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FACILITIES PROTECTION UNIT DIRECTOR

Georgia Public Service Commission

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244 Washington Street, SW
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DOCKET# 37042
DOCUMENT# 205071

Docket No. 37042

Dalton Utilities
P. O. Box 869
Dalton, GA 30722

REF: DIMP (Annual Review) Inspection # JB23-002

☐ Certified Mail ☐ Regular Mail ☒ Email

Attention: Mr. Tom Bundros

On February 1, 2023, a representative of the Georgia Public Service Commission Pipeline/Facilities Safety Office conducted an inspection of your gas system. The enclosed inspection report numbered JB23-002 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. 37042 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: JB23-002

OPERATOR: Dalton Utilities

INVESTIGATOR: Jeff Baggett

INSPECTION DATE: February 1, 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 perform an annual review of the Operators Distribution Integrity Management Plan (DIMP) in preparation for their upcoming DIMP Implementation inspection.

2. CONTINUING VIOLATIONS

Violation	Description	Inspection#	Date
192.479	Atmospheric corrosion control: General.	JS22-010	5/9/2022
192.615(c)	Each operator shall establish and maintain liaison with appropriate fire, police, and other...	JS22-010	5/9/2022
192.479(a)	Each operator must clean and coat each pipeline or portion of pipeline that is exposed to the...	JS22-010	5/9/2022
192.491(c)	Each operator shall maintain a record of each test, survey, or inspection required by this sub...	JS22-010	5/9/2022
192.147(a)	Each flange or flange accessory (other than cast iron) must meet the minimum requirements of...	JS22-010	5/9/2022

3. CLEARED VIOLATIONS

4. NEW VIOLATIONS

5. OTHER RECOMMENDATIONS/COMMENTS

SEE ATTACHED INSPECTION REPORT

DALTON UTILIITES / ANNUAL DIMP REVIEW
INSPECTION NUMBER JB23-002 / DOCKET NUMBER 37042

On February 1, 2023 Staff reported to the City of Dalton to perform an annual review of the Operators Distribution Integrity Management Plan (DIMP) in preparation for their upcoming DIMP Implementation inspection.

During this inspection the Operator was represented by:
Ralph Smith - Natural Gas Regulatory & Pipeline Manager
Phillip Pfeiffer - Engineering Technician
Erik Rittenhouse - Natural Gas Technician
Eric Atkins - Natural Gas Technician
Maurice Chaney - MGAG/SRCS (Consultant)

Commission Staff was represented by:
Jeff Baggett - Lead Inspector
Jason Smith - Pipeline Safety Inspector
Kenny Rowe - Pipeline Safety Inspector

At the time of this inspection Dalton Utilities had five (5) previously existing probable violations. Staff reviewed these items and found that the Operator was still within the 30-day response period of receiving Inspection Number JS22-010. Staff did not review these items during this inspection.

OBSERVED ISSUE

During this inspection Staff reviewed the Operators DIMP plan which was identified as Plan Version 5.1.1, Program Version 4.0. Staff observed the following issues:

1. In "Chapter 5. RISK EVALUATION AND PRIORITIZATION," of the Operators DIMP Plan is states: "USER RANK indicates if the threat-segment was re-ranked by DALTON WATER LIGHT & SINKING FUND COMMISSION. A zero indicates it was left where SHRIMP's risk model ranked it – any other number indicates it was moved higher or lower by DALTON WATER LIGHT & SINKING FUND COMMISSION. Where a threat-segment was re-ranked an explanation for the reason is included in the discussion for that segment."

   Staff observed that in Section "5.2. DALTON WATER LIGHT & SINKING FUND COMMISSION Section Risk Ranking," that the User Rank and Shrimp Rank indicated that the Operators threats had been moved; however, the Operator stated that they had not adjusted the threats.

2. In "Chapter 7. MEASURE PERFORMANCE, MONITOR RESULTS AND EVALUATE EFFECTIVENESS," "Section 7.4 BASELINE PERFORMANCE MEASURE MONITORING" of the Operators plan it states that: "The Dalton Utilities will monitor 10 years of mandatory, and if applicable, Risk Based Performance Measures, as listed in Ch. 7 of this plan. The current 10 years of data will be used to create the baseline. If 10 years of data is not available, data from available years will be used to create the baseline until such time as 10 years of data is available."

   In "Chapter 10. RECORD KEEPING" of the Operators plan it states:
   "The following records will be maintained for ten years.
   3. Records of data required to be collected to calculate performance measures listed in Chapter 7, MEASURE PERFORMANCE, MONITOR RESULTS AND EVALUATE EFFECTIVENESS,
   4.Data Sources referenced during the Threat Assessments (listed in Section 11.3, "LIST OF DATA SOURCES FROM SHRIMP™ INTERVIEWS"),"

Staff observed that in "Chapter 11. ATTACHMENTS," "Section 11.2. LIST OF ANSWERS AND DATA SOURCES FROM SHRIMP™ INTERVIEWS" of the Operators plan that it was not always clear if 10 years of data was provided, or reviewed for some answers. Some questions include 10 years of data in the answer, while some answers included only five or six years of data.

3. Staff reviewed "Chapter 6. ADDITIONAL/ACCELERATED MEASURES TO ADDRESS RISKS," "Section 6.2. RISK BASED ADDITIONAL ACTIONS," and "Chapter 11. ATTACHMENTS," "Section 11.5.2. DALTON WATER LIGHT & SINKING FUND COMMISSION Section Risk Ranking (Consolidated)."

Staff observed that there was no language regarding what actions the Operator would take if their accelerated actions were found to be ineffective. There was also no language for when they would have to take actions if their baseline threshold for an identified threat with no accelerated actions is exceeded.

4. In "Chapter 5. RISK EVALUATION AND PRIORITIZATION," "Section 5.1. Overview," of the Operators plan it makes a reference to the "CLINTON-NEWBERRY NATURAL GAS AUTHORITY".

   Staff reviewed other SHRIMP plans from other operators and found that this language is also in those plans. Staff recommended that the Operator contact their vendor about this issue.

This concludes Staff's Annual Review of Dalton Utilities Distribution Integrity Management Program (DIMP). Please contact the Director of Pipeline Safety if you have any questions or concerns at 404-985-4271 or michellet@psc.state.ga.us.

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION
STATE OF GEORGIA

IN THE MATTER OF:	)	
	)	
Observe Issue	)	**DOCKET NO. 37042**
Dalton Utilities	)	
Inspection JB23-002 on February 1, 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 *Dalton Utilities 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

*Tom Bundros, CEO
Dalton Utilities
P.O. Box 869
Dalton, GA 30722
tbundros@dutil.com

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

Respectfully Submitted this 13th day of June 2023:

Cathy Nesbitt

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