under the Operator's direct control until further notice by the Pipeline Safety Director. This prohibition does not restrict Commerce from performing covered functions where a release of gas is anticipated, such as for purging activities. Should Commerce encounter any situation which would require their employees to perform any activities in a potentially hazardous atmosphere, Commerce must physically stop the flow of gas on the applicable pipeline prior to performing any maintenance, repairs, installations, tapping, operations, and/or system tie-ins.

STAFFS FINDINGS: During this inspection (DJ23-003), it was communicated to Staff from the Gas Supervisor that the Director of Pipeline Safety met several times with the City of Commerce City Manager, and she has given back direct control to the City of Commerce around February 6, 2020. Also, Commerce does not fight live gas. The Operator is now performing B31Q Task #1141, Task #1151, Task #1651, and Task #1701 to stop any gas flow if necessary.

Staff determined that this item has been addressed.

e) Consent Item 5) - In order to minimize reoccurrence of this type of incident, no fewer than four (4) of Commerce's gas department employees shall attend/participate in the following training courses. Leak Patrol, Leak Detection (Inside & Outside), Customer Leak Investigation, Investigating and Pinpointing Underground Leaks, and Properties of Natural Gas. These training courses can be completed at a training facility that is listed in the City of Commerce OQ Program. In addition, four (4) of Commerce's gas department employees shall attend/participate in the following training courses at Leak City in Athens, Alabama: Excavating and Backfilling, Prevention of Accidental Ignition, First Response, Fire Training (Main & Service Fires, Ground Fires, Regulator Fires), Emergency Conditions, and Accidental Release of Gas. The target date for training to be complete is June 30, 2022. In no event shall Commerce's gas supervisor/superintendent be excused from these requirements. In the event that the above classes are not offered, or scheduling prohibits training to be completed by the target date, Commerce shall notify the Pipeline Safety Director as

soon as possible. The intent of this provision is to have consistent progress in completing the training outlined above.

STAFFS FINDINGS: During this inspection (DJ23-003), the City of Commerce provided documentation for scheduling conflicts as well as training for two employees who attended Leak City, Athens, Alabama.

- March 10, 2020 – Commerce tries to send two gas employees to Leak City for required training but was postponed. Email sent from Athens Utilities Gas Department to City of Commerce stating scheduling conflicts with APSC. APSC postponing Natural Gas Fire Training from 03/18/2020 to 04/22/2020.
- September 13, 2021 – Email to Director of Facilities Protection Unit from Commerce Gas Utility Director, stating that Commerce has begun sending two of their employees to Leak City, Athens, Alabama for required training. Commerce sent Sammy Bachman and Richard Elrod for training.
- April 4-7, 2022 – Commerce Gas Utility Director stated he notified Director of Facilities Protection Unit in person at the Pipeline Safety Seminar that APSC was again postponing Natural Gas Fire Training for August 2022.
- April 2022 - Email sent from Athens Utilities Gas Department to City of Commerce stating scheduling conflicts again with APSC. APSC postponing Natural Gas Fire Training from August 2022 – September 2022.
- As of this inspection (DJ23-003), Commerce still has two gas employees that need to attend Leak City, Athens, Alabama for required training. Lonnie Robinson and Jody Saxon will be attending Leak City, Athens, Alabama in September 2023.

Staff determined that this item has not been completely addressed.

f) Consent Item 6) - Commerce shall work with Staff to develop an inclusive list of essential personal protective equipment (PPE) and other safety equipment. This list will be added as "Exhibit A" to the Commerce Consent Agreement.

STAFFS FINDINGS: During this inspection (DJ23-003), Staff verified that the City of Commerce has provided a completed list of required equipment. All documentation is listed under Exhibit A – City of Commerce Gas Department -Emergency Supply List. The Operator has developed an inclusive list of essential personal protective equipment (PPE) and other safety equipment.

Staff determined that this item has been addressed.

g) Consent Item 7) – Commerce shall assemble a new natural gas emergency response trailer containing the essential tools and equipment (as identified and approved by Staff in paragraph 6 above) to assist Commerce with responding to Abnormal Operating Conditions occurring on its gas system. This trailer shall be ordered within ninety (90) days following Commission approval of this Consent Agreement.

STAFFS FINDINGS: During this inspection (DJ23-003), Staff verified and inspected the City of Commerce new natural gas emergency response trailer containing the essential tools and equipment (as identified and approved by Staff in Consent Item #6 above) to assist Commerce with responding to Abnormal Operating Conditions occurring on its gas system. See Photos taken on January 25, 2023.

Staff determined that this item has been addressed.

h) Consent Item 8) – Commerce shall review its process for reviewing its employees' performance of O&M procedures following incidents. Additional guidance as necessary regarding this requirement shall be included in Commerce's procedure for performing failure investigations. Commerce's process for this review shall require that it be conducted by or with the assistance of a qualified individual who was not involved with the incident, unless Commerce provides prior notification to the Director of Pipeline Safety stating that no other qualified individual is available.

STAFFS FINDINGS: During this inspection (DJ23-003), Staff reviewed the City of Commerce's process for reviewing its employees' performance of O&M procedures following incidents. The Operator has revised its Operator Qualification (OQ) plan, Section 4.7.3 – Performance Contributing to an Incident, to include the following: "This evaluation must be conducted by or with the assistance of a qualified individual who was not involved in the incident." Also, Operator provided additional guidance per Appendix N-1 – Pipeline Failure Investigation Guidance, Section T - Operator Qualification Program Appendix F1.

Staff determined that this item has been addressed.

i) Consent Item 9) - Within ninety (90) days Commerce shall review all of its OQ task procedures to incorporate all of the requirements that its personnel need in order to comply with and complete an entire task, not just the steps that are required to address the OQ requirements. Specifically,
   a. Commerce shall review the requirements for Reasonable Cause to Verify Qualification under its OQ Program. Commerce shall provide additional guidance regarding this requirement shall be included in the Operator's procedure for performing failure investigations.
   b. Commerce shall review its covered tasks and amend the applicable tasks to incorporate, or to clearly reference its procedures for prevention of accidental ignition and precautions in excavated trenches.

STAFFS FINDINGS: During this inspection (DJ23-003), (9a)-Staff reviewed the City of Commerce's process for reviewing its employees' performance of O&M procedures following incidents. The Operator has revised its Operator Qualification (OQ) plan, Section 4.7.3 – Performance Contributing to an Incident, to include the following: "This evaluation must be conducted by or with the assistance of a qualified individual who was not involved in the incident." Also, Operator provided additional guidance per Appendix N-1 – Pipeline Failure Investigation Guidance, Section T - Operator Qualification Program Appendix F1, reasonable cause verification and actions taken. (9b)- Commerce has reviewed its covered tasks and amend the applicable tasks to incorporate, or to clearly reference its procedures for prevention of accidental ignition and precautions in excavated trenches. See attached OQ Procedure 0211 as an example.

Staff determined that this item has been addressed.

j) Consent Item 10) - Commerce shall review all facilities it is operating and amend its procedures to identify the qualified materials required for repair of all its pipeline facilities.

STAFFS FINDINGS: During this inspection (DJ23-003), Staff reviewed documentation per attached Commerce Utility Warehouse inventory which indicated that the City of Commerce has reviewed all facilities it is operating and amend its procedures to identify the qualified materials required for repair of all its pipeline facilities.

Staff determined that this item has been addressed.

k) Consent Item 11) - Commerce shall immediately implement a policy where any PVC pipe found to be leaking or damaged is safely shut down and replaced, unless Commerce can identify and acquire qualified repair materials with which to develop qualified repair and joining procedures for PVC pipe.

STAFFS FINDINGS: During this inspection (DJ23-003), Staff found that the City of Commerce implemented a policy where any PVC pipe found to be leaking or damaged is safely shut down, removed and replaced. The Operator has identified Other Threats / Unknown amounts of PVC as Risk Rank #1 in their DIMP plan, dated August 13, 2020, Section 5.2 – Section risk ranking and Section 6.2 – Risk Based Additional Actions.

Staff determined that this item has been addressed.

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.

OPERATOR RESPONSE FORM

Informal Conference Requested: Yes ☐ No ☐

Operator Name: City of Commerce

Docket Number: 37038

Responses required within **30 days of electronic mail.** Provide the following information for this report:

Response to Inspection Number:_____

Type of Enforcement Action(s) cited in report:			Informal Conference Requested	
☐ Notice of Probable Violation (NOPV)	☐ New	☐Continuing	☐ Yes	☐ No
☐ Notice of Amendment (NOA)	☐ New	☐Continuing	☐ Yes	☐ No
☐ Warning Letter	☐ New	☐Continuing	☐ Yes	☐ No
☐ Letter of Concern	☐ New	☐Continuing	☐ Yes	☐ No
☐ Observed Issue	☐ New	☐Continuing	☐ Yes	☐ No
☐ Proposed Civil Penalty	$ _____ PCP $ Amount (Total for report)			

Indicate below (A-E) based on the type of Enforcement Actions in this report: (Check all that apply)
Complete a separate copy of Page 2, Operator Response to Enforcement Action, for each cited item.

A. Response for **Notice of Probable Violation** (with and without proposed civil penalty):
   1. ☐ Written statement indicating that corrective measures have achieved Compliance or
   2. ☐ Written plan of action outlining the corrective measures that will be taken to achieve compliance and when compliance is anticipated.

B. Response for **NOA:**
   1. ☐ Contested: Attach written explanation, information, or other material in answer to the allegations in the Notice of Amendment stating your reasons for objecting to the NOA, in whole or in part; or
   2. ☐ Not Contested: Explanation, information, or other material believed to warrant modification of the NOA in whole or in part; or
   3. ☐ Written request for clarification. (Attached)

C. Response for **Continuing** and/or **Existing** violations:
   Current status, updates, expected completion dates, proposed modifications, etc., of the continuing and/or existing violations, even if this information was previously provided. Referencing a previously filed response letter, as status, updates, etc. alone is not sufficient for this response. Failure to provide this information may result in formal interrogatories from the Director through data requests.

D. Response for ☐ **Letter of Concern** / ☐ **Warning Letter**
   I acknowledge receipt of the Letter of Concern/Warning Letter:_____
   SIGNATURE / TITLE

   Additional Comments: (Optional)_____

E. Response for **Observed Issue** and **No Violation**: (Optional Response)
   Staff requests that the Operator acknowledge receipt of the Observed Issue/No Violation in writing, or by submitting an email to the FPU Director

Operator Response to Enforcement Action

Enforcement Action for: _____ ☐ New Violation ☐ Continuing Violation
Enter Code / Commission Rule (Complete a separate attachment for each enforcement action)

Enforcement Action(s) cited in report:	Conference Requested:	
☐ Notice of Probable Violation (NOPV)	☐ Yes ☐ No	$ _____
☐ Notice of Amendment (NOA)	☐ Yes ☐ No	Proposed Penalty for this violation
☐ Warning Letter	☐ Yes ☐ No	
☐ Letter of Concern	☐ Yes ☐ No	
☐ Observed Issue	☐ Yes ☐ No	
☐ Proposed Civil Penalty	☐ Yes ☐ No	

OPERATORS RESPONSE: _____

Response Provided by: _____ Date: _____
Name / Title

Internal use only:

Lead Inspector: _____ Date Response Reviewed: _____

Actions Acceptable: ☐ Yes ☐No Re-inspection Needed: ☐ Yes ☐ No Clear Violation: ☐ Yes ☐ No

Supervisor Review by: _____ Date Reviewed: _____

Additional Enforcement Recommended: ☐ Yes ☐ No

Director Review

Approved: ☐ Yes ☐No Schedule Special Follow-up Inspection: ☐ Yes ☐ No

Cleared Violation: ☐ Yes ☐ No

Comments: _____

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

Ms. Sallie Tanner, 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.

Informal Conference:
Any Operator who chooses to request an informal conference shall request such a conference through emailing the Director (michellet@psc.state.ga.us), calling the Director (404-463-2765), or selecting the "Request Conference" choice.

Civil Penalty Payments:
Certified check for the full amount of the recommended civil penalty or consent agreement amount made payable to the Georgia Public Service Commission. The Operator's name, applicable Docket No., and Inspection Report No. must be included on the certified check. Mail payment to:

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

Hearing Requests:
The Operator has the right to request a hearing before the full Commission 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. The request must also indicate whether or not the Operator will be represented by counsel at the hearing.

Open Records and Trade Secret Filings:
The Operator is 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:	)	
	)	
Cleared and Continue Violation(s) Report	)	**DOCKET NO. 37038**
City of Commerce Gas System	)	
Inspection DJ23-003 on January 25, 2023	)	
	)	

CERTIFICATE OF SERVICE

I, the undersigned, do hereby certify that I have caused to be served a copy of the foregoing, 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 Commerce Gas System was* served a hard copy of the above-stated document by U.S. Mail, certified/return receipt requested.

*Sallie Tanner, Executive Secretary
Georgia Public Service Commission
244 Washington Street, SW
Atlanta, GA 30334

*James Washer, City Manager
City of Commerce Gas System
P.O. Box 348
27 Sycamore Street
Commerce, GA 30529
jamesw@commercega.org

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

Respectfully Submitted this 27th day of June 2023:

Cathy Nesbitt

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