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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# 37024
DOCUMENT# 217458

Docket No. 37024

AGL - Operations and Engineering
Ten Peachtree Place, NE Suite 1000
Location 1365
Atlanta, GA 30309

REF: Comprehensive Inspection # DJ23-020

☐ Certified Mail ☐ Regular Mail ☒ Email

Attention: Mr. Pedro Cherry

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 DJ23-020 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. 37024 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: DJ23-020

OPERATOR: AGL - Augusta

INVESTIGATOR: Daphne Jones

INSPECTION DATE: May 3, 2023 REPORT MAILED DATE: February 8, 2024

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 comprehensive inspection of the Operators plans, programs, procedures, pipeline, and pipeline facilities for compliance with the minimum federal safety standards in 49CFR Parts 191 and 192.

2. CONTINUING VIOLATIONS

3. CLEARED VIOLATIONS

4. NEW VIOLATIONS

Violation	Description	Inspection#	Date
192.455	External corrosion control: Buried or submerged pipelines installed after July 31	DJ23-020	5/3/2023
192.739	Pressure limiting and regulating stations: Inspection and testing.	DJ23-020	5/3/2023
192.465(b)	Each cathodic protection rectifier or other impressed current power source must be inspected six...	DJ23-020	5/3/2023
192.465(d)	Each operator shall take prompt remedial action to correct any deficiencies indicated by the...	DJ23-020	5/3/2023
192.491(c)	Each operator shall maintain a record of each test, survey, or inspection required by this sub...	DJ23-020	5/3/2023
192.615(b)(3)	Review employee activities to determine whether the procedures were effectively followed in each...	DJ23-020	5/3/2023
192.721(b)(1)	Mains in places or on structures where anticipated physical movement or external loading could...	DJ23-020	5/3/2023

5. OTHER RECOMMENDATIONS/COMMENTS

AGLC AUGUSTA SERVICE CENTER/ COMPREHENSIVE INSPECTION
INSPECTION NUMBER DJ23-020 / DOCKET NUMBER 37024

On March 7, 2023, Staff provided questions to Atlanta Gas Light Company (AGLC) -Augusta Service Center regarding the upcoming comprehensive inspection. During the periods from May 8-11, 2023, May 15-18, 2023, and May 22-25, 2023, Staff reported to the AGLC-Augusta Service Center and reviewed AGLC Augusta / Service Center Operator's manuals, records, and field operations. Staff also met several times between June 7 and November 13, 2023, to complete this inspection and reports. Staff conducted an exit interview on November 30, 2023.

During this inspection the Operator was represented by:
Rick Slagle - Director of Compliance and Quality Assurance
Ralph McCollum - Lead Compliance Engineer
Roy Chapman - Region Director, Augusta & Athens
Jackie Jones - Supervisor, Augusta Service Center
Mitch Philippus - Supervisor, Augusta Service Center
Will Vautrin – Operations Foreman
Mark Sosebee - Supervisor, Asset Protection/ROW/Damage Prevention
Robert C. Smith – QA Specialist
Todd Haynes - QA Specialist
Kaley Melton - Superintendent
Gregory Gay – Pressure Control Tech III, Augusta
Robert Mason – Pressure Control Specialist
Jeremy Perry - System Ops
Tim Conner - Superintendent, System Ops
Carl Pearson – Director, System Ops
Chris Gay – Project Coordinator / GC1/ Construction
Greg Alexander – Manager, Corrosion
Roger Jochum – Supervisor, Corrosion
Justin Otis – Corrosion Tech III
Wesley McCord - Corrosion Tech II
David Reyes – ROW Inspector, Asset Protection
Kevin Barnard – ROW Inspector, Asset Protection

Commission Staff was represented by:
Daphne Jones - Lead Inspector
Joseph Jones – Pipeline Safety Inspector
Alan Towe – Pipeline Safety Inspector
Jack Hewitt – Pipeline Safety Inspector

At the time of this inspection the AGLC - Augusta Service Center was under no previously existing probable violation.

During this inspection Staff examined AGLC-Augusta Service Center operations utilizing GA – PHMSA Form 1 (Procedures / Records / Field Observations) Gas Distribution to record the findings of the inspection.

Staff reviewed the AGLC-Augusta Service Center's:
- O&M Manual
- Emergency Plan
- MAOP Procedures and records
- 5-year Patrolling & Leakage records
- 5- year Regulator & Relief Insp.
- 5- year Work orders

- 5- year Corrosion Surveys
- 5- year Atmospheric Corrosion records
- 5- year Odorization Records
- 5- year O.Q. Procedures and records
- 5- year Valve maintenance and records
- 5-year Annual 7100 Reports

As a result of this inspection Staff noted the following probable violations of the minimum federal safety standards.

NOTICE OF PROBABLE VIOLATION

1. 49 CFR §192.615 Emergency plans.
   (b) Each operator shall:
      (3) Review employee activities to determine whether the procedures were effectively followed in each emergency.

   COMMENTS: During this inspection Staff performed a sample review of the Operators emergency response records on third party damages to its main pipelines involving Grade 1 leaks for calendar years 2018 to 2021. Staff found that the Operator had not documented that an emergency procedure review of their Field Service Associates' (FSA's) activities had been performed to determine whether emergency procedures were effectively followed.

   PROBABLE VIOLATION: The AGLC – Augusta Service Center could not demonstrate that a review of their employees' (FSA's) activities are being performed as required under Part 192.615(b)(3) and their OPM Div. II Sec. 22 page 2.

2. 49 CFR 192.455 - External corrosion control: Buried or submerged pipelines installed after July 31,1971.
   (a) Except as provided in paragraphs (b), (c), (f) and (g) of this section, each buried or submerged pipeline installed after July 31, 1971, must be protected against external corrosion, including the following:
      (1) It must have an external protective coating meeting the requirements of §192.461.
      (2) It must have a cathodic protection system designed to protect the pipeline in accordance with this subpart, installed and placed in operation within 1 year after completion of construction.

   COMMENTS: During this inspection Staff found that the Operator did not provide cathodic protection on their 2-inch steel main located at the Augusta Mall. This section of main is also located inside a garage area of the mall building.

   PROBABLE VIOLATION: The AGLC – Augusta Service Center failed to install cathodic protection to its underground steel system within 1 year after completion of construction.

3. 49 CFR 192.721- Distribution systems: Patrolling.
   (b) Mains in places or on structures where anticipated physical movement or external loading could cause failure or leakage must be patrolled.
      (1) In business districts, at intervals not exceeding 4 1/2 months, but at least four times each calendar year.

COMMENTS: During this inspection Staff found that the Operators 2-inch steel main on top of the Augusta Mall has not been patrolled and was missing several pipe rollers and supports where pipe movement is taking place.

PROBABLE VIOLATION: The AGLC – Augusta Service Center failed to perform patrolling of its exposed main on top of the Augusta Mall where anticipated physical movement could cause failure or leakage.

4. 49 CFR192.739 - Pressure limiting and regulating stations: Inspection and testing.
   (a) Each pressure limiting station, relief device (except rupture discs), and Pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is-
      (1) In good mechanical condition;
      (2) Adequate from the standpoint of capacity and reliability of operation for the service in which it is employed;

   COMMENTS: During this inspection Staff found that the Operator was providing a pressure limiting and relief station to their 2-inch main on top of Augusta Mall. Staff found no records indicating the Operator was performing inspections and tests as required under 49 CFR 192.739(a).

   PROBABLE VIOLATION: The AGLC – Augusta Service Center failed to perform inspections and tests on their pressure limiting station located at the Augusta Mall in accordance with Part 192.739(a).

5. 49 CFR 192.465 - External corrosion control; Monitoring and remediation.
   (b) Cathodic protection rectifiers and impressed current power sources must be periodically inspected as follows:
      (1) Each cathodic protection rectifier or impressed current power source must be inspected six times each calendar year, but with intervals not exceeding 2 ½ months between inspections, to ensure adequate amperage and voltage levels needed to provide cathodic protection are maintained. This may be done either through remote measurement or through an onsite inspection of the rectifier.

   COMMENTS: During this inspection, Staff found according to records that the operator does not have documentation showing that the rectifier or other impressed current source was inspected at the required intervals.
      (a) New Savanah Road – Rectifier down from 1/23/2019 to 9/10/2020 (No readings taken)
      (b) Tank Farm – Rectifier down from 3/14/2018 to 5/13/2019 (No readings taken)
      (c) Washington Road – Rectifier down from 9/18/2018 to 3/18/2019 (No readings taken)
      (d) Milledgeville Rd beside creek - Rectifier down from 3/9/2021 to 5/17/2022 and down from 6/15/2022 to 11/2/2022. The ground bed is down, and cables are pulled out of rectifier. (No readings taken)
      (e) GA. Hwy 17 (Wilkes County) - Rectifier down from 5/27/2021 to 11/9/2021 (No readings taken). The rectifier is down and breakers off during field visit.

   PROBABLE VIOLATION: The AGLC – Augusta Service Center did not inspect each cathodic protection rectifier or other impressed current power source six times each calendar year at periods not exceeding 2 ½ months.

6. 49 CFR 192.465 - External corrosion control: Monitoring and remediation.
   (d) Each operator must promptly correct any deficiencies indicated by the inspection and testing required by paragraphs (a) through (c) of this section. For onshore gas transmission pipelines, each operator must develop a remedial action plan and apply for any necessary permits within 6 months of completing the inspection or testing that identified the deficiency. Remedial action must be completed promptly, but no later than the earliest of the following: prior to the next inspection or test interval required by this section; within 1 year, not to exceed 15 months, of the inspection or test that identified the deficiency; or as soon as practicable, not to exceed 6 months, after obtaining any necessary permits.

   COMMENTS: During this inspection Staff found that the Operator has not been able to provide a level of cathodic protection that meets their criteria of -.850 millivolts on Broad Street in Augusta. Records found indicate that the Operators cathodic protection system has been below their criteria level since 7-10-2020.

   PROBABLE VIOLATION: The AGLC – Augusta Service Center failed to take prompt remedial action to correct any deficiencies indicated by the monitoring.

7. 49 CFR 192.491- Corrosion control records.
   (c) Each operator shall maintain a record of each test, survey, or inspection required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that a corrosive condition does not exist. These records must be retained for at least 5 years with the following exceptions:
      (1) Operators must retain records related to §§ 192.465(a) and (e) and 192.475(b) for as long as the pipeline remains in service.
      (2) Operators must retain records of the two most recent atmospheric corrosion inspections for each distribution service line that is being inspected under the interval in § 192.481(a)(2).

   COMMENTS: During this inspection Staff found that the Operator has 35 total low systems where stray currents may be interfering with the pipeline's CP system. Staff noted that twenty-five (25) out of the Thirty-five (35) Interference Current locations have criteria below 900. Staff could not find where the Operator maintained a record of each test, survey, and inspection in sufficient detail to demonstrate the adequacy of their corrosion control procedures or that a corrosive condition does not exist.

   PROBABLE VIOLATION: The AGLC – Augusta Service Center failed to maintain a record of each test, survey, and inspection in sufficient detail to demonstrate the adequacy of their corrosion control procedures or that a corrosive condition does not exist.

ITEM OF CONCERN

1. 49 CFR §192.707- Line Markers for mains and transmission lines.
   (c) Pipelines aboveground. Line markers must be placed and maintained along each section of a main and transmission line that is located aboveground in an area accessible to the public.

   STAFF CONCERN: During this inspection Staff found that the Operator has an aboveground 2-inch steel main on top of and alongside the Augusta Mall outside wall which has no markers placed on it for

the identification of the Operator and a telephone number where the Operator can be reached at all times.

2. 49 CFR §192.613 - Continuing surveillance.
   (b) If a segment of pipeline is determined to be in unsatisfactory condition but no immediate hazard exists, the operator shall initiate a program to recondition or phase out the segment involved, or, if the segment cannot be reconditioned or phased out, reduce the maximum allowable operating pressure in accordance with §192.619 (a) and (b).

   STAFF CONCERN: During this inspection Staff and Operator personnel discovered that their 2-inch steel main was placed inside part of the Augusta Mall building which is not accessible for them unless they contact the Mall Security to gain access into the building.

3. 49 CFR §192.615 - Emergency plans.
   (a) Each operator shall establish written procedures to minimize the hazard resulting from a gas pipeline emergency. At a minimum, the procedures must provide for the following:
   (3) Prompt and effective response to a notice of each type of emergency, including the following:
   (i) Gas detected inside or near a building.
   (ii) Fire located near or directly involving a pipeline facility
   (iii) Explosion occurring near or directly involving a pipeline facility.
   (iv) Natural disaster.

   STAFF CONCERN: During this inspection Staff reviewed at random Operators records related to third party damages to their main pipelines resulting in Grade 1 leaks. Staff found that the Operator had taken over six (6) hours from the time call received to perform an emergency shutdown and another took over 5 hours. Staff also found several that were over two (2) hours from the time received till shutdown.

   Operators' emergency procedures found in their OPM Division II Section 22.3.9 paragraph c, on page 14 states the following.

   > "The Company IC or operator-qualified Gas Operations personnel shall determine the most expedient way to shut off the flow of gas. Localized emergency valves that segment portions of the main should be considered for use first if they are readily accessible. In addition to the use of any existing emergency valves within a distribution system, consideration may also be given to other approved engineering control methods of stopping gas flow (such as squeezing off, stopping off, or bagging-off techniques)."

   Staff was unable to determine from Operator personnel how long shutting off a valve versus squeezing off the main would take given the third-party damage emergencies reviewed during this inspection.

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: ATLANTA GAS LIGHT COMPANY

Informal Conference Requested: Yes ☐ No ☐

Docket Number: 37024

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:	)	
	)	
Probable Violation Report and	)	**DOCKET NO. 37024**
Letter of Concern	)	
Atlanta Gas Light Company- Augusta	)	
Inspection DJ23-020 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 *Atlanta Gas Light Company* 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

* Pedro Cherry, President and CEO
Southern Company Gas
Ten Peachtree Place, NE,
Atlanta, GA 30309
ppcherry@southernco.com

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

Respectfully Submitted this 14th day of February 2024:

Cathy Nesbitt

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