

## UNITED STATES OF AMERICA

## NATIONAL TRANSPORTATION SAFETY BOARD

\* \* \* \* \*

Investigation of:

\*

\*

ALABAMA GAS CORPORATION (ALAGASCO) \*

NATURAL GAS RELEASE WITH IGNITION \* Docket No.: DCA-14-MP-001

BIRMINGHAM, ALABAMA \*

DECEMBER 17, 2013 \*

\*

\* \* \* \* \*

Interview of: JERRE JOHNSON

Alagasco Headquarters  
Birmingham, Alabama

Tuesday,  
July 15, 2014

The above-captioned matter convened, pursuant to notice.

BEFORE: MATTHEW NICHOLSON  
Investigator-in-Charge

## APPEARANCES:

MATTHEW NICHOLSON, Investigator-in-Charge  
National Transportation Safety Board  
Washington, D.C. 20594

RAVI CHHATRE, Accident Investigator  
Pipeline Division  
National Transportation Safety Board

BOB GARDNER, Director, Quality Assurance and Compliance  
Alabama Gas Corporation (Alagasco)  
(Party Representative)

WALLACE JONES, Administrator, Gas Pipeline Safety  
Alabama Public Service Commission

KEITH BLACKWOOD, Pipeline Safety Investigator  
Alabama Public Service Commission

MIKE BELL, Esq.  
(Representative on behalf of Mr. Johnson)

<u>ITEM</u>	<u>I N D E X</u>	<u>PAGE</u>
Interview of Jerre Johnson:		
By Mr. Nicholson:		5
By Mr. Chhatre:		40

I N T E R V I E W

MR. NICHOLSON: Good morning. Today is Tuesday, July 15, 2014. My name is Matthew Nicholson and I am an investigator with the National Transportation Safety Board in Washington, D.C. We are at the Alagasco headquarters in Birmingham, Alabama. This interview is being conducted as part of the investigation into the natural gas distribution release and ignition that occurred in Gate City, Birmingham, Alabama on December 17, 2013. This is case number DCA-14-MP-001.

This interview is being recorded and may be transcribed at a later date. A copy of the transcript will be provided to the interviewee for review prior to being entered into the public docket.

Mr. Johnson, you are permitted to have one other person present during the interviews. This is a person of your choosing: supervisor, friend, family member, or no one at all. Please state for the record who you have selected.

MR. JOHNSON: Mike Bell.

MR. NICHOLSON: Okay. Now I'd like to go around the room and have each person state their name with spelling, title, agency, and organization you're representing. I'll start and then proceed to my left.

My name is Matthew Nicholson, M-a-t-t-h-e-w, N-i-c-h-o-l-s-o-n. I'm an investigator with the NTSB.

MR. CHHATRE: Ravi Chhatre, National Transportation

1 Safety Board, accident investigator. It's R-a-v-i; last name  
2 Chhatre, C-h-h-a-t-r-e.

3 MR. BELL: Mike Bell, B-e-l-l, attorney representative  
4 for Jerre Johnson.

5 MR. JOHNSON: Jerre Johnson, J-e-r-r-e, J-o-h-n-s-o-n.

6 MR. NICHOLSON: Your title too?

7 MR. JOHNSON: Manager of pipeline replacement.

8 MR. NICHOLSON: For?

9 MR. JOHNSON: Alabama Gas. Sorry.

10 MR. NICHOLSON: It's all right.

11 MR. BLACKWOOD: Keith Blackwood, K-e-i-t-h, B-l-a-c-k-w-  
12 o-o-d, Alabama Public Service Commission.

13 MR. JONES: Wallace Jones, W-a-l-l-a-c-e, J-o-n-e-s,  
14 Administrator of Gas Pipeline Safety for the Alabama Public  
15 Service Commission.

16 MR. GARDNER: Bob Gardner, G-a-r-d-n-e-r, Director of  
17 Quality Assurance and Compliance for Alagasco and also the party  
18 representative for Alagasco.

19 MR. NICHOLSON: Okay. Thank you.

20 INTERVIEW OF JERRE JOHNSON

21 BY MR. NICHOLSON:

22 Q. So to begin with, Jerre, I think what we'd like to get  
23 from you, maybe, is some background information. Just tell us  
24 when you started at Alagasco, positions you've held in the past,  
25 and we'll go from there.

1           A.    Okay.  I started with Alagasco in 1979 in the  
2   engineering department in Anniston Division.  I worked there for  
3   about 6½ years.  I transferred to Montgomery as supervisor of  
4   district engineering.  I worked there in that position about 2½  
5   years.  Transferred to the Gadsden Division and worked in various  
6   management roles there:  service supervisor, construction  
7   supervisor, operations coordinator, superintendent for about 20  
8   years.  I transferred to Birmingham as a staff assistant.  I  
9   worked there for about 3 years.  I was moved to the RMS project  
10  team.  I worked in that position for about 2 years, and then in  
11  February of 2012 into my current position of manager of pipeline  
12  replacement.

13          Q.    What was the RMS project?  What was that?  Can you  
14  describe it?

15          A.    It's the Resource Management System.  That's where we  
16  implemented the software for our crews to complete orders  
17  electronically with a laptop in the trucks.

18          Q.    Okay.  So these are for field technicians --

19          A.    Yes.

20          Q.    -- out doing -- okay.

21          A.    Yeah.  I was on phase one, which is the service  
22  mechanics.  And then there was a subsequent phase two, which I was  
23  not involved with for the construction personnel.

24          Q.    Service mechanic is the person that does what?  Goes  
25  into a house?  He's the customer --

1           A.    Yes.  They set meters and works inside the home and that  
2 type work.

3           Q.    Okay.  So when you were at Montgomery or Gadsden, that's  
4 a division; is that correct?

5           A.    That's correct.

6           Q.    Okay.

7           A.    At that time it was division, yes.

8           Q.    Can you -- what's the structure of a division?  You said  
9 you were a supervisor of district engineering?

10          A.    Um-hum.

11          Q.    Who was above you and how did it branch out below you?  
12 What was the structure?

13          A.    In Montgomery, I reported to the superintendent, who  
14 reported to the district manager in Montgomery.

15          Q.    Okay.

16          A.    And in Gadsden, as a supervisor, I reported to the  
17 superintendent who reported to the district manager at that  
18 location.

19          Q.    Okay.  And who were you supervising in these roles?  Who  
20 was under you?

21          A.    My first job was operations supervisor, which was over  
22 dispatch, meter reading, and the storeroom departments.

23          Q.    Okay.  Was there a corrosion group or how were the  
24 divisions built back then?

25          A.    Yes.  There was a corrosion technician assigned to each

1 work location.

2 Q. Okay. And would there have been a leak survey person or  
3 a leak detect group as well in each district?

4 A. Well, the -- we had contract leak surveys, third-party  
5 contract leak surveys, and then we also had internal resources  
6 that did leak surveys.

7 Q. Okay. But that's not a function you oversaw? You  
8 didn't --

9 A. No.

10 Q. -- oversee that? Or corrosion?

11 A. No.

12 Q. Okay. So your current role, you took that on in 2012?

13 A. That's correct.

14 Q. Okay. And can you talk a little bit, what does a  
15 manager of pipeline replacement team do for your job, your  
16 responsibilities?

17 A. Responsibilities is to get the analysis statewide for  
18 pipelines that need to be considered for replacement.

19 Q. Okay. And where does that come from? Where do you get  
20 the data to make -- to do the analysis from?

21 A. We start with our SAP records, which is where all of our  
22 leakage records are since 2003. We do an extract of those, pull  
23 those, that data out of SAP into a database. And then part of the  
24 process is that database is then geocoded. Each order, each leak  
25 record is geocoded by street address on the order and then a



1 geocode is plotted into our mapping system, which we call MAGI,  
2 our GI System.

3 Q. Okay. Right.

4 A. And then that's divided into quarter sections.

5 Q. Okay.

6 A. And then that gives us the number of leaks as compared  
7 to the amount of pipe in that quarter section, which results in a  
8 general leak per mile of that quarter section.

9 Q. So I'm not understanding the quarter section. Are the  
10 quarter sections equivalent pipe mileage sections?

11 A. No, it's the geographic quarter sections.

12 Q. So it's just geographic random?

13 A. Yes. Yes.

14 Q. Okay.

15 A. Yeah, just geographic.

16 MR. GARDNER: It's a statewide land division.

17 MR. NICHOLSON: Okay.

18 MR. GARDNER: Some states have land lots and districts.

19 MR. NICHOLSON: Yeah. Right.

20 MR. GARDNER: We have township ranges and sections.

21 MR. NICHOLSON: Okay. All right.

22 MR. GARDNER: And so --

23 MR. NICHOLSON: It's just easier for you to use those  
24 and --

25 MR. GARDNER: It's a way that we -- prior to having a

1 mapping system, our maps in many ways were organized around those.  
2 And it's a common way. Land surveyors use it, others used it.

3 BY MR. NICHOLSON:

4 Q. So what's the geocoding do? You're getting it out of  
5 SAP and it's coming in with an address? Would that --

6 A. Yeah, a street address.

7 Q. And you're converting that to lat-longitude or --

8 A. No, it's based strictly on the street address, just like  
9 a Garmin or TomTom, 123 Main Street, and it plots that on the map.

10 Q. Oh. So the geocoding is just plotting it --

11 A. Yes. That's correct.

12 Q. -- onto a layer on that MAGI. Okay.

13 Okay, and then leaks per mile are calculated --

14 A. That's right.

15 Q. -- you said? And I think we've seen that. Is that that  
16 IR-34 worksheet we looked at yesterday?

17 MR. GARDNER: Yeah.

18 MR. NICHOLSON: Okay. Can you bring that up?

19 MR. GARDNER: Yeah.

20 MR. NICHOLSON: I think we'll probably talk to that  
21 again.

22 BY MR. NICHOLSON:

23 Q. We've seen some of this, so I'll probably have you talk  
24 to it.

25 So once you get the leaks per mile calculated, what do

1 you -- what's the process from there?

2 A. Well, we get the leakage per mile and then we rank those  
3 by the highest leak per mile based on that quarter section, and  
4 then that's where we begin our analysis.

5 MR. GARDNER: It's this one?

6 MR. NICHOLSON: Yeah.

7 MR. GARDNER: Top 100 --

8 MR. NICHOLSON: Yeah, that's the one we were looking at  
9 yesterday, right? So this is the list, the ranking list?

10 MR. GARDNER: Maybe, like, Jerre, yeah, can you --

11 MR. JOHNSON: Yes, that's -- yes.

12 BY MR. NICHOLSON:

13 Q. So the map number, is that the quarter section?

14 A. That's correct.

15 Q. Okay. And then the miles per quarter is just miles of  
16 distribution pipe per quarter, I guess? And that comes out of  
17 SAP, miles per quarter?

18 A. No. SAP -- I mean, the miles per quarter comes out of  
19 MAGI, our GIS system. That has all the mains plotted.

20 Q. Okay. And then leaks per quarter, that comes out of  
21 SAP?

22 A. That's correct.

23 Q. And that's any grade leak or what is leaks --

24 A. Yes, it's any leak record, which is any grade leak.

25 Q. For the prior year?

1 A. This data is started in 2004. This is our base --

2 Q. Oh, okay.

3 A. -- base year to start.

4 Q. So you take everything, all leaks?

5 A. All leaks.

6 Q. Regardless if they've been repaired?

7 A. That's correct.

8 Q. Okay.

9 A. Yeah, this is any, grade 1, 2 or 3, below-ground leak.

10 We do not include above-ground leaks in this data because that is  
11 a separate part of SAP.

12 Q. Oh, okay.

13 A. I need to probably clarify that. This is below-ground  
14 leaks.

15 Q. And it's only distribution line leaks or is it service  
16 and distribution?

17 A. It is service and mains.

18 Q. Okay. Service and mains. All right.

19 A. Now, this data is only for main leaks. For the -- this  
20 is the 2013.

21 MR. JOHNSON: Is that correct, Bob?

22 MR. GARDNER: That's correct. That's correct.

23 MR. JOHNSON: Okay, this is only for main leaks.

24 BY MR. NICHOLSON:

25 Q. So the leaks per quarter are only main leaks?

1           A.    Below-ground main leaks.

2           Q.    Oh, okay.

3           A.    Yes.

4           Q.    And that's showing that. All right. Okay, so about 10  
5 years of only main leaks are reflected here to get you a leak per  
6 mile, and then you're just sorting that leak per mile list or  
7 filtering it for --

8           A.    Yes.

9           Q.    -- descending and that's your rank?

10          A.    That's correct.

11          Q.    Okay. Okay. And then where do we go from here?

12 Because we see, you know, the first one's very small mileage and  
13 it's only got one leak and it ranks very high?

14          A.    And that is the way the MAGI, the way the GIS system is  
15 designed or the data is input. We have line segments and a line  
16 segment could be a 2-foot line segment in the map or it could be  
17 500 foot, and that's just my term the way they draw the line.  
18 They could draw it and stop, but once they stop, that's that line  
19 segment.

20          Q.    Okay.

21          A.    And the main may go for a block.

22          Q.    Right.

23          A.    But when they're digitizing that line, if they stop --  
24 if it's a 2-foot section, then that's a 2-foot section. And you  
25 see that's .01 miles, so that is a very short segment of pipe.

1 And that one leak, by geocoding address, just happened to fall on  
2 that small section of pipe.

3 Q. Okay. So MAGI marries the sections of pipe with the  
4 leak reports?

5 A. It's geocoded.

6 Q. And that's how you end up with these tiny little  
7 sections?

8 A. Yes.

9 Q. Okay.

10 A. Um-hum. And --

11 Q. So had it been -- had it fallen on a longer section of  
12 pipe, it would've dropped much father down --

13 A. That's correct.

14 Q. -- in ranking, so -- okay. Okay. That helps. Thanks  
15 for that.

16 So what do you do with these rankings from here?

17 A. Well, in just systematically going through this one, I'd  
18 pull up that quarter section in MAGI, and these geocoded leaks are  
19 dots on a map. Geocoding shows up as a dot.

20 MR. NICHOLSON: We don't have that, do we, Bob? A map  
21 like that?

22 MR. GARDNER: There was a map that we provided as a --  
23 yes, it's in IR-34. It's --

24 MR. NICHOLSON: Oh, okay. So this is the map? Oh, it's  
25 in an Excel spreadsheet. All right.

1           MR. GARDNER: Yeah -- and Jerre correct me if I'm wrong,  
2 but a section, as defined by land, is one square mile?

3           MR. JOHNSON: That's correct.

4           MR. GARDNER: So the word section is specific to the  
5 surveying definition, a quarter section.

6           MR. NICHOLSON: Oh, I didn't realize that.

7           MR. GARDNER: A section is defined as --

8           MR. JOHNSON: Yes.

9           MR. GARDNER: -- 1 square mile. So to put into context  
10 what you're seeing, when we say a quarter section, we're saying  
11 one-fourth of that 1 square mile area. That's the way the land is  
12 divided in our state.

13          MR. NICHOLSON: Okay.

14          MR. GARDNER: And so you're going to see a reference.

15          MR. NICHOLSON: Yeah.

16          MR. GARDNER: Talk about what that is, Jerre, if you  
17 don't mind, just for clarity.

18          MR. NICHOLSON: Well, let's read it, just for the  
19 record.

20          MR. GARDNER: Yeah.

21          MR. NICHOLSON: It says it's on, what is this, IR-34.  
22 And it's got a system map or a quarter section with the number  
23 SE-15-17S-02W.

24          BY MR. NICHOLSON:

25          Q. What is that, Jerre?

1           A.    I'm not a surveyor, but that's the southwest quarter of  
2 section 15, township 15 -- 17 south, range 2 west.

3           MR. GARDNER:  No, southeast, southeast quarter

4           MR. JOHNSON:  Southeast, excuse me.

5           BY MR. NICHOLSON:

6           Q.    The SE being southeast; is that --

7           A.    That's correct.

8           Q.    -- right?

9           A.    And if you scroll down or over, you'll see potentially  
10 the southwest.  I mean, it's just --

11          Q.    Yeah.

12          A.    -- north, south, east, west, and that's they way they  
13 divide up the quarter sections.

14          Q.    You put all four together and get a square mile.

15          A.    Yeah.

16          Q.    So the yellow -- can you talk just what's the yellow,  
17 green, all that?

18          MR. GARDNER:  Let me make this a little smaller so you  
19 can -- this is in the Gate City area that we --

20          MR. JOHNSON:  Oh, I'm not sure what those lines  
21 indicate.

22          BY MR. NICHOLSON:

23          Q.    They're not sections?

24          A.    No --

25          Q.    They're just materials, or?



1           A.    Yeah, the lines by the street is pipe material. I'm not  
2   sure in this case what the color code is.

3           Q.    Okay.

4           A.    But you can see the light black lines?

5           Q.    Yup.

6           A.    That's highlights that quarter section, yeah, where Bob  
7   was just at. That's the quarter section.

8           Q.    And then there's green dots and there's green dots with  
9   center points.

10          A.    That's where the --

11          Q.    What's the significance?

12          A.    -- leak records have been geocoded. That's the dots on  
13   the map I was referring to.

14          Q.    Okay. What's the difference between the ones with the  
15   little center point and the others with none?

16          A.    Again, I'm not sure where this -- what that indicates.

17          Q.    Okay.

18          A.    The ones with the black dots, that is just a geocoded  
19   leak record. But the ones with the blue, those have been  
20   highlighted for some reason and I don't know what the highlighted  
21   part pertains to.

22          Q.    Oh, I see. They're actually blue and they've been --

23          A.    Yeah.

24          Q.    -- highlighted here?

25          A.    Yeah, yeah. They're green with a dot. But once you

1 highlight them in MAGI, it changes the color to let you know that  
2 these are selected, but I'm not sure what the selection was for.

3 Q. So you said after you've got them ranked, the next step  
4 is to go to this map, right?

5 A. That's correct.

6 Q. Okay. And then what are you getting from this map?

7 A. From this map, the -- and again, in MAGI, you can again  
8 select, like, the blue highlighted dots --

9 Q. Um-hum. Yeah.

10 A. -- and that will tell you the data for that specific  
11 leak record: the address, if it's a main or a service, if it's --  
12 what size the pipe material, whatever the attributes are that you  
13 select to pull up. Each leak record has certain attributes that's  
14 in SAP.

15 Q. Okay.

16 A. And all those --

17 Q. Like we've seen before? Those are basically the work  
18 order records for --

19 MR. GARDNER: Yes.

20 MR. JOHNSON: Yeah.

21 BY MR. NICHOLSON:

22 Q. Okay.

23 A. So once you have that, then you can say, okay, this leak  
24 record was at 123 Main Street, for example, and it was 2-inch  
25 steel main and it was, you know, whatever the dates. I mean, the

1 different attributes. I can't remember now all the attributes  
2 that's in that, but it has specific attributes for that specific  
3 leak record.

4 Q. And what are you going to do with that? What does  
5 that --

6 A. Well, with this, in this -- for example, we would  
7 highlight these and we would determine where the highest  
8 concentration of leak records are at. For instance, one street  
9 doesn't have any leak records, doesn't have any the dots, but  
10 another street may have several, so I would identify that.

11 Q. Okay.

12 A. And so, okay, this street has X number of dots, this  
13 street has no dots, so let's focus in on the one that has the  
14 leaks.

15 Q. Okay.

16 A. Investigate how many leaks are there, what size and kind  
17 of pipe is it, and is that potentially one that needs to be  
18 replaced? And that, again, goes back to the first spreadsheet we  
19 looked at, leakage -- number of -- you know, one leak in the top  
20 case up there, and one leak --

21 Q. But is there a -- where's your guidance document? I  
22 mean, how are you -- what are you weighting? When you get into  
23 the MAGI and you're actually looking at where the location of the  
24 leaks are and you're bringing up the leakage report, what is  
25 the -- what are you weighting? Is it the cause of the leakage

1 that's critical, the location, population density? What's going  
2 into this final ranking?

3 A. If it's determined as cast iron pipe, then my first  
4 input is leakage; how many leaks are in this block or on this  
5 section of pipe.

6 Q. So not everything on this ranking sheet will be cast  
7 iron?

8 A. No.

9 Q. Oh, okay.

10 A. No.

11 Q. So first you're weeding out anything that's not cast  
12 iron; is that --

13 A. No, I consider all leaks whether it's a steel, it's cast  
14 iron. I mean, if --

15 Q. Okay. It doesn't matter.

16 A. -- it's a leak. I'm looking at it for --

17 Q. Okay. So material isn't too terribly important?

18 A. It is. If it's steel pipe and it's cathodically  
19 protected, then of course that is going to take a lower ranking in  
20 the possible priority for replacement --

21 Q. Sure. Okay.

22 A. -- versus cast iron pipe.

23 Q. Okay.

24 A. So I do the analysis how many leaks are in this quarter  
25 section?

1 Q. Right.

2 A. And then I say how many leaks are on this street? What  
3 type pipe is on this street? And then I start the analysis then,  
4 okay, is it cast iron? And then it needs to be on the replacement  
5 list.

6 Q. Okay.

7 A. And if it's cathodically protected steel, then, well,  
8 it's not going to rank as high as a cast iron.

9 Q. So now you've moved from this original ranking sheet  
10 into maybe a new ranking sheet? Or what do you -- how do you  
11 track those that made the selection? I mean, some you're  
12 discarding, right, off that original ranking sheet, some of those  
13 quarter sections, based on what you find when you go into MAGI?

14 A. Yeah, if it's --

15 Q. Okay.

16 A. In the first case we had there, one leak with a short  
17 section of pipe --

18 Q. Yeah.

19 A. -- I would look at that one leak in this case.

20 Q. Right.

21 A. Okay. What kind of leak is it? Is it a damaged service  
22 line? If it is, then yes, I'll strike it off the list because if  
23 it's cut -- it's damaged --

24 Q. So you're making a new list essentially?

25 A. So then I would basically skip the first one, go to the

1 second one.

2 Q. All right.

3 A. Okay, it's two leaks. Well, what is that? The next one  
4 may have 25 leaks. Okay, let's look at the 25 leaks.

5 Q. But are you re-ranking those? I mean, based on the  
6 criteria you're using when you look at them through MAGI, aren't  
7 you -- you're kind of reassessing, re-ranking priorities at that  
8 point. I guess I'm wondering is there a second spreadsheet after  
9 the first one, where you -- after some of your analysis you're  
10 saying, you know, what was 14 on the original list should really  
11 be a 5 as far as ranking or --

12 A. I'm not changing the ranking. I just strike through the  
13 first one.

14 Q. Okay. So everyone just moves up by one --

15 A. Yeah.

16 Q. -- as you strike them out?

17 A. Yeah. Even though the priority -- I don't change  
18 priority 1 to a 2 when I strike the first one off. It's still 1.

19 Q. Yeah.

20 A. One is just struck through.

21 Q. Okay. It just didn't make --

22 A. So number 2 then in turn actually becomes number 1 --

23 Q. Right.

24 A. -- even though the ranking still is going to have a  
25 number 1 on it.

1 Q. Okay.

2 A. Just for the spreadsheet.

3 Q. Okay. When you're looking at the leakage reports, I  
4 understand material, CP, those look like important things. What  
5 about the cause of the leak; is that looked at as well?

6 A. If it is a steel pipe, then I look then at the granular  
7 details. You know, I've talked about the attributes on there.  
8 And see then is it corrosion? Is it damaged? You know, what the  
9 cause are then. If it's steel pipe, I do look at the corrosion,  
10 and if it's damaged pipe, if it's -- you know, the different  
11 attributes on it. So in that case, I do look at the causes.

12 Q. What about cast iron? Is it --

13 A. Cast iron?

14 Q. -- it doesn't matter?

15 A. If it's leaking, then I count it the same, whether it's  
16 corrosion or --

17 Q. Third party?

18 A. Yes. If it's cast iron, I include all leak categories  
19 and causes in cast iron.

20 Q. Doesn't matter?

21 A. That's correct.

22 Q. Okay.

23 MR. NICHOLSON: So I think, Bob, what we want to see is  
24 the final list of pipeline replacement projects that came out of  
25 that IR-34 ranking? Unless we already have it?

1           MR. GARDNER: You don't have it. What we do have, we  
2 have a list we could provide you of projects that were selected.

3           MR. NICHOLSON: Yeah.

4           MR. GARDNER: I mean, clearly we have a list of projects  
5 that we budgeted and we constructed, and we could give you the  
6 projects that were actually -- we could give you the projects that  
7 are done in -- well, I guess, for 2014. That's what this June of  
8 2013 --

9           MR. JOHNSON: Yes.

10          BY MR. NICHOLSON:

11          Q. Because you're saying you don't -- you just use that one  
12 ranking sheet and strike through them as you discard projects.  
13 You don't create a new list, there's no other documentation  
14 that --

15          A. I expand this spreadsheet --

16          Q. Okay.

17          A. -- to include, for instance, example, line 10, where it  
18 has 80 leaks with 1.8 miles of pipe.

19          Q. Yup.

20          A. We would not tackle the 1.8 miles of pipe potentially in  
21 one project. Just do the size of the scope, get the meters  
22 changed over, the retirements, the internal resource restrictions  
23 that we have internally.

24          Q. Yeah. Okay.

25          A. So that would be broken up in possibly multiple



1 projects.

2 Q. Oh, okay.

3 A. We'd do project one, project two, project three.

4 Q. Phases? Okay. Yeah.

5 A. Which would include, then, take care of those 80 leaks.  
6 I want to be sure I'm on the right line there.

7 Q. Yeah.

8 MR. GARDNER: So Jerre, that 1.82 miles referenced here  
9 is not necessarily 1.82 continuous miles on the map? It's that  
10 many miles on that quarter section?

11 MR. JOHNSON: That many miles in that quarter section.

12 MR. GARDNER: It's not a continuous piece of pipe. It  
13 is the total pipe in that quarter section --

14 MR. NICHOLSON: That's right.

15 MR. GARDNER: -- that gives us a leakage density. So --

16 MR. NICHOLSON: Thanks. Yeah.

17 MR. GARDNER: -- I want to be -- I want to make sure  
18 we're -- I want to be clear, but also make sure --

19 MR. JOHNSON: Yes.

20 MR. NICHOLSON: That could be scattered throughout that  
21 quarter mile.

22 MR. GARDNER: So he's got, it could be several projects  
23 in that geographic boundary. That's why we would have multiple  
24 projects, because it's not one continuous piece of 1.82 miles.

25 MR. JOHNSON: Yeah, yeah, it's --

1           MR. GARDNER: It's the sum of all the pipe in that  
2 quarter section.

3           MR. NICHOLSON: Okay.

4           MR. JOHNSON: And that's where I was going to. If one  
5 street has multiple leaks, then that one street potentially would  
6 be replaced. And if another street doesn't have any leaks or very  
7 few leaks, then it may not be replaced because we're trying to get  
8 the most leakage --

9           MR. NICHOLSON: Sure.

10          MR. JOHNSON: -- out of the system first.

11          MR. NICHOLSON: That makes sense.

12          BY MR. NICHOLSON:

13          Q. And so what is the guidance document or what's the  
14 procedure that you guys use in the pipe replacement program? Is  
15 there a, do we have a document called Alagasco pipe replacement?

16          MR. GARDNER: We provided this document as part of IR-36  
17 that outlines the procedure that Jerre uses.

18          MR. NICHOLSON: That outlines the procedure.

19          BY MR. NICHOLSON:

20          Q. Where is the procedure documented? Is there a formal  
21 procedure somewhere that you use, Jerre, that says --

22          MR. GARDNER: This is it.

23          MR. JOHNSON: Yeah.

24          MR. NICHOLSON: That is the formal procedure, not just  
25 your statement of facts or whatever?

1           MR. GARDNER: This was in place before the investigation  
2 began. This is a document we had.

3           MR. NICHOLSON: Okay. What's it called? Cast iron --

4           MR. GARDNER: It's called --

5           MR. NICHOLSON: Got a document number?

6           MR. GARDNER: No, it's a Word file that is maintained by  
7 Jerre's department.

8           MR. NICHOLSON: Okay.

9           MR. JOHNSON: Well, it was submitted to the --

10          MR. GARDNER: Right. It was submitted to you guys.

11          MR. NICHOLSON: What is that? IR what?

12          MR. GARDNER: IR-36 is the CI-BS Main Replacement  
13 Process document.

14          MR. NICHOLSON: So what year was this created? Is  
15 there, is it a controlled document? Does it have a revision  
16 block or --

17          MR. JOHNSON: I don't think so. This is --

18          MR. GARDNER: It is not -- it's not in the procedure  
19 manual. It is a --

20          MR. NICHOLSON: Okay.

21          MR. GARDNER: It is the guidance that we use and that  
22 Jerre's group uses.

23          MR. NICHOLSON: Okay. I'm not sure I was aware of that.

24                 So that's MAGI, it explains MAGI, leakage status come  
25 from SAP, comparing quarter sections.

1 BY MR. NICHOLSON:

2 Q. When was this created, Jerre? I didn't catch the date.

3 A. It was created shortly after the reorganization, because  
4 I wanted to have some type of document to list the process that we  
5 need to go through.

6 Q. Okay. So when was it? 2011, roughly?

7 MR. GARDNER: Well, it was early 2012.

8 MR. NICHOLSON: Okay.

9 MR. JOHNSON: Well, it was probably -- late 2012,  
10 because in 2012 is when we first reorganized.

11 MR. NICHOLSON: Okay.

12 MR. JOHNSON: And 2013 year was projects that had been  
13 set aside by each division when they -- before the reorganization.  
14 Each work location division --

15 MR. NICHOLSON: Right.

16 MR. JOHNSON: -- decided which cast iron, bare steel  
17 replacement projects they seemed necessary that we do.

18 MR. NICHOLSON: Okay.

19 MR. GARDNER: But the project that we did in 2012 were  
20 selected in 2011 --

21 MR. NICHOLSON: Right.

22 MR. GARDNER: -- according to the prior organization  
23 structure.

24 MR. NICHOLSON: Which was a division level --

25 MR. GARDNER: Right.

1 MR. NICHOLSON: -- prior to the --

2 MR. JOHNSON: And in 2012 is when --

3 MR. GARDNER: The projects selected in 2013 is when  
4 Jerre had the first full year of project selection for his  
5 purpose.

6 MR. JOHNSON: Yes. Yes, because 2012 --

7 MR. NICHOLSON: That would've been in this process?

8 MR. JOHNSON: Yes. Um-hum.

9 BY MR. NICHOLSON?

10 Q. You were going to say because in 2012 what?

11 A. Well, 2012 is the same thing, because we started -- I  
12 started in this position in, I think, February of 2012.

13 Q. Okay.

14 A. So the 2012 projects were done by the local work  
15 location. So 2013, I think Bob just said this, is when we  
16 actually started with the new organization of using the statewide  
17 approach for replacing cast iron. So that's -- this document  
18 would've been somewhere in probably, my guess is, the late 2012.

19 Q. Okay. Fairly recent. So was there a document prior to  
20 this that was used at the division level?

21 MR. GARDNER: I'm not aware of such a document. We  
22 could look for one.

23 MR. NICHOLSON: Okay.

24 MR. GARDNER: There was some guidance, but I don't know  
25 the document was out there.

1 BY MR. NICHOLSON:

2 Q. So can you talk a little bit, if we move down the list  
3 to meetings are held at least annually with various local  
4 management personnel. What is -- can you expand on that? What is  
5 that?

6 A. Once I get the -- an example I gave, the phase 1, 2 or 3  
7 or project A, B, C in a quarter section, there's two large. Once  
8 I get those highlighted on a map, just kind of like what Bob had  
9 shown there, then I meet with each work location, with the local  
10 personnel there to say this is what my analysis shows: this  
11 street, this area, this street, this area. Does that concur with  
12 what your field personnel thinks is the right replacement area?

13 Q. Okay.

14 A. So I get their input as well as the analysis of the  
15 data.

16 Q. Okay. And which overrides? Is it -- do they override  
17 your previous selections or --

18 A. In most cases, in the last 2 years we've done this, they  
19 have concurred with the analysis I've done. In a couple cases,  
20 they've said this is -- looks okay, but what about this area over  
21 here? And I've gone back and pulled the analysis in that area of  
22 the leaks just like I did for this area, and in a couple places  
23 that trumped what I had, because their local concerns, whether it  
24 was water in the main, city paving projects, the different things  
25 like, you know, city's going to pave here, so or --

1 Q. Okay.

2 A. -- in this area, so that does trump the analysis that I  
3 have.

4 Q. And do you ever take that information and rebuild your  
5 process based on what you're learning from the field guys, that  
6 maybe there's other priorities that should be looked at?

7 A. That's the reason we have the meetings every year with  
8 the people once we come up with this.

9 Q. Okay.

10 A. And then they are -- also have the ability, freedom and  
11 are encouraged to, if they see a piece of pipe, if they find a  
12 piece of pipe that causes them concern, they can call us, e-mail  
13 us, and we'll take a look at it and we'll factor that into the  
14 loop.

15 Q. And then we talked a little bit yesterday. It looks  
16 like, on average, what'd we say, 40 miles is replaced a year? Is  
17 that what the average was?

18 MR. GARDNER: That was about it.

19 MR. NICHOLSON: It was about 40?

20 MR. GARDNER: I think a little bit more than last --

21 BY MR. NICHOLSON:

22 Q. So is that your cut off? Do you, every year you  
23 identify 40 miles of pipe and then meet with these groups, or is  
24 it -- could it be 150? How does it --

25 A. Well, it's based on, again, the limitations of the local

1 workforce.

2 Q. Yeah.

3 A. And we have to get the projects installed with the  
4 contractors, and then we have to get our construction crews to  
5 make the main tie-ins, then we have to get our service personnel  
6 to get the meters swapped from the old riser to the new riser.

7 Q. Okay.

8 A. And then we have to get our construction crews back out  
9 to retire the mains. So there's multiple -- I mean, it's so --

10 Q. So it's resource -- it's human capital now is really the  
11 bottleneck?

12 A. Yeah, a lot of it is.

13 Q. Okay. So in, I think it was 2011 there was a PHMSA Call  
14 to Action to accelerate cast iron replacement programs, and I  
15 guess I'm just -- if you're averaging 40, was there any  
16 acceleration following that 2011 Call to Action or did Alagasco  
17 have a response to that?

18 A. Well, I just started in 2012, so I can't really speak to  
19 the --

20 Q. Well, maybe Bob can talk -- and Phil.

21 A. -- to what was --

22 MR. GARDNER: If you're referring to what came about  
23 through the Pipeline Safety Act?

24 MR. NICHOLSON: Yeah.

25 MR. GARDNER: And the -- I know we provided information



1 to, I did, directly to Wallace for the PSC's request for how many  
2 miles of pipe that we had remaining cast iron, what we are  
3 averaging, I think, per year, and then how long we anticipate that  
4 to take. I think we've provided some of that in our documentation  
5 to you.

6 MR. NICHOLSON: Okay. Why don't you just state it here?  
7 What's -- so the end game is what? 2036 or something at the rate  
8 you're going?

9 MR. GARDNER: We estimated about -- at that time, it was  
10 about 20 years to complete everything at the current pace and the  
11 current funding, assuming the -- assuming the funding and  
12 replacement remained the same, it was a 20-year estimate for the  
13 entire --

14 MR. NICHOLSON: So no acceleration? You were just going  
15 to stay on pace, roughly, because 40 --

16 MR. GARDNER: Well, I wouldn't say it's no acceleration.  
17 I would say, you know, absent -- I mean, we were asked -- we  
18 answered the question that was asked from the PSC how long did we  
19 expect it to take us, and we made the assumption that we would  
20 continue -- and to some degree, if you look at the data, we have  
21 increased our mileage over some of these years. The average, I  
22 think, may have been close to 40, but it's been more. Some years  
23 we've been able to get more, such as in 2013, we replaced 56  
24 miles. So --

25 MR. NICHOLSON: But there's no concrete acceleration

1 program to go from 40 to 60? It looks like just if the  
2 opportunity's there, you accelerate it?

3 MR. GARDNER: That's correct. And that was a Call to  
4 Action; it was not a regulation.

5 MR. NICHOLSON: Right.

6 MR. GARDNER: It was a recommendation in light of --

7 MR. NICHOLSON: But you addressed it? You wrote  
8 something to PSC that addressed it?

9 MR. GARDNER: Yes.

10 MR. NICHOLSON: Okay.

11 MR. GARDNER: We met the deadline, or the request, I  
12 should say, of the PSC, because they were asked to do a -- my  
13 understanding is there was a national survey as part of the study  
14 from the Pipeline Safety Act that required the states to collect  
15 information about the inventory of cast iron remaining over the  
16 country.

17 MR. NICHOLSON: Okay. Right.

18 MR. GARDNER: And so in response to that, we provided  
19 that information to Wallace. And unlike other states, we do not  
20 have, you know, an alternate funding mechanism. Some states have  
21 accelerated based on an alternate funding mechanism. We do not  
22 have that.

23 MR. NICHOLSON: And so what -- alternate funding  
24 mechanism, being a rate increase, is that what you're --

25 MR. GARDNER: A rider to spend this amount of money

1 specifically on the pipe replacement.

2 MR. NICHOLSON: Okay. And you're saying the state  
3 doesn't have a provision for that or Alagasco just doesn't seek a  
4 provision?

5 MR. GARDNER: Some states have granted that to certain  
6 utilities to replace their pipe on a more accelerated schedule.

7 MR. NICHOLSON: Okay.

8 MR. GARDNER: We have not had that mechanism in place.

9 MR. NICHOLSON: Okay. And the mechanism on that would  
10 be dictated by the PSC? Is that how that works or --

11 MR. GARDNER: I think ultimately. But the bottom line  
12 is if you're going to replace more pipe in a shorter period of  
13 time, you have to have more money.

14 MR. NICHOLSON: Sure.

15 BY MR. NICHOLSON:

16 Q. Now, Jerre, there's also been a -- there's a ZEI  
17 consultant study that we've seen that was submitted recently. Is  
18 that anything your group refers to? It's dated 1985.

19 A. No, sir.

20 Q. You don't use that at all? How do you -- how does the  
21 pipeline replacement group, since you're doing risk ranking, how  
22 do you interface with Randy's group or, well, I guess it would be  
23 Bob's group as well, the integrity management side, distribution  
24 integrity management? Is there consultation or do you guys  
25 examine each other's risk rankings?

1 A. Yes.

2 Q. Oh, okay.

3 A. Yes. As they do their analysis, they include us in the  
4 meetings; this is the findings we have. So yes, we get  
5 together --

6 Q. Can you elaborate a little bit, what findings are you  
7 talking about? What does it get -- what kind of granularity? Are  
8 you down to the section level, a quarter section?

9 A. No. No. Theirs is more general in the area. I can't  
10 remember exactly what --

11 Q. So it'd be like a division, it think is -- I call it --  
12 is it a division or a district? Like Birmingham, SOC and WOC and  
13 Metro, are those --

14 A. Yes, it would be the --

15 Q. That level?

16 A. It would be the higher level. It would not be the  
17 quarter section granular detail.

18 Q. So how do you make use of that high level information in  
19 your -- in the work you're doing for replacement?

20 A. Right now UPTIME is still in the development process.  
21 To get to the granular, more --

22 Q. What's UPTIME?

23 A. That's our risk model.

24 MR. NICHOLSON: Oh, is that the software we talked about  
25 yesterday?

1           MR. GARDNER: That's the software Randy talked about.

2           MR. JOHNSON: Yeah. I'm sorry. So right now it is not  
3 a major factor in what we're doing because it does not have the  
4 more detailed look that we're looking at, street level, quarter  
5 section.

6           BY MR. NICHOLSON:

7           Q.    Okay.

8           A.    But we do have meetings with them periodically as they  
9 update and they get more detailed in there. And we do meet, so  
10 okay, now this is a higher ranking; this looks like it may be in  
11 the area. But it is a broader, high-level view. It is not down  
12 to the level that I look at.

13          Q.    And so can you talk about the last meeting you had and  
14 what areas of concern were brought up? Let's restrict our  
15 conversation to Birmingham Metro. Do you recall what kind of risk  
16 they had identified and --

17          A.    No, I can't recall that right now.

18          Q.    Okay.

19          MR. NICHOLSON: Okay. Well, Ravi's left the room at the  
20 moment, so Keith, I'll pass things off to Keith or Wallace if  
21 you've got any follow-up? Wallace?

22          MR. JONES: No, I was trying to find something, I'm  
23 sorry, I was trying to find something on what we were talking  
24 about a little while ago about that letter back -- see if I can  
25 locate it, about the cast iron replacement?

1 MR. NICHOLSON: Yeah, I was going to request actually --

2 MR. JONES: Yeah.

3 MR. NICHOLSON: -- that letter, and just see that.

4 MR. JONES: They -- if I can find it. Because it  
5 actually came from the commissioner's office, not from us.

6 MR. NICHOLSON: Okay.

7 MR. JONES: Or from my section, from my department. But  
8 they have, you know, done more in the last year, couple years,  
9 cast iron. Because I've been trending it myself for the entire  
10 state and all the operators we have statewide and theirs has  
11 increased and we've been in touch with them several times about  
12 trying to do even more, and they've come back to us and said  
13 they're going to try and do more. So, you know, it's just -- it's  
14 a financial thing for everybody, not just for them, even for the  
15 small operators of the municipal systems, it's hard to come up  
16 with enough money at one time. There's no way they could replace  
17 all the cast iron at one time.

18 MR. NICHOLSON: Sure.

19 MR. JONES: And, you know, the rate payers or the  
20 shareholders are going to have to pay the brunt of it, and it's  
21 just something that has to be worked on at a steady pace, the best  
22 they can do. And, you know, as long as they continue doing like  
23 they have the last few years, I think the Public Service  
24 Commission is going to be, you know, satisfied with that progress.  
25 We just have to wait and see, you know.

1           MR. NICHOLSON: Do you meet with other state regulators  
2 and --

3           MR. JONES: Yes.

4           MR. NICHOLSON: Is 20 years about right?

5           MR. JONES: Yeah, well, there's some --

6           MR. NICHOLSON: Is that what most people are doing?

7           MR. JONES: You've got some that'll be more than 20  
8 years. Pennsylvania, there's no way they're going to get rid of  
9 all theirs. Some other northeast states, Massachusetts and some  
10 of them -- well, maybe not necessarily not Massachusetts, but some  
11 of the other northeastern states have got tremendous amounts of  
12 cast iron still in the ground there. And the problem is most of  
13 it is in downtown areas, okay? It's not outlying areas.

14          MR. NICHOLSON: Yeah.

15          MR. JONES: It's downtown where your infrastructures  
16 really -- you know, it's so much harder to replace cast iron in an  
17 area like this down here than it would be out in, say, in a  
18 subdivision where you have a lot of houses because of all those  
19 stuffs underground here that you've got to try to go around,  
20 through and whatever.

21          MR. NICHOLSON: Sure. Yeah.

22          MR. JONES: So it becomes a -- it's not only harder,  
23 it's a lot more expensive. And that's something, you know --  
24 unfortunately, that's something that has to be factored in when  
25 you're looking at doing cast iron replacement is the costs.

1           MR. NICHOLSON: Right. And the Call to Action didn't  
2 give a -- it didn't mandate a date, did it?

3           MR. JONES: No.

4           MR. NICHOLSON: It just said --

5           MR. JONES: Just said accelerate.

6           MR. NICHOLSON: -- accelerate.

7           MR. JONES: Or try to accelerate. Yeah, I've got some  
8 of the municipal systems that are really having a hard time coming  
9 up with the funding to do any cast iron replacement. So --

10          MR. NICHOLSON: All right. You got any questions,  
11 Wallace?

12          MR. JONES: No, not of Jerre. Not at this time.

13          MR. NICHOLSON: Okay. Now that you're back, Ravi --

14          BY MR. CHHATRE:

15          Q. I want to go back to that chart, I think, that IR-134 or  
16 whatever that was, that was from the main, you said?

17          MR. NICHOLSON: It's IR-34.

18          MR. GARDNER: This, Ravi?

19          MR. CHHATRE: Yup, that's the one.

20          BY MR. CHHATRE:

21          Q. Do we have something for the service lines in the  
22 replacement program?

23          A. Not in this analysis. This was the 2013, which was the  
24 first year that our group had responsibility for cast iron and  
25 bare steel replacement. And since, in the 2014 version of this



1 same thing, we have included service lines and plastic, if it is  
2 within a Adelaide.

3 Q. So --

4 A. So it's -- Adelaide is if it's -- a leak is within a  
5 certain distance, 150-foot, I think it is, around an Adelaide main  
6 and it's an Adelaide leak on the leak record, then we include it  
7 in this. So we're looking at the vintage plastic as well. So  
8 this analysis is only mains, metallic mains. This same analysis  
9 we've done for 2014 includes service lines, metallic mains and  
10 plastic.

11 Q. Oh, so you combined service lines --

12 A. Yes. Yeah.

13 Q. -- and mains. Do they include service lines separate?

14 A. No. No, service lines, it's all combined with --

15 Q. Combined.

16 A. -- with the same analysis.

17 Q. And that service line would be only up to 150 feet from  
18 the main or --

19 A. No. Service, it's all service lines.

20 Q. Okay.

21 A. It's the plastic that's within 150 foot of Adelaide.

22 Q. Okay.

23 A. Because we don't -- we're not looking at leaks on the  
24 Plexco or the other vintage or manufacturers of plastic.

25 Q. Okay. Okay. It will be that particular vintage of the

1 manufacturer?

2 A. Yes. Um-hum.

3 Q. Okay. So all the service leaks that may happen will be  
4 -- will not be there, I guess, on this chart prior to 2014?

5 A. That's correct.

6 Q. Okay. And do you have any bare steel or cast iron  
7 service lines in the system?

8 A. Yes.

9 Q. And I'm sorry, I -- what does SAP stands for?

10 A. It's SAP is the -- I don't -- that's --

11 MR. GARDNER: I don't think it stands for anything. I  
12 think it's a trade name. It is the commercial -- it's the  
13 commercial product, SAP.

14 MR. CHHATRE: Okay. The reason I asked that, because if  
15 we used that term at the Board meeting, most likely those Board  
16 members are going to ask us and that's -- if you get just state  
17 something to that effect. I mean, all the acronyms that you guys  
18 are using --

19 MR. GARDNER: Isn't it a German software. It's our  
20 Enterprise --

21 MR. JOHNSON: I can't remember now what it means, but --

22 MR. GARDNER: -- Resource Management, but --

23 MR. CHHATRE: Okay. I don't need it right away, but  
24 before the, before it goes to the Board, we just need that.

25 That's all. No hard rush on it, but we'd just like to get that.

1           MR. GARDNER: There's no -- it is no abbreviation for  
2 what it is.

3           MR. CHHATRE: Or whatever you use it on, then --

4           MR. GARDNER: SAP is what it's known worldwide.

5           UNIDENTIFIED SPEAKER: It's on the golfers' hats on the  
6 tour.

7           MR. NICHOLSON: It's a pretty well known --

8           MR. CHHATRE: The other acronym I believe they used were  
9 MAGI. I think somebody described that yesterday, but I just want  
10 to get that --

11          MR. GARDNER: It's our GIS system.

12          MR. CHHATRE: Okay.

13          MR. GARDNER: Mapping and Geographical Information,  
14 maybe? It's an acronym for --

15          MR. CHHATRE: I know. I mean, see, what happens is, in  
16 the rush of writing and going using the same acronyms --

17          MR. NICHOLSON: I'll just say MAGI and then --

18          MR. CHHATRE: -- and they're not getting the  
19 (indiscernible) on it, and I don't want to sit there until -- we  
20 don't know what MAGI stands for, so --

21          BY MR. CHHATRE:

22          Q. Now, on the cast iron mains, I know all leaks are being  
23 considered. But then you have this process of kind of cleaning  
24 the list or revising it. Is there any documentation that -- I  
25 mean, suppose with all your experience, suppose tomorrow you are

1 transferred at a higher position, somebody else comes in. How  
2 would that person know how to go about doing what you are doing?  
3 I mean, is there a step-by-step procedure or documentation that  
4 says this is what you shall do, step number one, step number  
5 two -- or this is strictly --

6 A. Yeah, the other process that we had there, that is the  
7 process that we use to go through.

8 Q. So anybody following that will pretty much come to the  
9 same conclusion as --

10 A. Um-hum.

11 Q. -- as you would?

12 Now in this process, are the type of leaks given any  
13 ratings at all? What kind of leak is that? I mean, you have all  
14 leak, grade 1, grade 2, grade 3. But in this whole process does  
15 what is the root cause of the leak given any weight? Like third-  
16 party damage, for example. And I believe the example I used last  
17 time was I can have a main with 10 leaks caused by third-party  
18 damage which can get pushed really high on the list. But your  
19 replacement did not necessarily go to solve that problem, third  
20 party leaks.

21 A. That's correct.

22 Q. On the other hand, with three leaks on the same amount  
23 of mileage caused by corrosion might be a trigger of something  
24 maybe happening that might get wiped out because of the way the  
25 ranking is?

1           A.    Um-hum.

2           Q.    And my question, I didn't -- maybe it's buried somewhere  
3 in here, but I didn't notice as to where the leak rating comes  
4 into what is the root cause of the leak?

5           A.    The information we have is what the mechanics, the field  
6 folks put on the order themselves when they designate whether it's  
7 corrosion, third-party damage, whatever.

8           Q.    But in your analysis, I didn't see anything that says if  
9 your third-party damage -- I mean, just like you said one,  
10 (indiscernible), you know.

11          A.    Okay.

12          Q.    I didn't see that, that's why I'm asking.

13               MR. JOHNSON:  Bob, if you go back to that spreadsheet  
14 again, please?

15               MR. GARDNER:  This one?

16               MR. JOHNSON:  Yeah.  In this case, just using the first  
17 one, of rank 1, that had one leak in a very small section of pipe.

18               BY MR. CHHATRE:

19          Q.    Right.

20          A.    I would look at that leak, pull up the attributes we  
21 talked about, whether it's, you know, the street address, if it's  
22 a main or a service line, and it would have out there if it was  
23 damaged, corrosion, whatever the cause, maybe other -- you know,  
24 whatever the cause may be.  And if it's a cast iron, I think as I  
25 mentioned before, if it's a cast iron leak, I do not go with

1 anymore detail. If it's a cast iron leak, then I -- and again, if  
2 there's several leaks on that pipe on that street, then it's put  
3 on priority list to be replaced at some point in time.

4 If it is a steel pipe, then I do go look -- like, you  
5 know, picking one there, number 6, got eight leaks on, what, 12,  
6 13 miles of pipe. Then I would pull up the attribute table that  
7 would list, okay, is it excavation damage, is it other, is it  
8 corrosion? And if most of them are -- out of this eight leaks, if  
9 six of them were excavation damage, then I probably wouldn't go  
10 any further with that. If six of them were corrosion, then that,  
11 again, would fall on my list of, okay, this has potentially got  
12 corrosion issues. Is it under CP? If it is, then we have issues  
13 there we need to try to address. And if it's not under CP, then  
14 it needs to go on the list as potentially bare steel replacement  
15 that needs to be -- the pipeline --

16 Q. So if you go back to your -- that the other document --  
17 I'm calling it instruction sheet. Where is it stated in this one  
18 that somebody else, should you get promoted tomorrow, who is --  
19 where is it that says that's what we should do?

20 A. Okay. What I just described, I don't think is in this  
21 document.

22 Q. Okay. I mean, that's your experience. I'm not --

23 A. Yeah.

24 Q. I hear you, what you're saying.

25 A. Yeah.

1 Q. That's very -- all your 35 years of experience speaking.

2 A. Yes. Yeah, that --

3 Q. But how does that get translated to some younger folks  
4 come in as to what they are looking at?

5 A. Yeah, that -- what I just described is not on this  
6 document.

7 Q. Okay.

8 MR. NICHOLSON: Is it on any document? You know, it  
9 goes back to what I was asking earlier. Or is this it? This is  
10 the only thing we have for cast iron?

11 MR. JOHNSON: To my knowledge, this is --

12 MR. CHHATRE: This is it?

13 MR. JOHNSON: -- all that's there. I mean, we've talked  
14 about it, you know, with other folks in our department, but as for  
15 being documented --

16 MR. NICHOLSON: Right. Okay.

17 MR. JOHNSON: -- I would say it's not documented.

18 BY MR. CHHATRE:

19 Q. I mean, you're logical. I have no problem with that. I  
20 was just thinking that how it gets translated to someone else,  
21 so --

22 The other question I had asked earlier people also is,  
23 with your process of repairing any leak, what I understood so far  
24 was they're going to put a clamp on it and that's the repair  
25 process. But if you don't --

1           MR. GARDNER: Excuse me. Is that -- are you saying  
2 that's our process for repair and --

3           MR. CHHATRE: No. Whatever I have seen so far in the  
4 Gate City was clamping. If that is not, then I -- you can explain  
5 it to me how you repair it. But I thought what all the standard  
6 repair process was, was clamping. Is that not true?

7           MR. JOHNSON: I'm not --

8           MR. GARDNER: It would depend on the leak, I would  
9 assume. Wouldn't it, Jerre?

10          MR. JOHNSON: Yeah. I mean, if it's a leak that can be  
11 repaired permanently with a clamp, then the pipe is --

12          MR. CHHATRE: Right.

13          MR. JOHNSON: -- prepared appropriately and the clamp is  
14 installed.

15          BY MR. CHHATRE:

16          Q. And I guess my --

17          A. If it's localized. Now, if it's more general, then that  
18 would again fall into pipeline that potentially need to be  
19 replaced.

20          Q. But in your ranking, where -- I mean, if you do not know  
21 what caused the leak, how will you know how serious the matter is?  
22 I mean, if you do not know this is activation that's doing it, or  
23 in steel case, to give you an outside example, it's just corrosion  
24 cracking that's doing it, which is probably not a case in your  
25 steel service line. But I'm just saying if you do not know the



1 root cause, how do you fix the problem?

2 A. Well, the cause I use is on the order, the leak order.  
3 Again, as I said, if it's corrosion, if it's damaged, whatever the  
4 leak cause are that's on the SAP, that's the data I use.

5 Q. But from what I've seen earlier was that form of  
6 damaging you are talking about, it only alerts as corrosion by the  
7 people who are field people. But so far, unless some  
8 documentation shows otherwise, I'm not really qualified to -- they  
9 don't have any formal corrosion training, they are not NACE  
10 certified. So how do they know what -- okay, to them it looks  
11 corrosion, but it may be a crack (indiscernible), for example,  
12 which really requires lab work to identify --

13 MR. GARDNER: I think we take issue with that  
14 assumption, Ravi, at this point, and we'd love to expand on it  
15 more.

16 MR. CHHATRE: Sure, I mean, I'm --

17 MR. GARDNER: We believe our people are qualified to  
18 identify the cause of the leak, even if they're not NACE certified  
19 to do so. And if we need some more time to flesh that out with  
20 you, I'd like that opportunity.

21 MR. CHHATRE: Okay. Yeah, absolutely. I mean, the idea  
22 really here is not to find flaw.

23 MR. GARDNER: Right.

24 MR. CHHATRE: The idea here is to find out what the  
25 process is.

1 MR. GARDNER: Right.

2 MR. CHHATRE: I mean, that -- I mean, don't take my  
3 question in the wrong way at all.

4 MR. GARDNER: No, I'm not. I just want to make sure you  
5 understand I don't agree with your assertion that our people are  
6 not qualified to determine a leak cause.

7 MR. CHHATRE: No, I'm just --

8 MR. NICHOLSON: Who would we talk to get to better  
9 clarification on that issue? I mean, is this the training person  
10 we're going to meet later? Or should we talk to a technician that  
11 actually does the work?

12 MR. GARDNER: I think we need to perhaps have a  
13 discussion about that as far as what you exactly want to know, per  
14 se, but, I mean, we have information that we can show what they've  
15 been trained to do or what they're OQ requirements are. But, you  
16 know, I think we just need to have more dialogue about it.

17 MR. CHHATRE: No, that'd be --

18 MR. GARDNER: The best way to help convey what we  
19 understand about that and make sure we're --

20 MR. CHHATRE: No, I'm, I'm good with that.

21 MR. GARDNER: -- giving you the full explanation.

22 MR. CHHATRE: My only concern is, from this list, if  
23 there are some corrosion issues that may exist and if we only go  
24 by corrosion we aren't knowing what the root cause of the  
25 corrosion is. Then clamp may not be a right solution. Maybe

1 replacement may not be -- well, replacement, obviously, will. So  
2 I'm really approaching this through a safety enhancement degree of  
3 it. And, you know, my -- again, my basic assumption from what I  
4 have learned so far was, if I do not know the root cause, how do I  
5 fix it? I mean, maybe there are more to it and if you can just  
6 provide it, Bob, that -- again, the idea is not really to find  
7 fault or blame anybody. I mean, I'm just trying to understand the  
8 process.

9 MR. GARDNER: Absolutely.

10 MR. CHHATRE: So --

11 MR. GARDNER: Absolutely.

12 BY MR. CHHATRE:

13 Q. So we did service line. You already answered the  
14 question with a quarter, so now I know what a quarter, quarter  
15 means.

16 A. Yeah, I'm sorry, I didn't clarify that to start with.  
17 It's --

18 Q. Oh, you use it all the time.

19 A. Yeah.

20 Q. You wouldn't expect --

21 A. Yeah.

22 Q. So -- and who helps you in this whole process? Is it  
23 just one-man team or you have a group of people that make that  
24 decision?

25 A. No, it's a collaborative effort. I start the analysis

1 from the extract that we talked about. And then once I do the  
2 first analysis of it, then we meet with each work location,  
3 district, division. I think there's different terms for them.  
4 And then we meet with their local management and/or any other  
5 personnel they deem necessary to have in the room and then that's  
6 when we prioritize, okay, this is what --

7 Q. And that's --

8 A. -- my analysis, you know, phase one, two and three. And  
9 then the local folks come in and says yes, I agree, or no, I don't  
10 agree or what about this area? So it's collaborative between what  
11 we find here and the folks that's actually out in the field.

12 Q. And that's once a year?

13 A. At least once a year, but they have the option if they  
14 find pipe that they think needs to be replaced, leakage issues or  
15 they see something, then they call us, send us e-mails and then we  
16 incorporate that immediately.

17 Q. Okay. So if something happens between January 1 and  
18 this October, they come up with some issues and --

19 A. Yeah. Yeah, they call and e-mail whatever through their  
20 service, their supervisor, manager, whoever. They send us, say,  
21 look, we've got this issue at this address or this street or  
22 whatever, can you look at it? And then we do the analysis and  
23 then, you know, we discuss then, okay, I don't see this; what do  
24 you see? Oh, this is in here. And I say, okay, if that's true,  
25 then we need to --

1       Q.    So if that happens, you have the authority to add that  
2   in addition to what is already planned or --

3       A.    Yes.

4       Q.    So you don't need to go to somebody else to do that?

5       A.    We have the project and we send it through, and of  
6   course it has to go through various levels of approval, depending  
7   on what the financial impact is, just the way the SAP is.

8       Q.    Oh, okay.

9       A.    But yeah, we send it through and it's either included in  
10   the budget or not included in the budget, but we have yet to have  
11   one turned down that needed to be replaced for financial concerns.

12       Q.    Okay. And this last question. Has it ever happened in  
13   the last 3 years or what was the year you started, that you had to  
14   change that based on somebody --

15       A.    Oh, different priorities?

16       Q.    Yeah. When somebody calls you and say, hey, look, this  
17   was not an issue when we submitted the information, but now that  
18   that happened?

19       A.    I'll be using an estimation here, but I would say --

20       Q.    I mean, if it doesn't happen, it doesn't happen.

21       A.    Yes, it does happen. This year we've had two that I can  
22   recall in Birmingham so far this year.

23       Q.    Okay.

24       A.    They had had this pipe -- one of them was steel and one  
25   of them was cast iron.

1 Q. Okay.

2 A. But it was -- and they said this pipe is -- have  
3 concerns with. So we went in -- it was a half a block on one and  
4 I think it was a block with the other. So it was not a huge  
5 section, but it was concerns they had.

6 Q. Okay.

7 A. And field investigation determined that it needed to be  
8 replaced, so we did.

9 Q. That's all I have. Thanks.

10 A. Okay.

11 Q. Appreciate, I appreciate your time.

12 MR. NICHOLSON: Anything Bob?

13 MR. GARDNER: No. I'm good. Thank you.

14 MR. NICHOLSON: Any follow-up, Keith?

15 MR. BLACKWOOD: No.

16 MR. NICHOLSON: I think we'll stop at this point. I  
17 think -- got anything else?

18 MR. CHHATRE: No, I'm done.

19 MR. NICHOLSON: All right. Jerre, I think we'll go off  
20 the record at this point.

21 MR. JOHNSON: Okay.

22 MR. NICHOLSON: Thank you so much for the time.

23 (Whereupon, the interview was concluded.)

24

CERTIFICATE

This is to certify that the attached proceeding before the

NATIONAL TRANSPORTATION SAFETY BOARD

IN THE MATTER OF:           ALABAMA GAS CORPORATION (ALAGASCO)  
                                  NATURAL GAS RELEASE WITH IGNITION  
                                  BIRMINGHAM, ALABAMA  
                                  DECEMBER 17, 2013  
                                  Interview of Jerre Johnson

DOCKET NUMBER:           DCA-14-MP-001

PLACE:                    Birmingham, Alabama

DATE:                     July 15, 2014

was held according to the record, and that this is the original,  
complete, true and accurate transcript which has been transcribed  
to the best of my skill and ability.

---

Karen Stockhausen  
Transcriber