

TENNESSEE PUBLIC UTILITY COMMISSION



2019 JAN 13 PM 2:44

502 Deaderick Street, 4th Floor
Nashville, Tennessee 37243

January 9, 2019

Mr. Greg Luff
Energy Systems Group
4655 Rosebud Lane
Newburgh IN 47630

Re: Natural Gas Safety Inspection Evaluation #18-522

Dear Mr. Luff:

A Tennessee Public Utility Commission Gas Pipeline Safety engineer recently conducted an inspection of pipeline facilities operated by your company in order to document pipeline abandonment compliance. The inspection was conducted in accordance with the Tennessee Code Annotated ("Tenn. Code Ann.") § 65-2-102, the Tennessee Comprehensive Rules and Regulations ("Tenn. Comp. R. & Regs.") 1220-4-5 and Title 49 of the Code of Federal Regulations ("CFR") Chapter 1, Subchapter D, Parts 191, 192, 193, 195 and 199, as incorporated in the Tennessee rules by reference. No violations were identified.

The mission of the Gas Pipeline Safety Division is to contribute to the safety and reliability of natural gas distribution and transmission pipeline facilities in Tennessee. We are available to provide assistance should you have any questions or comments regarding this report and/or the inspection process. **Please call 615.969.2042 or 615.770.6862 for assistance or contact your TPUC Gas Pipeline Safety inspector.**

Thank you for your efforts in maintaining natural gas pipeline safety.

Sincerely,

A handwritten signature in black ink, appearing to read "Pete Hut", is written over a horizontal line.

Pete Hut, PE, Director
Gas Pipeline Safety Division

Enclosures

TENNESSEE PUBLIC UTILITY COMMISSION



502 Deaderick Street, 4th Floor
Nashville, Tennessee 37243

Tennessee Public Utility Commission - Gas Pipeline Safety Division Safety Inspection Evaluation

Operator: Energy Systems Group	Inspection Number: 18-522
Federal ID Number: 32298	Inspection Type: Pipeline Closure-Site Inspection
Location: Johnson City, TN	Inspection Date(s): 12/27/18
Contacted:	TPUC:
Greg Luff	Travis Aslinger
Billy Taylor	

Minimum Federal Safety Standards Alleged Violation(s)

Inspection #	Inspection Type	Date(s)	# Cited This Inspection	# Closed This Inspection	# Previously Cited - Still Open	Total # Open
17-109	Standard/OQ Protocol 9	8/10/17	0	0	0	0
18-505	In-House Pipeline Closure	12/3/18	0	0	0	0
18-522	Pipeline Closure-Site Inspection	12/27/18	0	0	0	0

Investigation Comments

A site inspection for pipeline deactivation was performed on 12/27/18 for ESG with the attached report used to document pipeline abandonment conditions for demonstration of compliance with MFSS.

Physical observation & confirmation was provided for the following applicable code and regulations under **192.727**:

192.727 (b) -Pipeline section at supply connection was removed and blind flanged as per

192.727(d)(1). Valves were closed with pressure gauges reading 0.0 psig. Pipeline was previously purged as documented in Inspection 18-505 with no deficiencies notes.

192.727 (d)- Valves were closed and locked.

Operator had shown proof of completion of **192.727 (g)(1)** in regards to submittal of pipeline abandonment to NPMS. No deficiencies were noted. Operator has satisfied all requirements concerning pipeline abandonment and deactivation and is no longer considered a jurisdictional operator as of **12/27/18**. GPSD appreciates the diligence of ESG in operating and maintaining pipeline facilities in a compliant manner. Operator is encouraged to contact Gas Pipeline Safety if questions arise.



TPUC-0402 Rev. 04/2017

**Tennessee Public Utility Commission
Gas Pipeline Safety Division
Inspection Affidavit**

I acknowledge that an inspection of ESL
(Operator)

on the following date(s): DEC. 27TH, 2018, 2018,

was performed and that the completed inspection form was available for review during the exit interview and the information provided for purposes of this inspection is true, accurate, and complete to the best of my knowledge and belief.

Contact: BILLY TAYLOR Cell #: 423.262.7811

Office #: _____ Email: BTAYLOR@ENERGYSYSTEMSGROUP.COM

Mailing Address, City State Zip: MOUNTAIN HOME ENERGY CENTER, MOUNTAIN HOME, TN 37684

Company Street Address: _____

Responsible Company Official: MIKE NASIATKA Title: _____

Mailing Address: 4655 ROSEBUD LANE, NEWBURGH, IN 47630

The following violations were cited during this inspection: NO VIOLATIONS, SYSTEM HAS
BEEN DEACTIVATED, OWNED BY JOHNSON CITY PUBLIC WORKS

Executed and sworn on this 27TH day of DECEMBER, 2018

[Signature] 12/27/18
GPSD Inspector Signature

[Signature]
Gas Company Contact Signature

Billy Taylor
Please Print Contact Name

Tennessee Public Utility Commission - Gas Pipeline Safety Division
Safety Inspection Evaluation

Operator: Energy Systems Group	Inspection Number: 18-505
Federal ID Number: 32298	Inspection Type: In-House Pipeline Closure
Location: Johnson City, TN	Inspection Date(s): December 3, 2018
Contacted:	TPUC:
Greg Luff	Tim Thompson

Minimum Federal Safety Standards Alleged Violation(s)

Inspection #	Inspection Type	Date(s)	# Cited This Inspection	# Closed This Inspection	# Previously Cited - Still Open	Total # Open
17-109	Standard + Protocol 9	8/10/2017	0	0	0	0
18-505	In-House Pipeline Closure	12/3/2018	0	0	0	0

Investigation Comments

Energy Systems Group (ESG) has deactivated and abandoned their 6" plastic gas transmission pipeline between the Iris Glen landfill and the Mountain Home Energy Center (MHEC), which was the only customer for this line. ESG has submitted a report documenting that the line has been successfully purged of gas using nitrogen and physically disconnected from any active gas piping, effective November 6, 2018. OQ records for the personnel involved were also provided.

Gas was purged through a stack at the landfill end of the pipe. A 3,600 cubic foot slug of nitrogen was first injected into the line at the MHEC end, and an air compressor was used to blow the gas and nitrogen toward the landfill site. Purging was continued for 30 minutes after achieving a steady 0% gas-in-air reading on a combustible gas indicator. After purging was completed, the piping was physically disconnected at both ends and sealed with blind flanges.

ESG has submitted an Operator Registry Notification form to PHMSA documenting the abandonment and requesting deactivation of their operator ID number, as they no longer operate jurisdictional pipelines. The operator has also notified Tennessee 811 of the change in status.