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Georgia Public Service Commission

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

244 Washington Street, SW
Atlanta, GA 30334-5701

FAX: (404) 463-6532
psc.ga.gov

Docket No. 37076

DOCKET# 37076
DOCUMENT# 205069

City of Perry Gas System
P. O. Box 2030
Perry, GA 31069-6030

REF: Follow Up Inspection # JB23-007

☐ Certified Mail ☐ Regular Mail ☒ Email

Attention: Mr. Lee Gilmour

On February 14, 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 JB23-007 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. 37076 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: JB23-007

OPERATOR: City of Perry Gas System

INVESTIGATOR: Jeff Baggett

INSPECTION DATE: February 14, 2023 REPORT MAILED DATE: July 10, 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

Violation	Description	Inspection#	Date
192.181(b)	Each regulator station controlling the flow or pressure of gas in a distribution system must have...	JB22-004	4/18/2022
192.285(d)	Each operator shall establish a method to determine that each person making joints in...	JB22-004	4/18/2022
Consent Agreement Pending	Operator is negotiating Consent Agreement with the FPU Director	JB22-015	7/11/2022

3. CLEARED VIOLATIONS

Cleared on 2/14/2023

Violation	Description	Inspection#	Date
192.747(a)	Each valve, the use of which may be necessary for the safe operation of a distribution system, m...	JB22-004	4/18/2022
192.747(b)	Each operator must take prompt remedial action to correct any valve found inoperable, unless the...	JB22-004	4/18/2022
192.181(a)	Each high-pressure distribution system must have valves spaced so as to reduce the time to...	JB22-004	4/18/2022
192.615(a)(6)	Emergency shutdown and pressure reduction in any section of the operator's pipeline system neces...	JB22-004	4/18/2022

4. NEW VIOLATIONS

5. OTHER RECOMMENDATIONS/COMMENTS

SEE ATTACHED INSPECTION REPORT

CITY OF PERRY GAS SYSTEM / FOLLOWUP INSPECTION
INSPECTION NUMBER JB23-007 / DOCKET NUMBER 37076

On February 14, 2023, Staff met with the City of Perry Gas System to perform a review of their responses and a follow-up inspection of the Operator's previously existing probable violations from Inspection Number JB22-004.

During this inspection, the Operator was represented Josh Lairsey, ESG Compliance Specialist.

Commission Staff was represented by Jeff Baggett, Supervisor, Facilities Protection Unit. (Lead Inspector)

At the time of this inspection, the City of Perry Gas System was under six (6) previously existing probable violations which were cited under Inspection Number JB22-004. (four Notices of Probable Violation and two Notices of Amendment)

The following NOPV's from Inspection Number JB22-004 also had proposed civil penalties which have not yet been addressed; however, the Operator had an informal conference regarding these penalties on February 7, 2023. (Ref. Inspection Number JB23-005)

Item #	Code / Rule	Description	Proposed Penalty
2	§192.285(d)	Plastic pipe: Qualifying persons to make joints	$5,000.00
6	§192.617	Investigation of failures	$5,000.00
7	§192.625(f)	Odorization of gas	$5,000.00
8	§192.721(b)	Distribution systems: Patrolling	$5,000.00
9	§192.723(b)(1)	Distribution systems: Leakage surveys	$5,000.00
10	§192.747(a)	Valve maintenance: Distribution systems	$5,000.00
11	§192.747(b)	Valve maintenance: Distribution systems	$5,000.00
TOTAL PROPOSED PENALTY			$35,000.00

Staff reviewed these probable violations with the Operator and determined that:

PROBABLE VIOLATION CLEARED

1. In regard to the probable violation of §192.747(a) which was cited in Inspection Number JB22-004; in that inspection Staff stated: "The City of Perry failed to check and service each valve which was identified as being necessary for the safe operation of their distribution system as required by §192.747(a)."

   Staff proposed a civil penalty of $5,000 for this probable violation.

   OPERATOR RESPONSE: In their response letter to Inspection Number JB22-004, dated July 7, 2022, the City of Perry requested an informal conference and stated: "The City of Perry has reviewed the past three years of critical valve inspections and addressed the valves that were documented as being inaccessible. Furthermore. Staff has operated all valves except for twenty-six (26) valves that were not operational. The City of Perry is currently identifying alternative valves to use in the event they are needed to isolate a section of the system as we work to repair or replace the inoperable valves. The tentative completion date is by the end of October of this year."

   1st FOLLOWUP INSPECTION: On August, 18, 2022, Staff met on-line with the City of Perry Gas System to perform a review of their responses and a follow-up inspection of the Operator's previously existing probable violations from Inspection Number JB22-004. (Ref. Inspection Number (JB22-005) In that inspection Staff stated: "During this inspection (JB22-025) the Operator advised that they have

addressed 9 of the inoperable valves. The tentative completion date for the remaining 15 valves is by the end of October of this year."

2nd FOLLOWUP INSPECTION: During this inspection the Operator provided documentation which demonstrated that they have checked and serviced each valve which was identified as being necessary for the safe operation of their distribution system as required by §192.747(a)

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

2. In regard to the probable violation of §192.747(b) which was cited in Inspection Number JB22-004; in that inspection Staff stated: "The City of Perry failed to take prompt remedial action to correct any valve found inoperable, or to demonstrate that they had designated alternative valves when required."

   Staff proposed a civil penalty of $5,000 for this probable violation.

   OPERATOR RESPONSE: In their response letter to Inspection Number JB22-004, dated July 7, 2022, the City of Perry requested an informal conference and stated: "The City of Perry has reviewed the past three years of critical valve inspections and addressed the valves that were documented as being inaccessible. Furthermore, Staff has operated all valves except for twenty-six (26) valves that were not operational. The City of Perry is currently identifying alternative valves to use in the event they are needed to isolate a section of the system as we work to repair or replace the inoperable valves. The tentative completion date is by the end of October of this year."

   1st FOLLOWUP INSPECTION: On August, 18, 2022, Staff met on-line with the City of Perry Gas System to perform a review of their responses and a follow-up inspection of the Operator's previously existing probable violations from Inspection Number JB22-004. (Ref. Inspection Number (JB22-005) In that inspection Staff stated: "During this inspection (JB22-025) the Operator advised that they have addressed 9 of the inoperable valves. The tentative completion date for the remaining 15 valves is by the end of October of this year."

   2nd FOLLOWUP INSPECTION: During this inspection the Operator provided documentation which demonstrated that they have checked and serviced each valve which was identified as being necessary for the safe operation of their distribution system as required by §192.747(b)

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

3) In regard to the Notice of Amendment for the probable violation of §192.181(a) which was cited in Inspection Number JB22-004; in that inspection Staff stated: "The City of Perry must amend their procedures to address the placement of distribution line valves for their system."

   OPERATOR RESPONSE: In their response letter to Inspection Number JB22-004, dated July 7, 2022, the City of Perry stated: "The City of Perry has developed a process for the placement of distribution valves on new installations of natural gas pipelines and will amend our procedures by July 29, 2022 and will provide them to the Facilities Protection Director and the Lead Inspector under separate cover. Furthermore, the City of Perry is working on developing an isolation plan for the distribution system. The City of Perry is currently working on updating the GIS program and plotting all in-line valves to assist in developing a district shut of zones."

1st FOLLOWUP INSPECTION: On August, 18, 2022, Staff met on-line with the City of Perry Gas System to perform a review of their responses and a follow-up inspection of the Operator's previously existing probable violations from Inspection Number JB22-004. (Ref. Inspection Number (JB22-005) In that inspection Staff stated: "During this inspection (JB22-025) Staff reviewed the City of Perry's proposed "Valve Installation Guidelines" and found that they are not sufficient to address this violation. Staff found that these guidelines offer instructions for things to consider in the placement of valves, but do not offer any guidance as to when a valve would be required. For example, the process calls for evaluating the number of customers that could be affected, but it provides no guidance on how many customers the operator is prepared to lose in the event an emergency valve is used."

2nd FOLLOWUP INSPECTION: During this inspection the Operator provided Staff with an amended procedure which addresses the placement of valves.

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

4) In regard to the Notice of Amendment for the probable violation of §192.615(a)(6) which was cited in Inspection umber JB22-004; in that inspection Staff stated: "The City of Perry must amend their procedures for emergency shutdown and pressure reduction to provide a procedure for their personnel to follow in the event an emergency shutdown or pressure reduction is required in any section of their system."

   OPERATOR RESPONSE: In their response letter to Inspection Number JB22-004, dated July 7, 2022, the City of Perry stated: "The City of Perry will amend the procedures for pressure reductions or pipeline isolation by the use of valves in an emergency for our employees to use by July 29, 2022 and will provide the procedure to the Facilities Protection Director and the Lead Inspector under separate cover."

   1st FOLLOWUP INSPECTION: On August, 18, 2022, Staff met on-line with the City of Perry Gas System to perform a review of their responses and a follow-up inspection of the Operator's previously existing probable violations from Inspection Number JB22-004. (Ref. Inspection Number (JB22-005) In that inspection Staff stated: "During this inspection (JB22-025) the Operator advised that they have not yet completed this item because it has required more review, analysis, and correction of their GIS data than anticipated. Operator plans to have this item addressed by the end of the year."

   2nd FOLLOWUP INSPECTION: During this inspection the Operator presented Staff with a revised process for their personnel to follow which includes a GIS process with printed maps to aid in emergency shutdown and pressure reduction for each section of their system.

   Staff determined that this item can be cleared at this time.

PROBABLE VIOLATION CONTINUING

1. In regard to the probable violation of §192.181(b) which was cited in Inspection Number JB22-004; in that inspection Staff stated: "The City of Perry failed to ensure that each regulator station controlling the flow or pressure of gas in a distribution system has a valve installed on the inlet piping at a distance from the regulator station sufficient to permit the operation of the valve during an emergency that might preclude access to the station."

OPERATOR RESPONSE: In their response letter to Inspection Number JB22-004, dated July 7, 2022, the City of Perry stated: "Prior to the inspection, the City of Perry had identified the regulator stations that did not have a valve located upstream of the station to meet the requirements under 192.l8l(b). Currently. a project is being developed to install the required valves. Once the project is approved. the City of Perry will notify the Facilities Protection Director and Lead Inspector"

1st FOLLOWUP INSPECTION: On August, 18, 2022, Staff met on-line with the City of Perry Gas System to perform a review of their responses and a follow-up inspection of the Operator's previously existing probable violations from Inspection Number JB22-004. (Ref. Inspection Number (JB22-005) In that inspection Staff stated: "During this inspection (JB22-025) the Operator advised that they are still developing a plan to address the installation of inlet valves for the required stations."

2nd FOLLOWUP INSPECTION: During this inspection the Operator advised that the project to install these valves is still in development. The tentative deadline for this project is currently July 31, 2023.

Staff determined that this violation cannot be cleared at this time.

2. In regard to the probable violation of §192.285(d) which was cited in Inspection Number JB22-004; in that inspection Staff stated: "The City of Perry could not demonstrate that personnel performing the joining of PE pipe on their system had been qualified under their procedures as required by §192.285(d)."

   Staff proposed a civil penalty of $5,000 for this probable violation

   OPERATOR RESPONSE: In their response letter to Inspection Number JB22-004, dated July 7, 2022, the City of Perry requested an informal conference for this probable violation and stated: "The City of Perry has requalified all employees who fuse plastic pipe. The employees were re-tested for their knowledge, skills, and ability to perform the task(s) and all passed. The proper documentation of the Qualifications and the testing of each sample has been completed."

   1st FOLLOWUP INSPECTION: On August, 18, 2022, Staff met on-line with the City of Perry Gas System to perform a review of their responses and a follow-up inspection of the Operator's previously existing probable violations from Inspection Number JB22-004. (Ref. Inspection Number (JB22-005) In that inspection Staff stated: "During this inspection (JB22-025) Staff advised the Operator that their response was not acceptable because it fails to address the 21 joints that were identified as being installed by unqualified personnel. The Operator advised that all 21 joints are going to be replaced, however, the estimated completion date is currently unknown due to availability of materials."

   2nd FOLLOWUP INSPECTION: During this inspection the Operator advised that they have one fitting remaining to be replaced. The estimated completion date for the replacement of this fitting is no later than March 1, 2023.

   Staff determined that this violation cannot be cleared at this time.

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

Operator Name: City of Perry

Informal Conference Requested: Yes ☐ No ☐

Docket Number: 37076

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 Continuing Violation(s) Report	)	**DOCKET NO. 37076**
City of Perry Gas System	)	
Inspection JB23-007 on February 14, 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 Perry 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

*Lee Gilmour, City Manager
City of Perry Gas System
P.O. Box 2030
Perry, GA 31069-6030
lee.gilmour@perry.ga.gov

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

Respectfully Submitted this 13th day of July 2023:

Cathy Nesbitt

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