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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. 37042

DOCKET # 37042
DOCUMENT #217798

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

REF: DIMP – Implementation Inspection # JB23-009

☐ Certified Mail ☐ Regular Mail ☒ Email

Attention: Mr. John Thomas

On March 14, 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 JB23-009 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: JB23-009

OPERATOR: Dalton Utilities

INVESTIGATOR: Jeff Baggett

INSPECTION DATE: March 14, 2023 REPORT MAILED DATE: February 28, 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 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
192.615(c)	Each operator shall establish and maintain liaison with appropriate fire, police, and other...	JS22-010	5/9/2022

3. CLEARED VIOLATIONS

Cleared on 3/14/2023

Violation	Description	Inspection#	Date
192.479	Atmospheric corrosion control: General.	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

4. NEW VIOLATIONS

5. OTHER RECOMMENDATIONS/COMMENTS

SEE ATTACHED INSPECTION REPORT

DALTON UTILIITES / DIMP IMPLEMENTATION
INSPECTION NUMBER JB23-009 / DOCKET NUMBER 37042

On March 14, 2023 Staff reported to the City of Dalton to perform 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 this inspection the Operator was represented by:
Will McDaniel – Chief Office of Energy Services
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. These items are addressed in Follow-up Inspection Number JS23-011.

OBSERVED ISSUE

As a result of this inspection Staff identified the following issues with the Dalton Utilities Distribution Integrity Management Program.

1) §192.1007 - What are the required elements of an integrity management plan?
   (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.

   INSPECTION QUESTION NUMBER 10: Has the operator acquired any new information relevant to system knowledge that may affect its threat identification?

   OBSERVED ISSUE: Staff found that the Operator has experienced corrosion leaks on their system; however, the frequency of these leaks has not exceeded the baseline level which results in corrosion leaks being identified as a threat in the DIMP plan. However, the Operator advised that they are reviewing corrosion leak data for trend to utilize as a planning mechanism for annual pipe replacement programs. Staff advised the Operator that even though the leaks are not exceeding their baseline that this is the type of information that should be tracked through their DIMP program.

2) §192.1011 What records must an operator keep?
An operator must maintain records demonstrating compliance with the requirements of this subpart for at least 10 years. The records must include copies of superseded integrity management plans developed under this subpart.

INSPECTION QUESTION NUMBER 38: Were copies of superseded DIMP plans retained for 10 years (or since 08/02/2011)?

OBSERVED ISSUE: During this inspection Staff reviewed the Operators DIMP Plan Version 5.1.1. This plan indicates that Plan Version 5.1.1 was effective on 1/25/2023 and replaced Plan Version 3.1.1 which was effective 12/22/2022. However, Plan Version 3.1.1 indicated that it was effective on 12/13/2019, and replaced Plan Version 2.1.1 was effective on 06/09/2014; and the Operators Legacy Plan was effective on 1/08/2013.

Staff noted that in the Operators previous DIMP Implementation Inspection (Inspection Number AT16-002) the plan which was inspected was dated May 28, 2015. The Operator advised that they had no other plans and could not explain the discrepancies in the dates. Because there were no violations noted in Inspection Number AT16-002 Staff did not retain a copy of the plan which was inspected.

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.

BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION
STATE OF GEORGIA

IN THE MATTER OF:	)	
	)	
Observed Issue	)	**DOCKET NO. 37042**
Dalton Utilities	)	
Inspection JB23-009 on March 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 *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 5th day of March 2024:

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