

**From:** [Ries, Jennifer](#)  
**To:** [Sara Lyons](#)  
**Subject:** Re: Atmos Energy - Follow up conversation  
**Date:** Friday, July 5, 2024 10:37:57 AM  
**Attachments:** [image.png](#)

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Sara,

I need to make a correction to our statement below on the DIM audit. We had a DIM audit with the Texas RRC in May 2023; however, the audit that PHMSA participated in was held in April 2022.

Thanks,  
Jennifer

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**From:** Ries, Jennifer [REDACTED]  
**Sent:** Wednesday, July 3, 2024 2:59 PM  
**To:** Sara Lyons [REDACTED]  
**Subject:** Atmos Energy - Follow up conversation

Sara,

This follows our conversations over the last few days with additional information on Atmos Energy's reporting of events and the discussion around our distribution integrity management program.

You mentioned two specific events: Carrollton, Texas on January 20, 2024 and Jackson, Mississippi on February 15, 2024. For Carrollton, Texas, we submitted the NRC report on 1/20/2024 with the information we knew at the time, which was an occupant of the home was taken to the hospital with unknown injuries. When we filed the 30-day report, we had no new information regarding the condition of the occupant. When we were made aware of the fatality, we supplemented the report on 4/1/2024.

For the February 15, 2024 house fire in Jackson, we promptly notified the Mississippi PSC and Rickey Cotten responded. In consultation with the PSC, it was determined not to be reportable. As I shared with you, Atmos Energy routinely completes event reviews regardless of the reportability of the event. In this instance, we completed an internal review to understand the root cause and determine any continuous improvement that may be made.

I also shared with you that we have notified and/or reported events during the investigation process in determining jurisdiction and reportability. In two recent events, Merigold, Mississippi on April 11, 2024 and Copperas Cove, Texas on May 24, 2024, I promptly notified

PHMSA and NTSB of the events in real time and provided updates on investigation activities. Both of these events were non-jurisdictional and were determined to be not reportable. In addition, we promptly reported a January 8, 2024, event at the Sandman Hotel in Fort Worth, Texas. As you are aware, that event was later determined to be non-jurisdictional, and the initial report was retracted. Atmos Energy is committed to continuing to notify state and federal officials at the earliest practicable moment following discovery of an incident in accordance with state and or federal requirements.

With regard to our distribution integrity management program, during our in-person meeting in May our local SME personnel and our enterprise DIM personnel presented our overall DIM plan, the data that is consumed in the DRAM model, the risk factors in the model, how those factors are used to calculate the risk score for the 2k grids, how we use the output of the model for post processing, and how our SME provide input into the process. During the meeting additional information was requested and we made an additional SME available for questions and further demonstrations. The graphic below reflects how the DRAM model fits into the overall risk ranking process and may be helpful:



We also mentioned that during a May 2023 DIM audit with PHMSA and the Texas RRC, PHMSA provided recommendations that Atmos Energy should look at larger groupings of segments to analyze and rank risk instead of individual segments. This informed our approach of the 2k grid and cost center assessment used in our current DIM Program that we presented to you.

In our recent conversation, you mentioned reviewing information provided by DNV for further understanding of how the DRAM model works. We understand that you may continue to have questions about how Atmos Energy uses the model as a tool within our DIM program and comprehensive risk ranking process and, as I shared, we will continue to provide the resources needed to fully cooperate with the investigation and data gathering.

Please let me know if you have any further questions.

Thank you,

Jennifer

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