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Georgia Public Service Commission

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(800) 282-5813

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psc.ga.gov

DOCKET# 37078
DOCUMENT# 216296

Docket No. 37078

City of Richland Gas Department
390 Broad Street P. O. Box 126
Richland, GA 31825

REF: DIMP – Implementation Inspection # DL23-015

☐ Certified Mail ☐ Regular Mail ☒ Email

Attention: Mr. Kenneth Josey

On May 3, 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 DL23-015 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. 37078 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: DL23-015

OPERATOR: City of Richland Gas Department

INVESTIGATOR: David Lewis

INSPECTION DATE: May 3, 2023 REPORT MAILED DATE: November 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 an inspection of the Operators implementation of their 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
515-9-3-.08	Written Formal Notice of Violation	JL16-022	3/14/2016
Consent Agreement Pending	Operator is negotiating Consent Agreement with the FPU Director	DL19-011	2/12/2019
192.603(c)	General - The Associate Administrator or the State Agency that has submitted a current...	AT22-046	8/31/2022
192.605(a)	Each operator shall prepare and follow for each pipeline, a manual of written procedures for...	KR23-010	3/6/2023
192.747(a)	Each valve, the use of which may be necessary for the safe operation of a distribution system, m...	KR23-010	3/6/2023
192.723(a)	Each operator of a distribution system shall conduct periodic leakage surveys in accordance with...	KR23-010	3/6/2023
192.605(b)(8)	Periodically reviewing the work done by operator personnel to determine the effectiveness and...	KR23-010	3/6/2023
192.615(b)(3)	Review employee activities to determine whether the procedures were effectively followed in each...	KR23-010	3/6/2023
192.707(d)(2)	Line markers for mains and transmission lines. Marker warning. The following must be written...	KR23-010	3/6/2023
192.625(f)	To assure the proper concentration of odorant in accordance with this section, each operator must...	KR23-010	3/6/2023
192.625(a)	A combustible gas in a distribution line must contain a natural odorant or be odorized so that at...	KR23-010	3/6/2023

3. CLEARED VIOLATIONS

4. NEW VIOLATIONS

Violation	Description	Inspection#	Date
192.1007(b)	Identify threats. The operator must consider the following categories of threats to each gas...	DL23-015	5/3/2023

5. OTHER RECOMMENDATIONS/COMMENTS

SEE ATTACHED INSPECTION REPORT

From May 16-17, 2023, Staff reported to the City of Richland to conduct an inspection of the Operators implementation of their Distribution Integrity Management Program (DIMP) for compliance with the minimum federal standards in 49CFR Part 192, SubPart P.

During the inspection, the Operator was represented by:
Couri Josey– Richland Public Works Supervisor
Bobby Boyd – City Services (Consultant)

Commission Staff was represented by David Lewis - Lead inspector

At the time of this inspection the City of Richland was under two (2) previously existing probable violations and a Pending Consent Agreement. These violations were reviewed in Inspection Number DL23-014.

NOTICE OF PROBABLE VIOLATION

As a result of this inspection Staff found that the Operator was in probable violation of the minimum federal safety standards; specifically:

49CFR, §192.1007 What are the required elements of an integrity management plan?

A written integrity management plan must contain procedures for developing and implementing the following elements:

(b) Identify threats. The operator must consider the following categories of threats to each gas distribution pipeline: corrosion (including atmospheric corrosion), natural forces, excavation damage, other outside force damage, material or welds, equipment failure, incorrect operations, and other issues that could threaten the integrity of its pipeline. An operator must consider reasonably available information to identify existing and potential threats. Sources of data may include incident and leak history, corrosion control records (including atmospheric corrosion records), continuing surveillance records, patrolling records, maintenance history, and excavation damage experience.

STAFF COMMENTS: PHMSA Inspection Form 22; Question number 2. - Identify Threats - Information Considered - In identifying threats did the information considered include all of the required data and information sources?

Staff examined five years of PHMSA form 7100.1 that were filed by the City of Richland and also examined the Distribution Integrity Management Plan Version 3.1.2 effective date of June 6, 2021. In Chapter 5. RISK EVALUATION AND PRIORITIZATION, Section 5.2. RICHLAND GAS DEPT, CITY OF Section Risk Ranking on page 12 Staff found that the number one ranked risk is Corrosion - External Corrosion. Staff checked five years of PHMSA form 7100.1 and did not find one leak reported to corrosion-External. Staff checked the risk rankings to find the Operators threats were ranked as #1- Corrosion-External; #2 - Natural Forces; #3 - Corrosion-External; #4 – Other Outside Forces; #5 – Excavation.

Staff reviewed five years of the Operator's PHMSA 7100 reports and found that the Operator has not had one reportable leak report due to corrosion, natural forces, Other Outside Forces,

and only one excavation leak in 2018. The annual report indicates four Equipment Failures in 2021 and this shows up as the number ten threat in their DIMP Plan.

Staff then reviewed the Operators leak survey records that found that they had recorded 8 leaks (non-reportable) in 2018 and again in 2019.

Staff then questioned the Operator why the discrepancies in DIMP Plan and PHMSA 7100 reports. Operator claims that they had filled in the proper information into the Simple, Handy, Risk-based Integrity Management Plan (SHRIMP) and the rankings were generated this way.

Staff notes that in the Operators SHRIMP Plan, in Section 4 – Validate Risk Ranking, it states: "You should not automatically accept SHRIMP's order of risk ranking. Review it, consider the summary description of why SHRIMP ranked each threat and, if you disagree with the order, rearrange the order of threats as you believe it should be, and be sure to enter a description of what factors you considered that led you to change the order. This is a very important step!"

Staff then examined section 6.2. RISK BASED ADDITIONAL ACTIONS and all the risks were answered with: "The relative risk posed by this threat on this section of RICHLAND GAS DEPT, CITY OF are adequately addressed by current inspection and maintenance. No additional actions are required." The following explanation was provided: "This City does not deem this a risk at this time."

Staff then examined section 7.2. RISK BASED PERFORMANCE MEASURES and all risks were answered with: "The relative risk posed by this threat on this section of RICHLAND GAS DEPT, CITY OF does not warrant additional actions. Since no additional actions are called for there is no need for action-specific performance measures."

Staff then examined section 11.2. LIST OF ANSWERS AND DATA SOURCES FROM SHRIMP INTERVIEWS, Table 11.1. Leak Repairs From PHMSA 7100.1-1. The information entered into this table does not match the information Staff had examined in the PHMSA 7100.1 reports.

Staff determined that errors in the input of the initial data into the Operators SHRIMP program, combined with the Operators failure to validate their risk ranking, have resulted in a Distribution Integrity Management Plan that fails to address the requirements of 49 CFR, Part 192, SubPart P. Staff informed the Operator that they would have to reevaluate their entire plan and Staff would have to reinspect the plan once it is completed.

PROBABLE VIOLATION: The City of Richland Gas Department failed to meet required elements of an integrity management plan according to 49CFR§192.1007.

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 Richland

Informal Conference Requested: Yes ☐ No ☐

Docket Number: 37078

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	$_____ Proposed Penalty for this violation
☐ Notice of Amendment (NOA)	☐ Yes ☐ No	
☐ 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:	)	
	)	
Notice of Probable Violation Report	)	**DOCKET NO. 37078**
City of Richland Gas Department	)	
Inspection DL23-015 on May 3, 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 Richland Gas Department* 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

*The Honorable Kenneth Josey, Mayor
City of Richland Gas Department
390 Broad Street
P.O. Box 126
Richland, GA 31825
wilsonwandal@bellsouth.net

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

Respectfully Submitted this 9th day of November 2023:

Cathy Nesbitt

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