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

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

DOCKET# 37080
DOCUMENT# 221700

Docket No. 37080

Town of Shellman Gas Department
P. O. Box 60
Shellman, GA 39886

REF: DIMP – Implementation Inspection # JJ24-022

☒ Certified Mail ☐ Regular Mail ☐ Email

Attention: Mr. James Weathersby

On May 14, 2024, a representative of the Georgia Public Service Commission Pipeline/Facilities Safety Office conducted an inspection of your gas system. The enclosed inspection report numbered JJ24-022 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. 37080 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: JJ24-022

OPERATOR: Town of Shellman Gas Department

INVESTIGATOR: Joe Jones

INSPECTION DATE: May 14, 2024 REPORT MAILED DATE: February 26, 2025

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
192.616(c)	The operator must follow the general program recommendations, including baseline and supplemental...	AT17-046	11/21/2017
515-9-3-.08	Written Formal Notice of Violation	JS20-003	1/21/2020
Consent Agreement Pending	Operator is negotiating Consent Agreement with the FPU Director	JS20-003	1/21/2020
515-9-3-.08	Written Formal Notice of Violation	DL20-035	10/26/2020
192.605(a)	Each operator shall prepare and follow for each pipeline, a manual of written procedures for...	DL20-036	10/27/2020
192.615(b)(2)	Train the appropriate operating personnel to assure that they are knowledgeable of the emergency...	DL20-036	10/27/2020
192.615(c)	Each operator shall establish and maintain liaison with appropriate fire, police, and other...	DL20-036	10/27/2020
192.1011	What records must an operator keep?	DL20-036	10/27/2020
192.603(b)	Each operator shall keep records necessary to administer the procedures established under §192.605.	DL20-036	10/27/2020
192.479(a)	Each operator must clean and coat each pipeline or portion of pipeline that is exposed to the...	DL20-036	10/27/2020
192.615(b)(3)	Review employee activities to determine whether the procedures were effectively followed in each...	DL20-036	10/27/2020
192.707(a)(1)	Line markers for mains and transmission lines. Buried pipelines. Except as provided in paragraph...	DL20-036	10/27/2020
192.353(a)	Each meter and service regulator, whether inside or outside a building, must be installed in	DL20-036	10/27/2020

3. CLEARED VIOLATIONS

4. NEW VIOLATIONS

Violation	Description	Inspection#	Date
515-9-3-.08	Written Formal Notice of Violation	JJ24-022	5/14/2024

5. OTHER RECOMMENDATIONS/COMMENTS

SEE ATTACHED INSPECTION REPORT

On May 22, 2024, Staff reported to the Town of Shellman Gas Department to perform an inspection of the Operator's Distribution Integrity Management Plan (DIMP) Implementation and Protocol 9 inspections for compliance with the minimum federal safety standards.

During this inspection the Operator was represented by:
Jonathan Smith - Gas Superintendent
Peter Schultz - Harp & Associates (Consultant)

Commission Staff was represented by:
Joseph Jones - Lead Inspector
Glen Murphy - Pipeline Safety Inspector
Eric Atkins - Pipeline Safety Inspector

At the time of this inspection the Town of Shellman's Gas System was under twelve (12) previously existing probable violations and a consent agreement. These violations will be addressed under follow-up inspection number JJ24-021.

During this inspection, Staff examined the Operator's Distribution Integrity Management Plan version 4.1.1 with an effective date of 4/11/2023. Staff reviewed the Operator's DIMP procedures and all related records to verify compliance with Minimum Federal Safety Regulations. Staff reviewed the Town of Shellman Gas Department's identified threats, accelerated actions, baseline measures, and performance measures for the Operator's Distribution Integrity Management Program's current version and preceding versions.

In addition, Staff reviewed the Operator's Annual 7100 reports for 2014 through 2024 which indicated that no new facilities were installed during this period. Staff verified that the Operator has documented the following on their work orders: • Location • Material type and size • Wall thickness or SDR • Manufacturer • Lot or production number.

NOTICE OF PROBABLE VIOLATION

As a result of this inspection Staff found that the Town of Shellman was in probable violation of the Commission's rules; specifically:

Commission Rule 515-9-3-.08 Written Formal Notice of Violation
After evidence of an alleged violation is collected and the violation report is written, notice and opportunity to respond will be afforded the operator by a letter from the Pipeline Safety Director. The letter will notify the operator of the results of the on-site inspection and will specifically cite the regulation(s) the operator is allegedly violating. Further, the letter may contain a proposed civil penalty or a compliance order. A written response from the operator shall be submitted to the Pipeline Safety Director within 30 days of the time the operator receives the violation notice.

STAFFS COMMENTS: Staff notes that the Town of Shellman is currently under two (2) previously cited violations of Commission Rule 515-9-3-.08. (Ref. Inspection Numbers JS20-003 and DL20-035)

During this inspection (Inspection Number JJ24-022) Staff noted deficiencies with the Town of Shellman's recordkeeping which indicated a probable violation of §192.1011. Staff also found that the Town of Shellman is currently under a probable violation of §192.1011 which was cited in Inspection Number DL20-035. Inspection Number DL20-035 was processed for delivery by certified mail to the Town of Shellman on January 14, 2021, and the certified mail receipt was signed on January 25, 2021. This report

was also sent to the Town of Shellman by e-mail on January 21, 2021 at 12:30PM. At the time of this inspection the Town of Shellman had failed to file a response to Inspection Number DL20-035.

PROBABLE VIOLATION: The Town of Shellman failed to file a written response to Inspection Number DL20-035 indicating that corrective measures have achieved compliance; submitting a written plan of action to the Pipeline Safety Director outlining the corrective measures that will be taken to achieve compliance and when compliance is anticipated; or requesting an informal conference with the Pipeline Safety Director and/or his staff to discuss the violation.

OBERVED ISSUE

49CFR §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.

STAFFS COMMENTS: Based on the observed deficiencies indicated below, Staff found that the Town of Shellman has failed to comply with the requirements under 49CFR, §192.1011. Staff was only able to review records from 2021 to 2024. Shellman Gas Department could not produce any of their corrosion records, continuing surveillance documentation, patrol records, maintenance records and other operations and inspection records prior to 2021. The Operator has not maintained their records in accordance with their DIMP plan; located in Chapter 10, page 33 of their plan.

Staff noted that the Operator is currently under a violation for this issue which was cited in Inspection Number DL20-036. This inspection was processed for delivery by certified mail to the Town of Shellman on January 14, 2021, and the certified mail receipt was signed on January 25, 2021. As of this inspection, the Town of Shellman has failed to file a response to this inspection.

OBSERVED DEFICIENCIES:

a) PHMSA inspection form 24, question #34 ask: Are records retained demonstrating compliance with Subpart P, as specified in its DIMP plan, for 10 years (or since 08/02/2011)?
The Operator was not able to demonstrate that they retained records for 10 years in compliance with Subpart P, as specified in their Distribution Integrity Management Plan.

b) PHMSA inspection form 24 question #35 ask: Were copies of superseded DIMP plans retained for 10 years (or since 08/02/2011)?
The Operator was unable to verify copies of their superseded DIMP plans retained for the past 10 years.

c) PHMSA inspection form 24 question #36 ask: Were DIMP procedures followed as applicable to records retention?
The Operator did not follow DIMP procedures as applicable to records retention.

OBSERVED ISSUE: The Operator failed to maintain records demonstrating compliance with the requirements of this subpart for at least 10 years. Because the Town of Shellman was already under a probable violation for this issue that they have so far failed to address Staff did not issue another violation for §192.1011.

While on site, Staff conducted three Operator Qualification Protocol 9 field verification inspections to ensure that covered task(s) were being performed in accordance with appropriate operator-approved procedures, that the procedures were present at the job site, and that the individuals performing the observed covered task(s) were adhering to the operator-approved procedures as written.

Jonathan Smith, Gas Supervisor, performed:

- Task #0301: "Manually Opening and Closing Valves", was performed correctly / Qualification verified as current Qualifications good through 10/08/2026.

- Task #0681: "Joining Plastic Stab Fittings", was performed correctly / Qualification verified as current Qualifications good through 03/03/2025.

- Task #1291: "Locate Underground Pipelines", was performed correctly / Qualification verified as current Qualifications good through 09/04/2024.

Staff verified that the individual was able to perform the covered tasks according to the procedures and was able to identify generic and task specific abnormal conditions and define the applicable actions.

PROPOSED CIVIL PENALTY

Under Commission Rule 515-9-1.01, by virtue of the authority vested in the Commission by law and pursuant to orders issued by the Commission on May 4, 1967, July 6, 1967, April 23, 1968, and October 29, 1970, all Rules and Regulations prescribed by the United States Department of Transportation applicable to the "Transportation of Natural and Other Gas by Pipeline: Minimum Safety Standards" (C.F.R. 49, Parts 191 and 192) are by this Rule made the Rules and Regulations of the Georgia Public Service Commission for the safe installation and operation of all natural gas transmission and distribution facilities by companies subject to the jurisdiction of the Commission within this State.

Under Commission Rule 515-9-3-.08 (Written Formal Notice of Violation), the Commission may propose a civil penalty in conjunction with this notice of probable violation. Further, the Town of Shellman is subject to civil penalties under O.C.G.A. § 46-2-91(b) which states that: Any operator which violates any rule or regulation of the commission prescribed pursuant to subsection (i) of Code Section 46-2-20, or which fails, neglects, or refuses to comply with any order after notice thereof, shall be liable to a penalty not to exceed the maximum penalties provided for in 49 C.F.R. Section 190.223.

Staff has reviewed the circumstances surrounding the probable violations cited in this report and has recommended the civil penalty listed below. Please note that this recommended amount is less than the amount authorized by Georgia law.

Item #	Code / Rule	Description	Proposed Penalty
1	CR515-9-3-.08	Written Formal Notice of Violation	$5,000.00
TOTAL PROPOSED PENALTY			$5,000.00

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: Town of Shellman

Informal Conference Requested: Yes ☐ No ☐

Docket Number: 37080

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:	)	
	)	
Town of Shellman Gas Department	)	**DOCKET NO. 37080**
	)	
	)	
	)	

CERTIFICATE OF SERVICE

I, hereby certify that I have this day served a copy of the within and foregoing document on the following persons via email and/or United States Mail as follows:

*Sallie Tanner, Executive Secretary
Georgia Public Service Commission
244 Washington Street, SW
Atlanta, GA 30334

*The Honorable James Weathersby, Mayor
Town of Shellman Gas Department
P.O. Box 60
Shellman, GA 39886
shellcityhall@windstream.net

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

Respectfully Submitted this 5th day of March 2025:

Cathy Nesbitt

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