

THE STATE CORPORATION COMMISSION
OF THE STATE OF KANSAS

Before Commissioners: Pat Apple, Chairman
Shari Feist Albrecht
Jay Scott Emler

In the Matter of the General Investigation of)
Atmos Energy Corporation Regarding its)
Operations Near Johnson City, Hamilton) Docket No. 17-ATMG-137-GIP
County, Kansas.)

ORDER ADOPTING STAFF'S REPORT AND RECOMMENDATION

The above-captioned matter comes before the State Corporation Commission of the State of Kansas (Commission) for consideration and decision. Having reviewed its files and records, and being duly advised in the premises, the Commission makes the following findings:

1. On August 20, 2016, a farming related operation damaged a natural gas pipeline operated by Atmos Energy (Atmos) and caused the unintentional release of natural gas.
2. On August 31, 2016, Atmos conducted a leak survey of the pipeline and a leak was discovered visually in an agricultural field. Based on the geometry of the hole size and the operating condition of the line, Atmos calculated 45,400 MCP of gas escaped from the pipeline between August 20th and August 31st. Atmos notified Staff of the incident and filed an incident report with PHMSA.
3. Because more than 3,000 MCF of gas escaped from the leak and the total of all costs exceeded \$50,000, the pipeline damage is considered to be an incident reportable to the Pipeline and Hazardous Materials Safety Administration (PHMSA). The Commission, under authority of K.S.A. 66-1,150, assumed jurisdiction of safety oversight for all intrastate natural gas pipelines and is annually certified by PHMSA in that role.

4. On June 9, 2017, Staff filed its Report and Recommendation (R&R), which stated that Staff did not believe any violations of pipeline safety regulations occurred in relation to this incident. Staff and Atmos did agree to the following recommended actions in order to minimize the recurrence of a similar incident on this pipeline:

1) Atmos will lower the pressure alarm set point on the pipeline pressure monitoring system to 220 psig, with a normal operating pressure range of 240 to 250 psig;

2) Atmos will patrol the pipeline route for areas of potential “shallow pipeline depth”, such as erosion cuts, and install pipeline markers in those areas to inform the public of the existence of a pipeline in area; and

3) Atmos will organize additional public awareness meetings with the agricultural community in this area of the state to increase awareness of the potential for shallow pipelines in farm fields. The meetings will encourage all those working with tillage equipment to call Kansas811 before beginning any tillage activity in fields with underground pipelines.

Staff will monitor Atmos’ completion of the above tasks during the course of routine pipeline safety inspections.

IT IS, THEREFORE, BY THE COMMISSION ORDERED THAT:

(A) The Commission approves the provisions of Finding No. 4 above as recommended in Staff’s R&R.

(B) The parties have fifteen (15) days, plus three (3) days if service of this order is by mail, from the date this order was served in which to petition the Commission for reconsideration of any issue or issues decided herein. K.S.A. 66-118b; K.S.A. 2016 Supp. 77-529(a)(1).

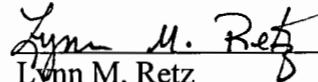
(C) The Commission retains jurisdiction over the subject matter and the parties for the purpose of entering such further orders as it may deem necessary and proper.

BY THE COMMISSION IT IS SO ORDERED.

Apple, Chairman; Albrecht, Commissioner; Emler, Commissioner

Dated: JUN 29 2017

JF


Lynn M. Retz
Secretary to the Commission

EMAILED

JUN 29 2017

CERTIFICATE OF SERVICE

17-ATMG-137-GIP

I, the undersigned, certify that the true copy of the attached Order has been served to the following parties by means of

Electronic Service on JUN 29 2017.

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/S/ DeeAnn Shupe

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JUN 29 2017