



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue SE
Washington DC 20590

2012 Natural Gas State Program Evaluation

for

GEORGIA PUBLIC SERVICE COMMISSION

Document Legend

PART:

- O -- Representative Date and Title Information
- A -- Progress Report and Program Documentation Review
- B -- Program Inspection Procedures
- C -- Program Performance
- D -- Compliance Activities
- E -- Incident Investigations
- F -- Damage Prevention
- G -- Field Inspections
- H -- Interstate Agent State (If Applicable)
- I -- 60106 Agreement State (If Applicable)



2012 Natural Gas State Program Evaluation -- CY 2012
Natural Gas

State Agency: Georgia

Agency Status:

Date of Visit: 05/13/2013 - 05/16/2013

Agency Representative: Michelle Thebert, Director, Facilities Protection Unit
Chris Swann, Assistant to the Director, Training and Special Projects
Jeff Baggett, Supervisor, Facilities Protection Unit

PHMSA Representative: Glynn Blanton, USDOT/PHMSA State Programs

Commission Chairman to whom follow up letter is to be sent:

Name/Title: Chuck Eaton, Chairman
Agency: Georgia Public Service Commission
Address: 244 Washington Street SW
City/State/Zip: Atlanta, Georgia 30334

Rating:

60105(a): Yes **60106(a):** No **Interstate Agent:** No

INSTRUCTIONS:

Complete this evaluation in accordance with the Procedures for Evaluating State Pipeline Safety Program. The evaluation should generally reflect state program performance during CY 2012 (not the status of performance at the time of the evaluation). All items for which criteria have not been established should be answered based on the PHMSA representative's judgment. A deficiency in any one part of a multiple part question should be scored as needs improvement. Determine the answer to the question then select the appropriate point value. If a state receives less than the maximum points, include a brief explanation in the space provided for general comments/regional observations. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and OBJECTIVELY reflect state program performance. Increasing emphasis is being placed on performance. This evaluation together with selected factors reported in the state's annual progress report attachments provide the basis for determining the state's pipeline safety grant allocation.

Field Inspection (PART G):

The field inspection form used will allow different areas of emphasis to be considered for each question. Question 13 is provided for scoring field observation areas. In completing PART G, the PHMSA representative should include a written summary which thoroughly documents the inspection.

Scoring Summary

PARTS

A	Progress Report and Program Documentation Review
B	Program Inspection Procedures
C	Program Performance
D	Compliance Activities
E	Incident Investigations
F	Damage Prevention
G	Field Inspections
H	Interstate Agent State (If Applicable)
I	60106 Agreement State (If Applicable)

Possible Points Points Scored

10	9.5
15	15
45	41
15	15
9	9
8	8
12	12
0	0
0	0

TOTALS

114 109.5

State Rating

96.1

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

- | | | | |
|---|---|---|-----|
| 1 | Accuracy of Jurisdictional Authority and Operator/Inspection Units Data - Progress Report Attachment 1 (A1a)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 0.5 |
|---|---|---|-----|

Evaluator Notes:

A review of Attachment 1 found the Distribution Other, Gathering Lines and Offshore Facilities had the wrong code letter. The code letter should be "A" None in state and does not have jurisdictional authority. Improvement is needed in reviewing progress report attachments. Therefore, a loss of 0.5 points occurred.

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|---|--|---|---|
| 2 | Review of Inspection Days for accuracy - Progress Report Attachment 2 (A1b)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

A review of Attachment 2 found the information correct on the number of inspection activities per the type of inspections performed. No issues.

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|---|--|---|---|
| 3 | Accuracy verification of Operators and Operators Inspection Units in State - Progress Report Attachment 3 (A1c)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

A review and comparison of Attachment 3, List of Operators, to Georgia Public Service Commission electronic database found the list to be correct. No issues.

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|---|--|---|---|
| 4 | Were all federally reportable incident reports listed and information correct? - Progress Report Attachment 4 (A1d)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

In CY 2012, no reportable incidents or accidents occurred in Georgia that met the criteria. No issue.

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|---|--|---|---|
| 5 | Accuracy verification of Compliance Activities - Progress Report Attachment 5 (A1e)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

A review of Attachment 5, Stats on Compliance Actions, found the number of compliance actions, violations found and corrected were reported correctly. It was noted good progress in reducing the number of carryover violations from CY2011 into CY2012 has been made by the Facilities Protection Unit. The number of carryover violations reported in CY2011 was 1980. Currently CY2012 carryover number is 667. Each inspector is now required to check for follow-up violations before conducting an inspection.

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|---|---|---|---|
| 6 | Were pipeline program files well-organized and accessible? - Progress Report Attachment 6 (A1f, A4)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

Yes, database and files were well organized. It was suggested the database instructions on how to access information on gas safety inspection reports and other documents be included in the Facilities Protection Unit written procedures. No issues.

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|---|--|---|---|
| 7 | Was employee listing and completed training accurate and complete? - Progress Report Attachment 7 (A1g)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

Yes, information was accurate and listed correctly. It was noted several Facilities Protection Unit Inspectors have attended TQ courses from the previous state program evaluation. No issues were found.

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|---|--|---|---|
| 8 | Verification of Part 192,193,198,199 Rules and Amendments - Progress Report Attachment 8 (A1h) | 1 | 1 |
|---|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

No issues. Action to increase the maximum penalty amounts for violations of the pipeline safety standards to the federal level will be considered.

- 9 List of Planned Performance - Did state describe accomplishments on Progress Report in detail - Progress Report Attachment 10 (H1-3) 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Improvements were noted in a review of Attachment 10, Performance and Damage Prevention Questions. It was suggested the document be updated and revised bi-annually by different individuals to provide better description on the accomplishments of the Facilities Protection Unit. No issues.

- 10 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

Question A1: A review of Attachment 1 found the Distribution Other, Gathering Lines and Offshore Facilities had the wrong code letter. The code letter should be "A" None in state and does not have jurisdictional authority. Improvement is needed in reviewing progress report attachments. Therefore, a loss of 0.5 points occurred.

Total points scored for this section: 9.5
Total possible points for this section: 10



PART B - Program Inspection Procedures

Points(MAX) Score

- | | | | |
|----------|--|---|---|
| 1 | Standard Inspections (B1a)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

Yes, a review of Georgia Public Service Commission (GPSC) Facilities Protection Pipeline Safety Inspection Program Manual indicated this item is located on page 9, entitled, Inspection Procedures. The procedures for frequencies or risk base methods to schedule standard inspections are located on page 6, under Standard Inspection Time Frames. It is recommended additional language be added to include Master Meter operators.

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|----------|---|---|---|
| 2 | IMP Inspections (including DIMP) (B1b)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

Yes, GPSC Pipeline Safety Inspection Program Manual page 10-11 address this procedure on IMP and DIMP inspections. The procedures identify frequencies of inspections which are listed on page 7, once each 60 months. No issues. It was suggested adding the responsible person who will be entering the data into the federal data base into the document. No issues.

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|----------|---|---|---|
| 3 | OQ Inspections (B1c)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

Yes, this item is located on page 11, item 5 in their Pipeline Safety Inspection Program document. No issues.

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|----------|--|---|---|
| 4 | Damage Prevention Inspections (B1d)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

Yes, this item is located on page 11, item 7 in their Pipeline Safety Inspection Program document. No issues.

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|----------|--|---|---|
| 5 | On-Site Operator Training (B1e)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|--|---|---|

Evaluator Notes:

Yes, this item is located on page 10 & 11, item C, 2 in GPSC Pipeline Safety Inspection Program document. No issues or areas of concern.

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|----------|---|---|---|
| 6 | Construction Inspections (B1f)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|----------|---|---|---|

Evaluator Notes:

Yes, this item is located on page 10; item C, 1 in GPSC Pipeline Safety Inspection Program document. No issues.

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| 7 | Incident/Accident Investigations (B1g)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

Yes, this item is located on page 11, item C, 6 in GPSC Pipeline Safety Inspection Program document. No issues.

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|----------|---|---|---|
| 8 | Does inspection plan address inspection priorities of each operator, and if necessary each unit, based on the following elements? (B2a-d, G1,2,4)
Yes = 6 No = 0 Needs Improvement = 1-5 | 6 | 6 |
|----------|---|---|---|

- | | | | |
|--|--------------------------------------|--------------------------|---|
| a. Length of time since last inspection | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. Operating history of operator/unit and/or location (includes leakage, incident and compliance activities) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. Type of activity being undertaken by operators (i.e. construction) | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

- d. Locations of operators inspection units being inspected - (HCA's, Geographic areas, Population Density, etc) Yes ☒ No ☐ Needs Improvement ☐
- e. Process to identify high-risk inspection units that includes all threats - (Excavation Damage, Corrosion, Natural Forces, Outside Forces, Material and Welds, Equipment, Operators and any Other Factors) Yes ☒ No ☐ Needs Improvement ☐
- f. Are inspection units broken down appropriately? Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

Yes, these items are addressed in GPSC's Pipeline Safety Inspection Program procedures manual on pages 3-6. No issue. GPSC is considering adding a new risk ranking item. This would be based on the experience level of the gas operator's manager or employee responsible for the distribution system. No issues.

9 General Comments:

Info Only = No Points

Info Only Info Only

Evaluator Notes:

No areas of concerns were found in this section of the review.

Total points scored for this section: 15
Total possible points for this section: 15



PART C - Program Performance

Points(MAX) Score

- 1 Was ratio of Total Inspection person-days to total person days acceptable? (Director of State Programs may modify with just cause) Chapter 4.3 (A12) 5 5
Yes = 5 No = 0

A. Total Inspection Person Days (Attachment 2):
922.00

B. Total Inspection Person Days Charged to the Program (220 X Inspection Person Years) (Attachment 7):
220 X 10.92 = 2401.67

Ratio: A / B
922.00 / 2401.67 = 0.38

If Ratio \geq 0.38 Then Points = 5, If Ratio $<$ 0.38 Then Points = 0
Points = 5

Evaluator Notes:

A.Total Inspection Person Days (Attachment 2)= 922

B.Total Inspection Person Days Charged to the program(220*Number of Inspection person years(Attachment 7)=2401.66652

Formula:Ratio = A/B = 922/2401.66652 = 0.38

Rule:- (If Ratio \geq .38 then points = 5 else Points = 0.)

Thus Points = 5

- 2 Has each inspector and program manager fulfilled the T Q Training Requirements? (See Guidelines for requirements) Chapter 4.4 (A8-A11, G19) 5 5
Yes = 5 No = 0 Needs Improvement = 1-4

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|----|--|--------------------------------------|--------------------------|---|
| a. | Completion of Required OQ Training before conducting inspection as lead? | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Completion of Required DIMP*/IMP Training before conducting inspection as lead? *Effective Evaluation CY2013 | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Root Cause Training by at least one inspector/program manager | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Note any outside training completed | Yes <input checked="" type="radio"/> | No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

All required training has been completed or scheduled for pipeline safety staff members. Additionally, outside training was provided to Michael Semasky & Chris Swann who recently completed and passed the NACE CP-2- Cathodic Protection Technician course in Mobile, AL. No issues.

- 3 Did state records and discussions with state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations? Chapter 4.1,8.1 (A5) 2 1
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Michelle Thebert is the newly appointed Director, Facilities Protection Unit who joined the Georgia Public Service Commission in November 1996; Ms. Thebert has worked on numerous cases relating to capacity issues, as well as other operational and technical issues involving Atlanta Gas Light Company, Atmos Energy, and certificated marketers. Ms. Thebert's areas of expertise include natural gas supply and capacity issues, certified marketer issues, and policy issues relating to the deregulated natural gas market. Prior to being named Facilities Protection Unit Director, Ms. Thebert was the Assistant Unit Director for the Natural Gas Section, as a Principal Utilities Engineer. Ms. Thebert holds a Bachelor of Science degree in Industrial Engineering with a minor in Finance from the Georgia Institute of Technology (1995). She has recently applied to take the PL1250 course at TQ in January, 2014.

- 4 Did state respond to Chairman's letter on previous evaluation within 60 days and correct or address any noted deficiencies? (If necessary) Chapter 8.1 (A6-7) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

PHMSA State Program letter to GPSC Chairman Tim Echols dated August 22, 2012 required a response to Zach Barrett, Director PHMSA State Programs. The response letter was received on October 22, 2012 and within the required 60 day time schedule.

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| 5 | Did State hold PHMSA TQ Seminar in Past 3 Years? Chapter 8.5 (A3)
Yes = 2 No = 0 | 2 | 2 |
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Evaluator Notes:

Yes, on April 1-4, 2012 the Facilities Protection Unit with the assistance of the Georgia Municipal Association held a pipeline safety seminar in Macon, Georgia with guest speaker Lane Miller from TQ presenting updates on the pipeline safety regulations. Two hundred sixty-five individuals representing the natural gas operators in Georgia attended the seminar.

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| 6 | Did state inspect all types of operators and inspection units in accordance with time intervals established in written procedures? Chapter 5.1 (B3)
Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
|----------|---|---|---|
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Evaluator Notes:

Yes, a review of Attachment 1 in the CY2012 Natural Gas Base Grant Progress Report, office inspection records and electronic data base indicated all operator types were inspected in accordance with time intervals described in the pipeline safety inspection procedure manual. No issues.

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|----------|---|---|---|
| 7 | Did inspection form(s) cover all applicable code requirements addressed on Federal Inspection form(s)? Did State complete all applicable portions of inspection forms? Chapter 5.1 (B4-5)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|
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Evaluator Notes:

A review of 2012 inspection reports for City of Hawkinsville October 29-November 1, 2012, City of Dublin September 17-20, 2013, City of Adel January 30 to February 2, 2012 and City of Adairsville October 1, 2012 indicated all code requirements were completed on the Federal Standard Inspection form used by GPSC inspectors. No issues.

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|----------|--|---|---|
| 8 | Did the state review operator procedures for determining if exposed cast iron pipe was examined for evidence of graphitization and if necessary remedial action was taken? (NTSB) Chapter 5.1 (B7)
Yes = 1 No = 0 | 1 | 1 |
|----------|--|---|---|
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Evaluator Notes:

Yes, this item is on the federal gas distribution standard inspection form which staff members use when performing an inspection. GPSC has a Commission order that requires each operator to examine cast iron mains that have been exposed. If graphitization is found the pipeline must be replaced. 12.1 miles of cast iron still exist in Georgia. Atmos Energy 5 miles, Tallapoosa 7 miles and Lawrenceville has .1 mile of cast iron pipe. It is anticipated all cast iron will be replaced by 2015.

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| 9 | Did the state review operator procedures for surveillance of cast iron pipelines, including appropriate action resulting from tracking circumferential cracking failures, study of leakage history, or other unusual operating maintenance condition? (Note: See GPTC Appendix G-18 for guidance) (NTSB) Chapter 5.1 (B8)
Yes = 1 No = 0 | 1 | 1 |
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Evaluator Notes:

Yes, this item is listed on the federal gas distribution standard inspection form used by GPSC staff members.

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|-----------|--|---|---|
| 10 | Did the state review operator emergency response procedures for leaks caused by excavation damage near buildings and determine whether the procedures adequately address the possibility of multiple leaks and underground migration of gas into nearby buildings Refer to 4/12/01 letter from PHMSA in response to NTSB recommendation P-00-20 and P-00-21? (NTSB) Chapter 5.1 (B9)
Yes = 1 No = 0 | 1 | 1 |
|-----------|--|---|---|
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Evaluator Notes:

Yes, this item is listed and checked on the federal gas distribution standard inspection form.

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|-----------|---|---|---|
| 11 | Did the state review operator records of previous accidents and failures including reported third party damage and leak response to ensure appropriate operator response as required by 192.617? Chapter 5.1 (B10,E5)
Yes = 1 No = 0 | 1 | 1 |
|-----------|---|---|---|
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Evaluator Notes:

Yes, GPSC Rule 515-9-4-.05 states, "all facility owners and operators are required to report third party damages to the GUFPA section, where reported damages are evaluated on an on-going basis". Data from GUFPA and the Utilities Protection Center is compared and reviewed annually for risk-ranking. Reporting of GUFPA damages is an inspection item on the GPSC rules inspection checklist.

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| 12 | Has the state reviewed Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for trends and operator issues? Data Initiative (G6-9,G16)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|---|---|---|
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Evaluator Notes:

Yes, this item is accomplished during the annual risk ranking as described in Facilities Protection Unit Pipeline Safety Inspection Program Manual under the section entitled, "Procedures for Determining Inspection Priorities" and in the State Risk Ranking Spreadsheet.

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|-----------|--|---|---|
| 13 | Did state input all applicable OQ, IMP inspection results into federal database in a timely manner? This includes replies to Operator notifications into IMDB database. Chapter 5.1 (G10-12)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 1 |
|-----------|--|---|---|
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Evaluator Notes:

A review of PHMSA Operator Qualification Database on May 14, 2013 indicated twenty-nine inspections were uploaded into the database including CY2012 reports. However, a check of the IMP data base found the CY2012 IMP inspection reports performed by Facilities Protection Unit inspectors have not been uploaded. Improvement is needed in submitting and uploading reports into the data base. Therefore, improvement is need and a loss of one point occurred.

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| 14 | Has state confirmed intrastate transmission operators have submitted information into NPMS database along with changes made after original submission? (G14)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
|-----------|---|---|---|
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Evaluator Notes:

Yes, a review of the National Pipeline Mapping System website verified all Georgia operators have submitted information and updated recent changes to their facilities. No issues.

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| 15 | Is the state verifying operators are conducting drug and alcohol tests as required by regulations? This should include verifying positive tests are responded to in accordance with program. 49 CFR 199 (I1-3)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|
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Evaluator Notes:

Yes, this item is reviewed with the operator and accomplished during inspection of the operator's drug and alcohol programs.

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|-----------|--|---|---|
| 16 | Is state verifying operators OQ programs are up to date? This should include verification of any plan updates and that persons performing covered tasks (including contractors) are properly qualified and requalified at intervals determined in the operators plan. 49 CFR 192 Part N (I4-7)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|-----------|--|---|---|
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Evaluator Notes:

Yes, this is checked and verified with the operator during the inspection.

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- | | | | |
|-----------|--|---|---|
| 17 | Is state verifying operator's gas transmission integrity management programs (IMP) are up to date? This should include a previous review of IMP plan, along with monitoring progress on operator tests and remedial actions. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 192 Subpart 0 (I8-12)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 0 |
|-----------|--|---|---|
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Evaluator Notes:

No, this item again was not performed in CY2012. A review of PHMSA Gas Transmission Integrity Management website found the last entry made by GPSC was on October 27, 2009 pertaining to the Southern Company. Two points were deduction due to failure to perform and enter information in a timely manner. A review of Attachment 1 indicated 8 intrastate operators are located in the State of Georgia. All operators need to have a Protocol "A" inspection performed and uploaded into the PHMSA database.

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|----|--|---|---|
| 18 | Is state verifying operator's gas distribution integrity management Programs (DIMP)?
This should include a review of DIMP plans, along with monitoring progress. In addition, the review should take in to account program review and updates of operators plan(s). 49 CFR 192 Subpart P
DIMP ? First round of program inspections should be complete by December 2014 | 2 | 2 |
|----|--|---|---|

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, this is performed during the inspection review and one staff member is currently submitting the completed inspection results into the DIMP data base.

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|----|--|---|---|
| 19 | Is state verifying operators Public Awareness programs are up to date and being followed. State should also verify operators have evaluated Public Awareness programs for effectiveness as described in RP1162. 49 CFR 192.616 (I13-16)
PAPEI Effectiveness Inspections should be complete by December 2013 | 2 | 2 |
|----|--|---|---|

Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, eight operators were inspected in CY2012. Efforts are underway to have all operators inspected for the public awareness program before the end of CY2013.

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|----|--|---|---|
| 20 | Does the state have a mechanism for communicating with stakeholders - other than state pipeline safety seminar? (This should include making enforcement cases available to public). (G20-21) | 1 | 1 |
|----|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, this is accomplished via the GPSC Facilities Protection Unit's web site at <http://fp.psc.state.ga.us>.

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|----|---|---|----|
| 21 | Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.3 (B6) | 1 | NA |
|----|---|---|----|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

No safety related condition reports were submitted in CY2012.

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|----|--|---|---|
| 22 | Did the State ask Operators to identify any plastic pipe and components that has shown a record of defects/leaks and what those operators are doing to mitigate the safety concerns? (G13) | 1 | 1 |
|----|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. This issue is addressed as a stand-alone question on the Facilities Protection Unit inspection form.

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|----|--|---|---|
| 23 | Did the state participate in/respond to surveys or information requests from NAPSRS or PHMSA? (H4) | 1 | 1 |
|----|--|---|---|

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, the Facilities Protection Director and other staff member actively participate in NAPSRS and NARUC surveys pertaining to pipeline safety issues and initiatives from PHMSA. No issues.

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|----|-------------------|-----------|-----------|
| 24 | General Comments: | Info Only | Info Only |
|----|-------------------|-----------|-----------|

Info Only = No Points

Evaluator Notes:

Question C 17: No, this item again was not performed in CY2012. A review of PHMSA Gas Transmission Integrity Management website found the last entry made by GPSC was on October 27, 2009 pertaining to the Southern Company. Two



points were deduction due to failure to perform and enter information in a timely manner. A review of Attachment 1 indicated 8 intrastate operators are located in the State of Georgia. All operators need to have a Protocol "A" inspection performed and uploaded into the PHMSA database.

Total points scored for this section: 41
Total possible points for this section: 45



PART D - Compliance Activities**Points(MAX) Score**

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|----------|---|---|---|
| 1 | Does the state have written procedures to identify steps to be taken from the discovery to resolution of a probable violation? Chapter 5.1 (B12-14, B16, B1h)
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| a. | Procedures to notify an operator (company officer) when a noncompliance is identified | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Procedures to routinely review progress of compliance actions to prevent delays or breakdowns | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

Yes, this is identified in Facilities Protection Unit Pipeline Safety Inspection Program Manual on page 16, and listed in PSC Rule 515-9-3. The inspector verbally and in a written communication provides to the operator the probable violation(s) found during the inspection. Operators are given the opportunity to respond to the written notification of violations. Follow up steps in making corrections to the probable violations and verification that correction action has been taken is monitored. The operator may request an informal meeting with the Director or a ruling from the Commission about the violation. Written notification to the company officer about probable violations and inspection reports is listed on page 17, Completed Inspection Reports. A review of inspection reports found the documents were mailed to the company officer/board member/city manager.

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|----------|--|---|---|
| 2 | Did the state follow compliance procedures (from discovery to resolution) and adequately document all probable violations, including what resolution or further course of action is needed to gain compliance? Chapter 5.1 (B11,B18,B19)
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| a. | Were compliance actions sent to company officer or manager/board member if municipal/government system? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| b. | Were probable violations documented? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| c. | Were probable violations resolved? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |
| d. | Was the progress of probable violations routinely reviewed? | Yes <input checked="" type="radio"/> No <input type="radio"/> | Needs Improvement <input type="radio"/> |

Evaluator Notes:

Yes. A review of inspection reports confirmed violations were documented, resolved and filed.

- | | | | |
|----------|--|---|---|
| 3 | Did the state issue compliance actions for all probable violations discovered? (B15)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

Yes, a review of 2012 inspection reports containing a violation(s) cited indicated the operator was given due process to correct the violation or request a hearing. In 2012, no show cause hearings were requested by the operators cited for non-compliance. However, 20 warning letters, 34 notices of amendments and 23 notices of probable violations were issued.

- | | | | |
|----------|--|---|---|
| 4 | Did compliance actions give reasonable due process to all parties? Including "show cause" hearing if necessary. (B17, B20)
Yes = 2 No = 0 | 2 | 2 |
|----------|--|---|---|

Evaluator Notes:

Yes, a review of 2012 inspection reports containing a violation(s) was cited indicated the operator was given due process to correct the violation or request a hearing. No issues of concern.

- | | | | |
|----------|---|---|---|
| 5 | Is the program manager familiar with state process for imposing civil penalties? Were civil penalties considered for repeat violations (with severity consideration) or violations resulting in incidents/accidents? (describe any actions taken) (B27)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|----------|---|---|---|

Evaluator Notes:

Yes. Michelle Thebert, Director, Facilities Protection Unit is familiar with the Georgia Public Service Commission's process for imposing civil penalties and compliance orders against operators for violation of the pipeline safety standards and agency's rules and regulations.

- 6 Can the State demonstrate it is using their enforcement fining authority for pipeline safety violations? 1 1
Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, Docket number 35665. Georgia Public Service Commission (GPSC) cited Atlanta Gas Light Company- Savannah (AGL) pertaining to several pipeline damage incidents that occurred at Jefferson Street, White Bluff Road and Whitfield Road in Savannah. AGL failed to not locate their underground facilities. GPSC issued a civil penalty against AGL in the amount of \$50,000 and collected the fine.

7 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

No issues were found nor loss of points occurred in this section.

Total points scored for this section: 15
Total possible points for this section: 15



PART E - Incident Investigations

Points(MAX) Score

- 1 Does state have adequate mechanism to receive and respond to operator reports of incidents, including after-hours reports? And did state keep adequate records of Incident/Accident notifications received? Chapter 6 (A2,D1-3) 2 2

Yes = 2 No = 0 Needs Improvement = 1

- a. Acknowledgement of MOU between NTSB and PHMSA (Appendix D) Yes ☒ No ☐ Needs Improvement ☐
- b. Acknowledgement of Federal/State Cooperation in case of incident/accident (Appendix E) Yes ☒ No ☐ Needs Improvement ☐

Evaluator Notes:

Yes, the Facilities Protection Unit Pipeline Safety Inspection Program manual on page 19, under "Procedures for receiving reporting of incidents" describes how inspection staff will respond to all incidents and telephonic calls. A discussion with inspectors and Director, Facilities Protection Unit confirm they have an understanding about the MOU between NTSB and PHMSA and the Federal/State Cooperation agreement located in the 2012 Guidelines for States Participating in the Pipeline Safety Program. No issues..

- 2 If onsite investigation was not made, did state obtain sufficient information from the operator and/or by other means to determine the facts to support the decision to not go on-site? Chapter 6 (D4) 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, if damages occurred on a natural gas pipeline that met the agency's requirements they performed an onsite investigation. No reportable incidents occurred in CY 2012 that met the federal reporting criteria.

- 3 Were all incidents investigated, thoroughly documented, and with conclusions and recommendations? (D5) 3 3

Yes = 3 No = 0 Needs Improvement = 1-2

- a. Observations and document review Yes ☐ No ☒ Needs Improvement ☐
- b. Contributing Factors Yes ☐ No ☒ Needs Improvement ☐
- c. Recommendations to prevent recurrences when appropriate Yes ☐ No ☒ Needs Improvement ☐

Evaluator Notes:

Yes, a review of the three incidents reports in 2011 found inspectors performed a thoroughly and documented investigation of the incidents. All areas of concern and contributing factors to the incidents were mentioned in the reports.

- 4 Did the state initiate compliance action for violations found during any incident/accident investigation? (D6) 1 1

Yes = 1 No = 0

Evaluator Notes:

Yes, Docket number 35665, Atlanta Gas Light Company's incident at 13809 East Cherokee Drive: the Facilities Protection Director recommended a civil penalty in the amount of \$705,000 for two violations found. The agency was successful in settling the case with AGL.

- 5 Did the state assist region office by taking appropriate follow-up actions related to the operator incident reports to ensure accuracy and final report has been received by PHMSA? (validate report data from operators concerning incidents/accidents and investigate discrepancies) Chapter 6 (D7) 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes. No incidents occurred in CY2012 but Facilities Protection Unit personnel stay in communication with PHMSA Southern Region about reported natural gas or hazardous liquid incidents or leakage. No issues.

- 6 Does state share lessons learned from incidents/accidents? (sharing information, such as: at NAPSR Region meetings, state seminars, etc) (G15) 1 1

Yes = 1 No = 0

Evaluator Notes:

Yes, the Director, Facilities Protection Unit at the 2012 NAPS SR Southern Region meeting shared information on incidents/accidents/enforcement action taken by the Georgia Public Service Commission on natural gas operators. Information about their damage prevention program was presented showing the results of their enforcement program.

7 General Comments:

Info OnlyInfo Only

Info Only = No Points

Evaluator Notes:

No issues found nor loss of points occurred in this section.

Total points scored for this section: 9
Total possible points for this section: 9



PART F - Damage Prevention

Points(MAX) Score

- | | | | |
|---|---|---|---|
| 1 | Has the state reviewed directional drilling/boring procedures of each pipeline operator or its contractor to determine if they include actions to protect their facilities from the dangers posed by drilling and other trench less technologies? NTSB (E1) | 2 | 2 |
| | Yes = 2 No = 0 Needs Improvement = 1 | | |

Evaluator Notes:

Yes, this item is listed in Georgia Public Service Commission rules under the Inspection Check list, page 2 of 2. This information is also listed in the Facilities Protection Unit's Gas Pipeline Safety Inspection Program manual located on page 10. No issues.

- | | | | |
|---|--|---|---|
| 2 | Did the state inspector check to assure the pipeline operator is following its written procedures pertaining to notification of excavation, marking, positive response and the availability and use of the one call system? (E2) | 2 | 2 |
| | Yes = 2 No = 0 Needs Improvement = 1 | | |

Evaluator Notes:

Yes. Damage prevention is inspected during the comprehensive inspection. Additionally, state law and Georgia Public Service Commission rules require all facility owners and operators to be a member of the State UPC and investigate all third-party damages to determine if a violation(s) has occurred. As a part of the Facilities Protection Unit annual risk ranking, they review reported damages to the Utility Protection Center and GUFPA against the operators DOT 7100 1.1 annual reports for compliance.

- | | | | |
|---|---|---|---|
| 3 | Did the state encourage and promote practices for reducing damages to all underground facilities to its regulated companies? (i.e. such as promoting/adopting the CGA Best Practices encouraging adoption of the 9 Elements, etc.) (E3) | 2 | 2 |
| | Yes = 2 No = 0 Needs Improvement = 1 | | |

Evaluator Notes:

Yes. The agency adopted the Common Ground Alliance Best Practices under the Georgia Public Service Commission Rule 515-9-6-.01.

- | | | | |
|---|--|---|---|
| 4 | Has the agency or another organization within the state collected data and evaluated trends on the number of pipeline damages per 1,000 locate requests? (This can include DIRT and other data shared and reviewed by the pipeline safety program) (E4,G5) | 2 | 2 |
| | Yes = 2 No = 0 Needs Improvement = 1 | | |

Evaluator Notes:

Yes. GUFPA collects and reviews this information for the Facilities Protection Unit. The results is reviewed annually and used by the Facilities Protection Unit in the risk ranking of operators to be inspected.

- | | | | |
|---|-----------------------|-----------|-----------|
| 5 | General Comments: | Info Only | Info Only |
| | Info Only = No Points | | |

Evaluator Notes:

No issues were found nor loss of points occurred in this section.

Total points scored for this section: 8
Total possible points for this section: 8

PART G - Field Inspections

Points(MAX) Score

- 1 Operator, Inspector, Location, Date and PHMSA Representative Info OnlyInfo Only
Info Only = No Points

Name of Operator Inspected:

City of Buford Gas Department

Name of State Inspector(s) Observed:

Alan Towe, Gas Safety Inspector & Chris Welbourn, Gas Safety Inspector

Location of Inspection:

Buford, Georgia

Date of Inspection:

May 15, 2013

Name of PHMSA Representative:

Glynn Blanton, DOT/PHMSA State Evaluator

Evaluator Notes:

This was a PAPEI inspection using the federal inspection form.

- 2 Was the operator or operator's representative notified and/or given the opportunity to be present during inspection? (F2) 1 1
Yes = 1 No = 0

Evaluator Notes:

Yes, the City of Buford Gas Department officials were contacted two weeks prior to the inspection. Jason Higgins, Program Coordinator for the City of Buford was present during the inspection. Bryan Kerlin, City Manager participated in the exit interview.

- 3 Did the inspector use an appropriate inspection form/checklist and was the form/checklist used as a guide for the inspection? (New regulations shall be incorporated) (F3) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

This was a Public Awareness Program Effective Inspection (PAPEI) using the federal inspection form. Yes, Alan Towe used the federal inspection form PAPEI. He recorded the response to each question from the City of Buford representative on the form. Section 192.13(c) and 192.616 of the MFSS were cited as probable violations.

- 4 Did the inspector thoroughly document results of the inspection? (F4) 2 2
Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, Alan Towe thoroughly documented all information provided by the operator representative, Jason Higgins, Program Coordinator into the electronic inspection form.

- 5 Did the inspector check to see if the operator had necessary equipment during inspection to conduct tasks viewed? (Maps,pyrometer,soap spray,CGI,etc.) (F5) 1 1
Yes = 1 No = 0

Evaluator Notes:

Yes, the operator representative, Janson Higgins, Program Coordinator provided the City of Buford Operations and Maintenance Manual as a reference to actions taken to comply with the PAPEI.

- 6 Did the inspector adequately review the following during the field portion of the state evaluation? (check all that apply on list) (F7) 2 2
Yes = 2 No = 0 Needs Improvement = 1

a. Procedures ☒

b. Records ☒

c. Field Activities ☐

d. Other (please comment) ☐

Evaluator Notes:

A review of records and hand out material used to implement their public awareness program was checked and reviewed.

- | | | | |
|---|--|---|---|
| 7 | Did the inspector have adequate knowledge of the pipeline safety program and regulations? (Evaluator will document reasons if unacceptable) (F8)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Yes, Alan Towe demonstrated a good working knowledge of the pipeline safety regulations and issues pertaining to public awareness and RP1162 requirements. No issues.

- | | | | |
|---|--|---|---|
| 8 | Did the inspector conduct an exit interview? (If inspection is not totally complete the interview should be based on areas covered during time of field evaluation) (F9)
Yes = 1 No = 0 | 1 | 1 |
|---|--|---|---|

Evaluator Notes:

Yes. Alan Towe conducted an exit interview with the operator representatives, Jason Higgins and Bryan Kerlin, City Manager at the City of Buford community center. He explained the potential violations 192.13(c) and 192.616 and what action the Georgia Public Service Commission may take in issuing probable violations to the operator. He explained what action the City of Buford may take in correcting the violations or submitting a plan of action.

- | | | | |
|---|---|---|---|
| 9 | During the exit interview, did the inspector identify probable violations found during the inspections? (if applicable) (F10)
Yes = 1 No = 0 | 1 | 1 |
|---|---|---|---|

Evaluator Notes:

Yes, Alan Towe identified sections 192.13(c) and 192.616 as probable violations of the MFSS.

- | | | | |
|----|--|-----------|-----------|
| 10 | General Comments: What did the inspector observe in the field? (Narrative description of field observations and how inspector performed) Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices) Other.
Info Only = No Points | Info Only | Info Only |
|----|--|-----------|-----------|

- | | | |
|----|-----------------------------------|-------------------------------------|
| a. | Abandonment | <input type="checkbox"/> |
| b. | Abnormal Operations | <input type="checkbox"/> |
| c. | Break-Out Tanks | <input type="checkbox"/> |
| d. | Compressor or Pump Stations | <input type="checkbox"/> |
| e. | Change in Class Location | <input type="checkbox"/> |
| f. | Casings | <input type="checkbox"/> |
| g. | Cathodic Protection | <input type="checkbox"/> |
| h. | Cast-iron Replacement | <input type="checkbox"/> |
| i. | Damage Prevention | <input type="checkbox"/> |
| j. | Deactivation | <input type="checkbox"/> |
| k. | Emergency Procedures | <input type="checkbox"/> |
| l. | Inspection of Right-of-Way | <input type="checkbox"/> |
| m. | Line Markers | <input type="checkbox"/> |
| n. | Liaison with Public Officials | <input checked="" type="checkbox"/> |
| o. | Leak Surveys | <input type="checkbox"/> |
| p. | MOP | <input type="checkbox"/> |
| q. | MAOP | <input type="checkbox"/> |
| r. | Moving Pipe | <input type="checkbox"/> |
| s. | New Construction | <input type="checkbox"/> |
| t. | Navigable Waterway Crossings | <input type="checkbox"/> |
| u. | Odorization | <input type="checkbox"/> |
| v. | Overpressure Safety Devices | <input type="checkbox"/> |
| w. | Plastic Pipe Installation | <input type="checkbox"/> |
| x. | Public Education | <input type="checkbox"/> |
| y. | Purging | <input type="checkbox"/> |
| z. | Prevention of Accidental Ignition | <input type="checkbox"/> |

- | | | |
|----|-----------------------------|--------------------------|
| A. | Repairs | <input type="checkbox"/> |
| B. | Signs | <input type="checkbox"/> |
| C. | Tapping | <input type="checkbox"/> |
| D. | Valve Maintenance | <input type="checkbox"/> |
| E. | Vault Maintenance | <input type="checkbox"/> |
| F. | Welding | <input type="checkbox"/> |
| G. | OQ - Operator Qualification | <input type="checkbox"/> |
| H. | Compliance Follow-up | <input type="checkbox"/> |
| I. | Atmospheric Corrosion | <input type="checkbox"/> |
| J. | Other | <input type="checkbox"/> |

Evaluator Notes:

This was a public awareness and records review inspection. No type of outside field inspection was conducted.

Total points scored for this section: 12
Total possible points for this section: 12



PART H - Interstate Agent State (If Applicable)**Points(MAX) Score**

- | | | | |
|----------|---|---|----|
| 1 | Did the state use the current federal inspection form(s)? (C1)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

- | | | | |
|----------|--|---|----|
| 2 | Are results documented demonstrating inspection units were reviewed in accordance with "PHMSA directed inspection plan"? (C2)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

- | | | | |
|----------|---|---|----|
| 3 | Did the state submit documentation of the inspections within 60 days as stated in its latest Interstate Agent Agreement form? (C3)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

- | | | | |
|----------|--|---|----|
| 4 | Were probable violations identified by state referred to PHMSA for compliance? (NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.) (C4)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

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|----------|--|---|----|
| 5 | Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? (C5)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

- | | | | |
|----------|---|---|----|
| 6 | Did the state give written notice to PHMSA within 60 days of all probable violations found? (C6)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

- | | | | |
|----------|--|---|----|
| 7 | Did the state initially submit documentation to support compliance action by PHMSA on probable violations? (C7)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

- | | | | |
|----------|--|-----------|-----------|
| 8 | General Comments:
Info Only = No Points | Info Only | Info Only |
|----------|--|-----------|-----------|

Evaluator Notes:

Total points scored for this section: 0
Total possible points for this section: 0

PART I - 60106 Agreement State (If Applicable)**Points(MAX) Score**

- | | | | |
|----------|--|---|----|
| 1 | Did the state use the current federal inspection form(s)? (B21)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

- | | | | |
|----------|--|---|----|
| 2 | Are results documented demonstrating inspection units were reviewed in accordance with state inspection plan? (B22)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

- | | | | |
|----------|---|---|----|
| 3 | Were any probable violations identified by state referred to PHMSA for compliance? (NOTE: PHMSA representative has discretion to delete question or adjust points, as appropriate, based on number of probable violations; any change requires written explanation.) (B23)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

- | | | | |
|----------|---|---|----|
| 4 | Did the state immediately report to PHMSA conditions which may pose an imminent safety hazard to the public or to the environment? (B24)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|---|---|----|

Evaluator Notes:

- | | | | |
|----------|--|---|----|
| 5 | Did the state give written notice to PHMSA within 60 days of all probable violations found? (B25)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

- | | | | |
|----------|--|---|----|
| 6 | Did the state initially submit adequate documentation to support compliance action by PHMSA on probable violations? (B26)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | NA |
|----------|--|---|----|

Evaluator Notes:

- | | | | |
|----------|--|-----------|-----------|
| 7 | General Comments:
Info Only = No Points | Info Only | Info Only |
|----------|--|-----------|-----------|

Evaluator Notes:

Total points scored for this section: 0
Total possible points for this section: 0