

ATMOS ENERGY'S CONTINUOUS IMPROVEMENT SAFETY INITIATIVES

(Updated as of September 18, 2024)

PLD24FR003 – Jackson, MS

This is an update to the Continuous Improvement Safety Initiatives provided to the NTSB on June 6, 2024 as JXN-NTSB-002301-002302 (the “June 6 Initiatives”). As stated in the that document, Atmos Energy’s commitment to safety is a core value, reflected in our Vision Statement, and permeates our culture. It is evident in our people, policies, practices, and procedures. We live this safety value; it is part of who we are. Our holistic approach to managing safety involves observing, evaluating, and adapting to changing and challenging conditions. We are committed to continuous improvement as we work to achieve our vision of being the safest provider of natural gas services.

Following the incidents in Jackson in January 2024, we moved beyond emergency response work and into broader leak surveying and monitoring work across areas in Jackson to confirm the system was operating as expected. Leak surveying, system monitoring, accelerated leak repair and pipe replacement work continue today across areas in Jackson and the state of Mississippi.

Updates to June 6 Initiatives are shown below in italics.

We are enhancing our leak management processes in Mississippi through the following actions:

- Conducted a re-evaluation of all known existing below-ground leaks in the Jackson Area.
 - *The 120 open below-ground leaks identified in South Jackson as January 24, 2024 have all been closed.*
 - *As of September 11, 2024 we are monitoring approximately 36 open below-ground leaks in the Greater Jackson area, and approximately 254 in all of Mississippi. All are non-hazardous.*
- Re-evaluating all open Grade 2 leaks every 30 days and accelerating the re-evaluation timeframe for all open Grade 3 below-ground leaks from six months to a shorter timeframe.
 - *We are continuing to re-evaluate all below-ground Grade 2 leaks every thirty (30) days and are currently scheduling to re-evaluate all below-ground Grade 3 leaks every thirty (30) days.*
- Completing leak repairs for Grade 2 leaks within six months, or sooner.
 - *We are continuing to repair all Grade 2 leaks within six months, significantly sooner than federal or state regulatory requirements.*
- Completing leak repairs for Grade 3 leaks within one-year, or sooner.
 - *We are continuing to repair all below-ground Grade 3 leaks within six months, significantly sooner than federal or state regulatory requirements.*

- Implemented increased leak survey frequencies for areas across Mississippi. We will continue to evaluate additional areas to increase leak survey frequencies and implement those accordingly.
 - *We purchased and deployed an additional Advanced Mobile Leak Detection (AMLD) unit in April 2024.*

In addition to our robust training and refresher training efforts, we are enhancing our training across all of our operating divisions through the following actions:

- Leak Survey Refresher Training for Atmos Energy’s leak survey technicians performing surveys as well as Compliance Supervisors. This training is currently being delivered to Atmos Energy’s leak survey technicians through multi-day, in-person sessions at our Charles K. Vaughan training facility in Dallas. We anticipate this training will be substantially complete by July 2024.
 - *The enterprise-wide Leak Survey Refresher Training is complete and has been delivered to 209 Atmos Energy employees.*
- Leak Survey Refresher Training for third-party contractors performing surveys. The refresher training for the third-party contractors will be scheduled for later in 2024.
 - *The enterprise-wide Leak Survey Refresher Training is complete and has been delivered to 190 contractor employees.*
- Leak Classification and Emergency Response Training for employees holding the M15 “Leak Classification” operator qualification as well as Operations Supervisors. This training will be delivered in all divisions through a multi-day, in-person sessions. We anticipate this training will be substantially complete in the fall of 2024.
 - *The enterprise-wide Leak Classification and Emergency Response Training is substantially complete and has been delivered to 1,059 Atmos Energy employees. We anticipate the remaining 128 employees will receive their training by October 31, 2024.*
- In total, over 1,500 Atmos Energy employees will receive this refresher training.

We are enhancing our distribution integrity management program through the following actions:

- Refreshing the data sets used by our geologic risk factor (or Earth Factor) which accounts for and quantifies certain static risks for potential differential movement, including expansive soils and soil hydrology.
 - *The Earth Factor refresh is complete and these data sets have been updated.*
 - *We are also in the process of implementing a dynamic soil stability alert system for all of Mississippi, similar to the one currently being used in our Mid-Tex division and described in our response to Safety Recommendation P21-012 in connection with the events in Northwest Dallas in 2018 (PLD18FR002). This system considers changes in soil moisture relative to the underlying soil type and provides a notice of areas where rain or other weather conditions could be causing soils to shrink or swell and increase the potential for*

pipe stress and susceptibility leakage. The soil stability alert system uses soil moisture data that is updated daily in order to capture the impact of current weather events. Upon receiving a notification, we perform a review of our assets in the area identified including the high relative risk areas identified by DIMP. Based on this review, we deploy a leak survey team to assess the area. Post survey, we expedite all below grade leaks found and evaluate leak cause for any accelerated action necessary.

- Continuing to review and refine the new enterprise-wide DRAM model.
 - *We are conducting a detailed review of all risk factors in the DRAM model – including attributes, source data, weightings and how threats interact. Based on the review, we will consider potential enhancements for continuous improvement.*

We enhanced our public outreach efforts in Jackson through the following actions:

- A public briefing before the Mississippi Public Service Commission on February 6;
- A town hall with Mayor Lumumba and Councilman Grizzell on February 6;
- Councilman Hartley’s radio program on February 7;
- A town hall with Councilman Stokes and Commissioner Stamps on February 8;
- A townhall with Councilman Banks on February 8;
- A townhall with Councilman Grizzell on February 13;
- A townhall with State Representative Summers on March 11; and
- A townhall with Representative Thompson, the NTSB, PHMSA, and the Mississippi Public Service Commission on April 24.
- *We have continued to reach out and meet with elected officials and/or their staffs, as well as members of the community, including:*
 - *Congressman Michael Guest of the 3rd Congressional District on May 2, 2024;*
 - *Senators Ron Wicker and Cindy Hyde-Smith on May 3, 2024;*
 - *Pastors of the Andreson United Methodist Church on July 25, 2024;*
 - *Scheduled additional meetings with Congressman Bennie Thompson of the 2nd Congressional District (two meetings scheduled in Jackson and Bolton the morning of September 19, 2024); and*
 - *Scheduled a meeting with the Association of South Jackson Neighborhoods (scheduled for the evening of September 19, 2024).*

We are enhancing our first responder training:

- In addition to the natural gas safety training that is delivered to first responders throughout Mississippi annually through our partnership with Paradigm, we provided additional training to the Jackson Fire Department in February 2024.
- We met with Assistant Police Chief Grizzell and several lieutenants and deputies to discuss

coordination between Atmos Energy and Jackson Police Department. Topics discussed included 911 calls related to gas emergencies and future training opportunities. Atmos Energy also provided Jackson PD with a dedicated first responder phone number to allow for quicker interaction between the two organizations. We plan to provide additional training with the Jackson PD based on their availability during the summer of 2024.

- *Atmos Energy held six (6) natural gas safety workshops for over 112 members of the Jackson Police Department, Fire Department, and 911 Dispatch as follows:*
 - *Monday June 17, 2024 – 911 Dispatch*
 - *Tuesday June 18, 2024 – Jackson Fire Department*
 - *Thursday June 20, 2024 – Jackson Police Department*
- *The related training materials have been provided to the NTSB.*

We are enhancing our damage prevention program in Mississippi through the following actions:

- We are implementing a risk-based line locate ticket management pilot project to enhance our damage prevention stakeholder engagement efforts.
 - *Atmos Energy engaged a third-party consultant to begin implementing a predictive risk analytics program that identifies line locate tickets that may pose a higher risk of damage. When a qualifying locate ticket is identified, our employees can take a variety of actions, including on-site standby, patrolling, excavator education, and one-call enforcement. This program is being rolled out to the Mississippi division in 2024/2025.*
- We added a Damage Prevention Manager to the Mississippi Division in March 2024. This leadership role will continue to enhance our focus on damage prevention efforts with line locates, excavators, and public awareness.

Additional New Continuous Improvement Safety Initiatives

We accelerated our system modernization in the Greater Jackson area:

- *As of September 18, 2024, we have replaced approximately 21 miles of main and replaced or retired approximately 2,600 services in the Greater Jackson area.*

We are advancing our Pipeline Safety Management System (PSMS) maturity:

- *We have engaged a leading third-party consultant to conduct an independent review of our PSMS program and based on the results of review an action plan will be developed to further advance its maturity. We anticipate the bulk of this work taking place during 2025.*

We have conducted an in-depth safety culture survey:

- *A third-party assisted us in developing and conducting a safety culture survey this summer (2024). 93% of our over 5,000 employees responded.*

- *The results are being finalized and a summary will be shared with both PHMSA and the NTSB when available.*

We appreciate the opportunity to provide this update to the NTSB and look forward to further discussing these issues if you have questions or would like additional information.