National Transportation Safety Board
Washington, D.C. 20594

Name: Jeffrey Knights

Department Atmos Energy / Mid-Tex Technical Services

Title: Vice President of Technical Services

Date of Interview: April 25, 2018

I have reviewed my transcript(s) from the above referenced accident and:

- ☐ I have no comments to make.
- ☐ My comments are submitted herewith.
- ☒ My comments are marked on the attached copy.

[redacted]

UNITED STATES OF AMERICA

NATIONAL TRANSPORTATION SAFETY BOARD

* *

Investigation of: *
*
NATURAL GAS-FUELED EXPLOSION OF *
RESIDENCE, DALLAS, TEXAS * Accident No.: PLD18FR002
FEBRUARY 23, 2018 *
*
* *

Interview of: JEFFREY KNIGHTS

Marriot Court Yard Hotel
Plano, Texas

Wednesday,
April 25, 2018

APPEARANCES:

ROGER EVANS, Investigator in Charge
National Transportation Safety Board

JIM COLLINS, Regional Manager
Railroad Commission of Texas

JOHN McDILL, Vice President of Pipeline Safety
Atmos Energy

CHRIS McLAREN, Distribution Integrity Management
Program Coordinator
Pipeline and Hazardous Materials Safety Administration
(PHMSA)

THOMAS TOBIN, Attorney
Wilson Elser
(On behalf of Mr. Knights)

I N D E X

I N T E R V I E W

(2:26 p.m.)

MR. EVANS: On the record with Mr. Jeffrey Knights.

Good afternoon. Today is April 25th. It is now 2:26 p.m. My name is Roger Evans. I'm with the National Transportation Safety Board. I'm a senior pipeline investigator with the pipeline accident investigation group out of Washington, D.C. For this accident I'm the investigator in charge.

We are at the Marriot Courtyard Hotel in Plano, Texas. This interview is being conducted as part of the investigation into the fatality home explosion that occurred on February 23rd, 2018 in a West Dallas suburb situated north of Love Field.

The NTSB Case Number for this accident is PLD18FR002. The purpose of the investigation is to increase safety, not to assign fault, blame or liability.

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. Jeffrey Knights, please provide the spelling of your name, the company you work for and your job title?

MR. KNIGHTS: Jeffrey Knights, K-N-I-G-H-T-S. I'm the vice president of technical services for Atmos Energy Corporation.

MR. EVANS: Okay. You are permitted to have one person present during the interview. This is a person of your choice --

a supervisor, friend, family member or nobody at all. Please state for the record who you have selected.

MR. KNIGHTS: Tom, Thomas Tobin.

MR. EVANS: Okay. And, Mr. Tobin, can you please provide the spelling of your name and your affiliation?

MR. TOBIN: My name is Tom Tobin, T-O-B-I-N. I'm an attorney with the Wilson Elser law firm in New York.

MR. EVANS: Okay. Now I'd like to go around the room and have each person state their name, spelling, title, and the agency or organization they represent.

MR. COLLINS: Jim Collins, J-I-M, C-O-L-L-I-N-S, regional manager for the Railroad Commission of Texas, Dallas-Fort Worth.

MR. McDILL: John M-C-D-I-L-L, vice president of pipeline safety for Atmos Energy, Dallas, Texas.

MR. McLAREN: Chris McLaren, C-H-R-I-S, M-C-L-A-R-E-N, PHMSA DIMP coordinator, Houston, Texas.

MR. EVANS: Okay. Thank you.

Well, thank you there, Jeff, for agreeing to speak with us today. Before we begin --

MR. ~~McLAREN~~ KNIGHTS: Can I just do a clarification? On my title it's Vice President of Technical Services, Atmos Energy Corporation, Mid-Tex Division. So I just wanted to get that Mid-Tex in there.

MR. EVANS: Okay.

MR. ~~McLAREN~~ KNIGHTS: Sorry about that.

MR. EVANS: Oh, no problem.

INTERVIEW OF JEFFREY KNIGHTS

BY MR. EVANS:

Q. Yeah. Before we begin, can you give us your education and all that, education --

A. Yes. I've got a bachelor's of science degree from the University of Maine in surveying engineering and I've got a master's of business administration from Southern Methodist University.

Q. Okay. And how long have you been at the firm?

A. Been with Atmos Energy since they acquired the assets in 2004.

Q. Okay. And can you go through your career, positions you've held since 2004 in the Atmos company?

A. Yes. When I came from the Lone Star Gas ~~Assets~~ acquisition, I was a project manager, senior project manager. And shortly after 2004, I became a director of engineering. I was in that for about 3 years, moved over to vice president of operations, was in that position for 4 years, and been in my current role as vice president of technical services for the last 6 years.

Q. Okay. And I have a small org chart that was provided to me. And you said last 6 years?

A. Yes.

Q. Okay.

A. And I'm also a professional engineer for the state of Texas.

Q. Okay, good. So I'd like to kind of learn a little bit about your -- the group you manage. And I see you have seven direct reports?
A. Yes. Yes, that's correct.
Q. Yeah. And we've talked to Marlo and Tammy.
A. Yes.
Q. So we know what they do. So perhaps you can go down the -- you know, give us a brief description of your -- of what you do in your position and then go down through -- we know what Tammy and Marlo does, so give us an idea of what the rest of you do starting with, you know, Travis, and just kind of a thumbnail sketch of what your position entails?
A. Okay, yes. Overall, my technical services organization is really an operation support organization, so we support the folks in the field, the operational side of our business. We support them with the engineering, compliance, environmental, the right-of-way, construction management, safety; really everything there is outside of the meter reading service and some of our in-house construction side. So we're -- we support both our Mid-Tex Division, which is primarily our distribution side of the business, and we also support our pipeline -- Atmos ~~pipeline~~ Pipeline Texas Division.

So, like I said -- you heard from Marlo and Tammy. The other direct reports that I have -- I've got four other directors. One is ~~Mark~~ Marc Rothbauer, who's over my engineering group, so he does --

he oversees all of the design and project management of all of our capital work and some of our ~~own M~~ O&M work.

Then I've got Troy Paige. Troy is over my measurement engineering group, so he does all the monitoring of measurement equipment and he also has our safety department. And they monitor, again, like I said, all the measurement pieces of -- the ins and outs of our gas, gas flows.

Then I've got Brad Johnson. Brad Johnson is over my pipeline integrity management, so his -- he does all of the ILI runs, inline inspection runs. He does all -- he manages the entire pipeline integrity management program for all the digs, all the maintenance pigging, all of those activities for us.

Q. And can I interrupt you just for a second?

A. Sure.

Q. When you say the word pipeline, you're meaning transmission or distribution or both?

A. It's all transmission facilities, so anything over 20 percent that's SMYS, or upstream of a city gate, town border station. So anything that falls under that pipeline integrity.

Q. Okay. So we've covered Brad.

A. Yeah. And I think my last one is Travis Cooper, who has -- that chart is actually inaccurate now. A week ago he was just promoted to our operations VP level, and now Buddy Powell is in his role. It's P-O-W-E-L-L.

And Buddy Powell, used to be Travis Cooper, they manage our

right-of-way department, our environmental department, as well as construction management. So they source all of our construction activities, oversee the -- all the installation of third-party construction work. So --

Q. So Travis has a different reporting arm? He's not reporting to you anymore?

A. Correct.

Q. Okay, yeah. Okay. Now how do you interface with Tammy and -- what is your -- I know -- we know what those two women do as far as their jobs are concerned. So how do you interface with those two positions?

I know they have -- you know, we know that Tammy is the person who acts on the analysis side and Marlo is more of the collections side of the data. Are you -- you know, do you approve their work or is it -- is there an approval cycle that you manage those people or kind of how is that relationship?

A. Yeah. It depends on the activity that they're doing, but I have oversight responsibility. I work with them on a daily basis. I'm in constant contact with them on different aspects.

For instance, with Tammy, we are constantly looking at our capital projects, our budgets, our risk. We're continuously looking at and working together on strategy, setting out strategy, setting direction and then reviewing execution of those -- of that strategy in that execution of the work. So --

On specific projects and specific questions, if there's

approval required or something, like if they're having to approve a project, depending on the authorization levels required, it may come up to me for official approval. But it just depends on the individual project or individual oversight necessary.

Q. So, as an example, Tammy, who was just in here, she was talking about projects, right? And how there's a lot of latitude, if it was safety related, that the money can usually be had. Well, not usually -- she said that if it's safety related you can get the money.

A. Yes.

Q. And that's a fact. That's what she told us.

Now are you part of that approval cycle or does it -- it depends on a number, like if it's over X millions of dollars or --

A. Yeah, it depends on the project. I agree with Tammy. If it's safety related, we're going to fund the project.

But the way we're structured is our field folks have a certain authorization level. They can do certain projects without just -- if they see something in the field that needs to be done, if it's a leak repair, if it's a small pipe replacement project, they have the authorization, and we've provided funding throughout the year for them to make those immediate decisions in the field to take care of something they see in the field.

They -- and then if it's more of a planned project, then that would come up through Tammy's group. And I work with her throughout the year in every -- continuously through the month on

our allocation of funds within that budget, as well as sometimes what projects are released. She does a lot of that herself and able to fund projects; her team has that authorization to fund certain projects. If it's more of a program type of a project, we'll usually talk about it. Like the cast iron work that we do, we'll talk about that to say, yes, we're going to make a decision to do X number of miles of pipe in a year or something. Those larger decisions we'll talk through and, I guess, approve those, for lack of a better word --

Q. Right.

A. -- from a concept perspective.

Q. And then do you have to take -- your budget approval process, does it have to go above you to this person, like Mr. John Paris?

A. Again, it depends on -- we are given a budget from -- at the beginning of a year to manage and that's our responsibility to manage to a budget; however, if there's something unusual that happens throughout the year or there's something that we can't fit within the budget then, yes, we go above to John and John would go to our corporate side to get additional funding for that.

Q. Okay.

A. Which is actually what happened in the work that we've done with the Northwest Dallas so --

Q. Right. So when the decision -- were you part of the decision by the way with regard to the movement of folks and stipends and were you part of that process or no?

A. Which part of the --
Q. I mean, when they curtailed the 2,800 homes and then the 300 homes within that 2,800 homes, there was two curtailments. They paid, you know, a living allowance and all that for -- were you part of the process to -- well, what was your role in all that?
A. Yeah, yeah. I was involved in the -- in gathering the data to -- in that decision making of what to take down. How large of an area to have that ~~land~~ planned outage for.

And then I was not involved in the payment of the customers in that aspect, it was more on the technical side of what some of the information that led up to those decisions and how large of an area to take that outage on.
Q. So we would like you to go through the whole -- you know, who was in the room, names of people that were in the room, what were the decisions based on to curtail -- could you kind of go through that whole process?
A. When you say curtail you're talking taking the planned outage?
Q. Yes.
A. Okay. Well, really it started that first -- that Friday morning, the 23rd for at least my involvement in that effort. We got word of -- from our field operations of the, of the explosion and we started getting feedback on what happened and what the -- what they were finding out there in the area from the leak survey.

We continued to monitor that through the day as they

continued to expand that area. While we were kind of monitoring that we were kind of looking at the overall pipe that was in that area, what was -- what material it was, looking at different aspects of the facility itself.

As we continued to survey and continued to expand that survey and getting those results in, I don't remember exactly who was in the room. I know I was in the room and John Paris was in the room and we basically on -- that was still on Friday and the -- at some point during Friday we -- when we started seeing the leaks and the number of leaks that was going on and when we went through an area and then went back over the same area, we would find new leaks, different leaks, and so it was something we hadn't seen before.

And so out of, out of caution because we didn't know the -- what caused the explosion, we were seeing these other leaks, so we went ahead and based upon the material types, and we looked at the pipe that was installed at the same time period or under the same what we call expenditure requisition, we chose to isolate that section, which was the 300, about a nine block area.

And we isolated that nine block area and evacuated those, those customers. So that was through -- I guess, that was through Friday. I don't remember exactly the timeline, Friday, Saturday morning and then --

And, again, we continued the survey, expanding our survey beyond that area and continued to see the leakage in a very kind of concentrated area around that Marsh Lane divider.

And, again, there was, there was a lot of discussion with a lot of different folks and I don't remember who was in the room and who was there. It was, it was a lot of stuff going on during and we were working 24 hours a day trying to figure out what was going on, getting feedback from Jeff Martinez, who was in the field feeding us that -- some of that information.

And, again, we were seeing similar things that we saw in the 300. We were seeing that -- new leaks popping up. I say popping up. They were -- basically you'd survey one time. We'd say get a crew out there and take care of that leak and you go back over that area again and there was new leaks.

So it was something that was unexplained. I've never seen it in my 25 years of working for the gas company and none of -- I know John has said he has never seen it before -- Paris.

So there was some time over the Saturday -- I believe it was Saturday or Sunday we just said there's something here that we can't explain and so we decided to get a soil expert because it was very wet. It was -- there was something going on that we couldn't explain.

So we hired the -- got the expert in there. I believe he came in on -- it was either Sunday or Monday morning. And, again, we started working through this. During all this time we continued to do a leak survey. We continued to expand that leak survey to -- and we basically got to a point where we were seeing more expected levels of what we, what we would see in a normal

survey area and when we went back over it we weren't seeing new leaks.

So we stopped expanding our survey, at that point, and started coming back in and, again, feeding all this information to Dr. Bryant, which was the soil expert that was hired.

And then on -- it was Tuesday evening. I had actually gone home on -- I got home about 4:00 and finally got to bed about 9:00 and John Paris called me back in on that Tuesday evening because we had found another ~~great one~~ Grade 1 -- [a leak that we -- out there onsite that was in.?]

So, at that point, he called me back into the office and it was myself, Kevin ~~Acres~~ Akers, David Park and John Paris, and the four of us spent basically all night reviewing things and going through the -- all the leak history looking at an isolation area -- what would be what we could isolate in a larger area, should we isolate.

And, again, at that point, sometime during that evening there was a, there was a recommendation made or at least we thought we needed to do that and then David Park and John Paris took that information. I'm trying to remember is it -- that might have all been Monday night because it was March 1st.

March 1st was a Wednesday, I believe, so that would have been the 28th is when we -- the evening of the 27th, 28th is when we had all this discussion and then the -- morning of the 28th is when we, we had Dr. Bryant in there and there were several folks

in the room, at that point, in a conference room over in Kevin Akers' ~~Acres'~~ office, and that's when we finalized the decision to go ahead and take the -- out of abundance of caution, out of just something we've never seen before, it was the safe thing to do, it was the right thing to do to isolate that system and take that outage of the 2,800.

Q. Okay. So when you say that neither you nor John had -- in all your career had seen anything like this -- was it the number of leaks in the area then and the fact that you, I mean, checked the area once and it's not leaking and so you go back and it's leaking, that type of thing is what you're talking about, right?

A. Yeah. It was a combination of the -- it was really the performance of the system. So, I mean, the way that we judge the performance of the system is when you do a leak survey you just -- that number of leaks concentrated in that small block when you had somewhat normal distribution of leakage outside of the block, there was just a large number.

And then, as you said the going over it once and then that next day you go over it again and you find new leaks, and then you get those repaired and go over it again and there's new leaks.

So it was just, it was just something that, again, we've never seen, never experienced.

Q. Okay. What is Jeff Martinez' position?

A. He just got a promotion to customer service director.

MR. TOBIN: Vice-president.

MR. KNIGHTS: Vice-president of customer service. Vice-president of customer service.

MR. EVANS: Okay.

MR. KNIGHTS: He was the vice president of operations over the Dallas area prior to this, this event.

BY MR. EVANS:

Q. So when you started seeing all these leaks in this area and an unusual amount of things happening and all that, did you go back to your data at all, like your ~~Opti~~ Optimain system? Did you look at that or did you look at any of your GIS data or leak history data on the screen or did you have any of the techies like Andrew, you know, come in and say, hey, look at this and can you pull the data for this and let us see what kind of numbers we've had?

A. Yeah. During those last three -- I mean, during those three or four days that was, that was constant getting in additional information from my team, from -- we looked at -- we were getting leak data coming in.

We looked at historical leak data. We looked at the -- every -- we were getting new leak data coming in from the field operations and getting them loaded onto our -- onto the GIS system so we could see where they were, plotted them, and we were looking at trends.

Getting, we were getting in ~~a 10, 3 and 8~~ [leak data] | at 10:00, 3:00, and 8:00, so I mean, we were getting them multiple times a day -- new maps, generated maps just for those -- that particular timeframe. So we were, we were

looking at that particular data.

We were looking. I looked at what the, what the pipe types were. We had to pull that data as far as all the material types, the different size. We looked at -- back at the -- any Optimain segments that were relative high risk. We looked at that.

So, yes, we looked at a lot of different data during that two week or two day period.

Q. Okay. So when you say you looked at the ~~date~~ data, I mean, I guess, you talked to the data but the data didn't talk back? You didn't have anything from that data that was saying that was indicative of what you were seeing in real life?

A. Correct. Yeah. The only --

Q. True statement?

A. Yes. That is a true statement, nothing, nothing. Historically there was nothing in the data that pointed us to this particular area was anything different or anything unusual that was driving, driving these results, so it was more of the current data that we were receiving in from our leak surveys that were driving our immediate decisions and decisions that we were making.

In addition, we were -- at the same time, got the Dr. Bryant information and I remember one day, one morning when he -- one of the first meetings he had he pulled out a map of this particular area and he showed some -- a zone on the map and it was exactly where we were looking at and that was -- it was kind of an a-ha moment type that while there maybe is something here that's

causing or contributing to this in this one area.
Q. Okay. So when you saw the information that Dr. Bryant had and you looked at that -- looked at the area where the leaks were occurring, I mean, was it a matter of showing -- I mean, if this is -- let's just say that this is the area on the map, right, where the leaks are occurring and this piece of cardboard happens to be where the soil uniqueness was, right?

Is it a matter of this lays over the top of this with a large area around it or is it smaller than this where the area of the soil, unique soil?
A. Yeah. The unique soil was in, in the vicinity of it and which is kind of in towards the middle of that area that we took the outage on.

When we, when we made the decision to take the limits of our outage we went ahead and used that -- his information and his data and we took -- I'll use an engineering term -- a safety buffer or safety area --
Q. Right.
A. -- that we basically went out a little bit further than that to ensure that we took that additional safety buffer beyond what was showing up on any of the maps and even our leak data demonstrated, so we went a little bit beyond that, which is why we went over to Lakemont Drive in (indiscernible).
Q. Okay. So this is a true statement, I hope, so I can paraphrase it. So when you saw the area of the soil, it fit well

within the 2,800 home region with room to spare, the mini soil area?
A. It fit well. It's not a perfect match and it was a combination of both the soil and what we were experiencing with our leakage information.
Q. Okay.
A. So it wasn't just based upon the soil so --
Q. Okay. But the soil -- unique soil area did fit within that 2,800?
A. In my high level understanding of soil -- I'm not a soil expert and --
Q. Right.
A. -- I'm not -- that's not my --
Q. No.
A. -- that's why we had Dr. Bryant there that helped us.
Q. I'm not going to take that as fact (indiscernible).
A. Yeah.
Q. So the soil --
A. The soil, it was -- in generally it was in that area and the type of soil that he was identifying is -- and, again, it wasn't just the soil that he -- that was my initial look. It was the soil that then he looked at other factors as part of his analysis and his expertise on that.
Q. Yeah. So one of the things that we all found -- I guess, everyone that's seen Mr. Bryant's resume, which is part of that

report, was that you had such a renowned expert that was who you contacted.

And we were just curious, was he a known commodity before you, before you even -- like when someone said, we need to get a soils guy, did his name Bryant pop into your head because you'd done work with him in the past?

A. I personally have not worked with him in the past. I know our company has and that's so --

Q. Okay. So he had done other company work?

A. So he had done, he had done work for us in the past.

Q. Okay. Thank you. Okay.

A. But I personally had not worked with him.

Q. Okay. And let's go ahead and characterize this issue just so we get it well recorded. The fact that you saw this phenomenon going on, this anomaly of sorts in this area never saw it before in your 20 some years of experience have seen anything like this.

How about any of the -- were there any other members of Atmos that were associated with this work, had they made comments with, you know, well, I've seen this before. He asked me to -- we experienced this and this or were they of the same variety, I haven't seen this before either?

A. Yeah. Yeah. Everyone that I've talked to from the field operations side that, I mean, a lot of them have been around a long time and from all across, across our Texas area, our service area, none of them -- all of them said, never seen this level of

leaks and I don't understand.

I know we did a quality survey, I know we have good equipment. I don't understand how we're going back over these leaks and it's -- and we're finding new leaks. It's just unexplainable. Don't understand it and never seen it before so --

Q. Okay.

A. That was a constant theme that we heard from multiple people, yeah.

Q. So I don't think, I don't think anyone's mentioned this or I've been dying to ask this question and you're the guy I know that I can ask it to.

A. Uh-oh.

Q. So, you know, you say that you have this anomaly of sorts, right? So what was leaking, was it fittings, was it threaded fittings, was it service connections, was it service risers, was it meters? What was leaking? Where were the leaks occurring?

A. From the data that I've reviewed the leaks were occurring on both mains and services. They were leaking at the -- some of them were leaking at the couplings.

The mains, both the mains have couplings as well as the services have couplings and then they were also -- we also found some at the taps and I don't know exactly where on the tap they were but they were leaking at the taps.

Q. Right.

A. So those are the, those are the ones that I remember seeing,

again, with main services and really at the couplings.
Q. So we know that in the alleyway that we had two inch steel, right, where the fatality occurred?
A. Yes, there's two inch steel going down that alley.
Q. Yeah. And we know that we had what appears to be third party damage on the -- from a plumber who did some sort of work with -- we think it was from a plumber. We'll never know that but I mean --
A. I'm not aware of that.
Q. Oh.
A. I haven't been involved in that side.
Q. Okay. Well, anyway, that is a fact. That's a fact.
A. Okay.
Q. We can show you pictures that shows the coating on the pipe has been kind of knocked off.
A. I did see the report and I read the report.
Q. Okay.
A. So that's about as -- that's all the facts that I'm aware of.
Q. Okay, okay. But when you say the mains were leaking and the other balance of the homes in that region in a curtailed area, right, what were the main -- do you know what the material of the mains were in that area?
A. It was all steel, the same, the coated steel.
Q. Coated steel?
A. Uh-huh.

Q. Okay. So all those leaks were occurring from coated steel?
A. When I -- the majority of that area was coated steel. I don't know. Every leak I can't confirm --
Q. Okay.
A. -- every leak was on coated steel but that --
Q. But the fact the mains were coated steel --
A. -- that overall system generally is the same material, same vintage --
Q. Okay.
A. -- of a coated steel nature.
Q. Okay. So since you had this issue, what type of work did you do -- I mean did you start thinking to yourself that perhaps we have this around the whole city of Dallas?
A. Yeah. That definitely has crossed our minds and we said, yes, let's -- how big is this issue and how big of an area? Do we need to shut the whole system of Dallas down? Do we need to shut this -- I mean, that was part of our process that we went through as we, as we determined the boundaries of our -- of the 2,800 outage area.

So, and again, we did our leak survey beyond that outage area and started confirming that. But then, at the same time, we asked Dr. Bryant as he gathered more and more data, okay, you're saying that this is an isolated situation based upon these factors, is there any other areas that we need to be concerned about that have these similar factors.

And he came back with three additional locations that didn't have all the factors but it had some of the factors that he recommended that we take a look at. And so we immediately sent some survey crews to an area up around [REDACTED], [redacted]

[redacted]

MR. TOBIN: Before you go on.

MR. KNIGHTS: Okay.

MR. TOBIN: This testimony -- this is Tom Tobin. The testimony about where these other three areas are specifically within Dallas is extremely sensitive and I'm wondering if we could ask that this part of the testimony be closed, be subject to a protective order or an agreement that it will not be disclosed absent some public safety cause?

[redacted]

[REDACTED]

[redacted]

MR. EVANS: Off the record.

(Off the record.)

(On the record.)

MR. EVANS: Okay, back on the record with Jeffrey Knights.

(Instructions regarding redacting the location previously

mentioned.)

So we're going to go back to the interview.

BY MR. EVANS:

Q. Okay. So, Jeff, let's talk about there were three areas you spoke about that -- where it is believed there are similar characteristics to the area where the incident occurred?

A. Yes.

Q. Okay. And the relative distance -- first off they're not contiguous, is that correct?

A. That's correct, they're not contiguous.

Q. Okay. And the other, and the other three areas do not join one another?

A. No, they do not.

Q. They're three separate areas?

A. Three separate areas.

Q. Okay. And what you know about these three areas thus far is that there are some common characteristics but not all the characteristics of the area where the accident occurred?

A. That's correct, that's per Dr. Bryant's work that we had with him. This was his recommendations of these three areas.

Q. Okay. Thank you. So this characteristic -- these characteristics that were in the soil per Dr. Bryant, did you put out any sort of a feeler to the other Atmos entities in your eight state region to find out if anyone had ever experienced this?

A. No, I did not put any feelers out. We did have one of our

Louisiana folks -- another tech service vice president that was in town helping us with this and he did not have any -- had not seen anything like this in his region, his division so --

MR. EVANS: Off the record.

(Off the record.)

(On the record.)

MR. EVANS: Okay, back on the record.

BY MR. EVANS:

Q. So once the -- you started doing all this -- I know you actually replaced the mains, correct? That was the mains and service lines or just the mains?

A. Mains and service lines in the 2,800 or back on the 2,800 --

Q. Yeah, right.

A. -- outage area? Yes, we replaced all the mains and services.

Q. Okay. So when you took the lines out and did you do any sort of leak testing to determine where there were -- I know you had a schedule that was -- you probably weren't looking at analyzing where leaks were occurring on all the mains, but did you do any sort of testing of lines as they came out to see if there were any common areas where there were failures?

A. No, we didn't. To my knowledge we did not do any testing. We did retain anything in that outage area. We retained the -- any pipe that we actually removed -- meters pipe, risers, we retained all of that and brought it down to our Dallas service center.

MR. EVANS: Off the record.
(Off the record.)
(On the record.)
MR. EVANS: Okay, back on the record.
BY MR. EVANS:
Q. So no testing was done of the piping that was removed to see where it was leaking but you did have indications of knowing some commonality where leaks were occurring? You said you kept the taps and you gave these descriptions -- you got those from the service guys, the service techs?
A. Well, any, any leaks that we repaired prior to taking the line out of service then --
Q. Okay. You knew where to schedule (indiscernible) --
A. -- we had those recorded on our leak reports and our leak repair --
Q. Okay.
A. -- and the cause and location of those, of those leaks were on those. But the rest of those the leaks were never uncovered and the pipe was never disturbed.
Q. Okay.
A. Because we took the, we took the whole system down.
Q. So a fair statement is to say that the point of leaks that you determined are the ones that were repaired because you made the repair and you found a leak and you repaired it, that's why you knew what was leaking?

A. Yes.
Q. Okay. You talked about expenditure. You used the word expenditure.
A. Uh-huh.
Q. Which peaked my interest. So are you saying that when you buy a lot of pipe, like a rail carload of pipe that you may get a heat number of consistencies across that heat? I mean, you might have problems with one heat number or something with where the lot of pipe came from, is that what you were talking about when you said expenditure?
A. No. What we, what we call an expenditure in -- back in the Lone Star days when we installed pipe, it was basically we called an expenditure requisition which means that all the charges for the material, the labor, the construction, anything to put that project in under that particular project.
Q. Umbrella, yeah.
A. That 3,000 feet of pipe was all done under that one expenditure requisition or -- and so that's what we're -- that's what I referred to as an expenditure requisition.
Q. Okay. So you weren't looking at commonality with the absolute era of the day that pipe was produced -- all that pipe was from this lot that had this -- you weren't looking at that kind of issue?
A. No, it was more looking at the common construction practice for -- it would have been the same -- typically the same crew. It

would have been similar construction practices or similar material types, that type of --

Q. Okay.

A. -- would have been common in that so --

Q. Okay. By the way, do you track that? If you -- do your records contain the -- I mean, have you had rejected pipe where you had to go back and say, let's go locate? Is that part of your database?

A. We track -- depending on the age of the pipe or the year, the newer stuff today, yes, we track every piece, every lot, every --

Q. Oh, attribute you have.

A. But prior to the code going into effect in `72 then that -- it's, it may or may not be -- may or may not have records of that so --

Q. Okay. So the decision and I want to make sure I have this correct, the decision to stop the pipe -- I mean, stop the flow of gas in the 2,800 home neighborhood was between yourself and John Paris?

A. No. The, that was -- there was a lot of information that we gathered that led up to that and there was a lot of other folks but --

Q. Oh, so there's --

A. The decision was -- I'd say it was more of a group decision but it was -- that was done in that, you know, in -- and Kevin ~~Acres~~ Akers was involved and -- I mean, there were several of us that

were in that room and after reviewing all the data and Dr. Bryant was in the room and we -- that was when we said, yes, we're going to shut this thing down, out of an abundance of caution.

And it's for the safety of this system, these residents; we're going to shut it down.

Q. Did you have any nay sayers?

A. I do not recall any nay sayers. It was, it was -- oh, we had, we had had the data and it was the right thing to do and it was -- we're a safety company. We, safety was our number one and this was what we had to do and we're going to worry about ~~anything~~ everything else after the fact.

Worry about the cost after the fact, worry about the impact to customers. That was -- the thing to do was shut the system down and we started that process and at the same time started the rest of the process about how to take care of the customers, working with the Dallas command centers and how to handle the media.

But the decision, there was no, there was no nay sayers. I mean, that I recall.

Q. No grey area, let's do it kind of thing?

A. I mean, it was, this is, this is what we had to do and this is what we needed to do to keep the area safe so --

Q. Okay. So --

A. And, I say, it wasn't an easy decision but it was -- it also -- it wasn't a hard decision at the same time, I mean.

Q. Okay.
A. Because it's taken 2,800 -- I mean, that large of an area out. Again, we've never -- in my career we've never done that and but --
Q. And just so you know, we did a search on the web and we can't find anyone in the history of man that has curtailed like 2,800 homes.
A. Yeah.
Q. We don't know that it's ever been done. So this is a very touchy subject, this next area and I want to know -- you know, there's a lot of skeptics out there, you know, people that are thinking, huh, soil, right.

And I know you were with the person who's the soil expert and he's telling you all these issues about soil and factors and all this, all this other, you know, critical information about what went on.

But we have the other, the other -- these other people in the world that were at the public meeting that day and the NTSB, by the way. I'm not one of them, by the way, but I'm not -- I don't, I don't think I see things this way but -- there's this, there's this topic out there, okay, if it's soil, you know, why didn't the sewers, why didn't the water, why didn't, why didn't, why didn't, right? Why do we not have foundations cracking? Why do we not have sink holes occurring and all these other options?

So when you found out this information about the soil did you

contact the water company and the sewer company to say, we've got a problem and you guys might have one too?

A. We did not contact them directly; however, they were well aware of the situation because we worked in conjunction with them on this project, so they were out there locating their sewer lines, they were out there locating their water lines.

They knew that we had this issue. We worked really close with the city of Dallas as a whole and they -- all parts of the utility company, their engineering departments, everybody was in that command center and so they were aware of what was going on.

But we, we did not, did not ask them specifically if they were -- had issues or not so -- and, again, I'm not a, I'm not a water; I don't know what their material types are.

Q. Right.

A. I don't know how they run. And they may have had leaks and they don't, they don't know it because they're not running natural gas --

Q. Right.

A. -- so they can't detect it. But so --

Q. Okay.

A. -- I'm not. I can't speculate there.

Q. So just for the record, a true statement would be you have no knowledge that -- yourself that there were any other utility leaks in the region? None of your people reported seeing water leaks or sewer main breaks or sinkholes from water or anything like that?

Did you hear of anything like that yourself?

A. The only thing that I heard -- a couple of days when I was at the command center the water guys -- I think it was the water, might have been the sewer -- the utility guys, they said, they said, we're out here repairing leaks too.

But I don't even remember who it was. It was -- I wasn't talking directly with them. That was -- they were talking to someone else so I don't know what that, what that means.

MR. EVANS: Off the record.

(Off the record.)

(On the record.)

MR. EVANS: Back on the record. That's all I have for now.

MR. McLAREN: Well, thank you, Roger.

BY MR. McLAREN:

Q. I'm Chris McLaren. Good afternoon, Jeff.

A. Good afternoon.

Q. Fascinating discussion as counsel had discussed about this theory. It's very interesting to understand the chronological nature of the events as they unfolded and I think, you know, this is all part of the investigation and gathering of information.

When you were doing these surveys to understand the issue and then resurveying, were they conducted by the Picarro ~~IDL~~ ILD and on foot or was there a hierarchy? How did you manage this and then also -- yeah, let's start with that question?

A. The beginning of the surveys was foot, foot patrol and then

at some point and I don't have that available right now, at some point we brought in our ~~innovatively~~ innovative leak detection equipment, which is the official -- is what we call -- it's, there's two brands that we use.

One is the Picarro unit and the other one is the ABB LGR unit. That's the two vendors that produce this technology. And so we used -- we have both of those types of units in our -- both in our division as well as across the company.

So at some point during the process we started bringing those units in so we could survey more area and with higher sensitivity with those units.

Q. All right. Do you have responsibility for the performance of the leak management at Atmos under you?

A. Marlo Sutton has the compliance which has the quality assurance or quality of the leak surveys and the compliance of when we perform the surveys and then she also has responsibility for taking the data from the ILD units.

ILD stands for innovative leak detection. ILD units and brings those back in to then feedback out to the operations to investigate the indications so --

Q. Who, who is in charge of the foot patrol and the ILD units from a management standpoint --

A. The --

Q. -- does that feed up to you?

A. No. The physical employees --

Q. Yes, sir.
A. -- that are doing those -- driving those vehicles and doing that foot patrol feeds up through our operations side. So in this -- at least at the beginning the surveyors would have gone up through Tommy Looney who's the compliance supervisor is who those immediate folks in Dallas would have reported to.
Q. Okay. So --
A. But over time we had a lot more people out there.
Q. So if you're going to run a leak survey, is it -- and you all are doing a lot beyond and above the call of duty. Call of the minimum requirements from a federal and state perspective, to meet your programs you've committed to as well as other initiatives, is it, is it normal to first run the ILD and then to come through with the foot patrol to quantify those spots?
A. Yes. The process for the ILD equipment is -- it's very similar. I don't know if you're familiar with the aerial patrol where you do an aerial leak survey but basically it's the same type of a process where you, you run the area, you -- it determines your indications and that basically allows your ground patrol or ground folks to come in and investigate that indication.

And it will either determine that it's a -- there's a gradable leak there or that it's some other source that there's not a gradable leak at that location.

So not all indications turn into gradable leaks but, yes, that's, the overall process for the ILD is you run it. Actually

you run it two nights and then you combine that data together and you get indications in that and then send surveyors out to do ground patrol of investigations of those indications.

Q. And for that ILD the products, either of them, when you're running them at night, when it's calm hopefully and everything's -- and the conditions are right to ~~beat~~ meet their minimum threshold for adequacy -- a lot of these gas mains or some percentage of them run through the street and some run through the alleys.

Would the ILD need to be run in the alley for -- just to identify leaks on a main in an alley or would they only be driving down the streets because the alleys are passible?

A. If, it depends the way the -- again, the way that the ILD is designed is you have a field of view and that field of view is a calculation and it's based upon wind direction and how your, how your unit is driving, what direction your unit's driving and it determines a field of view.

And as long as that alley is within that field of view, then you do not have to drive down that alley. And so if that alley is not in that field of view, again, that's part of the review process that Marlo's team does is they review that data and if that's outside of that field of view them we send -- either send the ILD back into that alley, if you can access that alley, but a lot of alleys can't be accessed.

So then you basically do foot patrol for those alleys so you get 100 percent coverage and that's part of Marlo's team's review

process is to ensure that all mains are covered, either by foot patrol or by the ILD field of view.

Q. Okay. And it sounds like here in the end I'm getting some warm feeling about this self-assessment requirement within the leak management portion of the DIMP regulation that there is a -- we've got the L, the E, the A, the K and the S coming from the GPTC that's referenced in the preamble of the DIMP rule and that there is some self-assessment or QA/QC to the results to ensure that your leak management program is effective, since you do not repair all leaks when found.

A. Yes. In addition to that, we also have a QA process that -- where we select -- randomly select certain leak surveys that are done the prior month and go back over those with a different leak technician and review that as well, so that's another QA piece of our, of our leak program.

Q. Okay. Thank you. And we were provided metrics basically --.

A. Yes.

Q. -- and they are the DIMP performance metrics from the DIMP rule that you all, that you all keep. And even I like the way it goes in including and excluding excavation damage because excavation damage certainly is the leading cause of serious and even one of your leading causes of all leaks --

A. Yes.

Q. -- even on surfaces. And so when we look at the report that was referenced that you have seen, that shows a sewer lateral on

top of a main with a circumferential crack and coated steel, you know, there's certain ideas there that might be formed to go along with the geological and hydrological soils modeling discussion.

And it certainly sounds like there was a lot of surveying and resurveying that led you to this incredibly large outage for safety based on that soils model and it sounds like there must be a very moving and telling story that we're hearing here of today.

So I haven't seen the data for the basis of this coming of this leakage surveying and resurveying and finding additional leakage as this flooding event or hydration expansion of soil event continued.

As you, as you, as you continue to with Dr. Bryant to then identify where, where are these factors continuing, did you, did you use the same strategy of running the ILD out into these areas of investigation and then did you find moving results?

A. Yes. We used both foot patrol and the ILD in these other areas that were identified and the two of the three areas we did not see anything that was, that was out of the ordinary that we wouldn't have expected to see.

In one of the areas we did see a little bit of increased activity but not to the alarming -- not to the same level that we saw up in the -- this Northwest Dallas area.

So we -- as part of our continuing surveillance or continuing safety process we continued to -- we repaired those leaks that we found and continued to accelerate the survey in those areas and

we're still surveying that area on an accelerated basis or more routine basis and doing some pipe replacements in that area as well so --

Q. So I think that by looking at this data you're integrating data and there's metrics and trends developing in your, in your brain about I'm going -- these are, these are the things that I'm seeing that are directing my action.

Are there any other performance metrics like this that you utilize in your day-to-day operations to ~~gage~~ gauge the integrity of the pipeline system that might, that might provide discrete data that you would use some more granular metrics, other dashboards, trends about system integrity, that you use in the management of the operation of the system?

A. Well, I think the -- from a reporting ~~prospector group~~ perspective, what we look at, I mean, the leaks is our primary one. We look at corrosion trends, corrosion reports. We look at the -- obviously the damage, damages and where those damages are occurring and we -- and then there's communication from the field that if they are seeing something or they're having -- they have some concerns that they would, they would reach out to us.

Or we routinely go -- my team routinely goes out to the field operations and sits down with them to have discussions about their knowledge and their -- what they're seeing, what they're experiencing in the field about their system that they operate every single day.

So there's that constant -- I wouldn't say constant but routine periodic discussions with our field operations with my team as part of that. And then in addition to that, the three OPS VP's that operate that area that are out there a lot talking to their folks, they office right next to us and we're constantly in communication with -- between myself and the operations side of the business.

Q. Okay. Sort of -- are there, are there any predictive analytics that Atmos uses regarding system integrity? Do you see that these sort of real time -- you mentioned some real time things -- I'm looking at damages at real time based on area? People are responsible for this area so in real time they're gathering data and providing feedback.

It seems like that Atmos has committed a lot in the past and is committed currently to gathering high quality data. Is there a path forward to try to utilize that in a more predictive way towards the system integrity?

A. We've had discussions about how to incorporate. Right now a lot of our data is segmented in different systems and we're -- we've purchased an ESRI system for our pipeline division and we've just implemented that to -- on the pipeline side.

And we're having discussions right now in experimenting with how to -- how we can take a lot of this data and be able to put it into a GIS -- true GIS system to be able to overlay on top so you can see a lot of these different risks together and help us make

some additional decisions, and with that would potentially be some predictive modeling on that activity.

I know we've been experimenting a little bit with predicting, predicting leaks based upon pipe types and locations and that type of activities so --

Q. Thank you. Regarding you mentioned past experience working with Dr. Bryant -- could you -- was that for several years ago during when we -- when Texas experienced a drought and there were some coupling failures on steel pipelines from unrestrained coupling failures?

A. I was not involved in those interactions with Dr. Bryant. I just know our company had some experience with him but our leadership team is the one that contacted Dr. Bryant and got him into this project.

MR. McLAREN: Okay. One moment, please. Okay. Thank you very much. That's all. Thanks Roger.

BY MR. COLLINS:

Q. Okay. Jim Collins, Railroad Commission of Texas. Just a few questions, Mr. Knights. Do you know the number of leaks that were repaired before the replacement project began or can we get that?

A. We can get -- we could get that but I don't, I don't -- so you're wanting -- just to clarify exactly what you want -- you're wanting prior to us taking the outage --

Q. Huh-huh, the big outage, the 2,800.

A. The larger outage, the larger outage from the time that we --

from the Friday point --
Q. Yes, sir.
A. -- to the point that we took the outage?
Q. I think we probably need to go about Thursday.
A. Thursday.
Q. The 22nd.
A. Okay.
Q. So there were leaks repaired on the 22nd.
A. Okay.
Q. I don't know exactly how many. I don't remember how many.
A. Okay.
Q. But I know there were leaks in the area repaired.
A. Okay.
Q. So starting on that date maybe going forward.
A. Okay.
Q. Just in that --
A. In that, the outage area --
Q. -- the outage area, the outage area so --
A. -- the outage area from that, that Thursday the 22nd --
Q. Thursday.
A. -- through the date of the outage, March 1st?
Q. Yes, sir. Yes, sir.
MR. TOBIN: Do you want leaks repaired or leaks identified?
MR. COLLINS: Leaks repaired.
MR. KNIGHTS: Leaks repaired, okay.

MR. COLLINS: Because, well, I can use that number versus the leaks identified to compare how many were actually investigated. I can use that data to compare, you know, what was left in the ground that was uninvestigated so far is what I'm trying to get as picture of.

MR. KNIGHTS: Okay.

MR. COLLINS: Okay.

BY MR. COLLINS:

Q. Referring to the ~~Carl~~ Picarro and the ABB ~~LDR~~ LGR units, the ILD innovative leak detection equipment, do you guys -- I mean, it's a great -- it sounds like a great technology to me. It sounds like it would be a great way to do a leak survey but has that been officially approved by either someone at the Railroad Commission or at PHMSA before you all started using it or during a develop process?

A. Yeah. During, during the -- as we were purchasing the units and we did some testing and I know another gas company in Texas is also -- is using it and is -- we had discussions with the commission. I don't remember if was ~~Carrie~~ Kari or with Stephanie but one of those we -- Marlo and I went down and shared with their -- the technology.

And the, the answer that we got when we asked, do we need to -- what do we need to do to be able to use this for compliance level surveys, the answer was that is an operator's -- that's just a tool and we don't get into directing you as an operator what

tool to use.

It's up to the operator to use the appropriate tools to perform that leak survey activity.

Q. Okay. Thank you.

A. Uh-huh.

Q. In reference to the three other areas and you -- I won't mention any names but you had said that there were potentially some replacements going on.

A. Yes.

Q. Do you know the size of the replacement as far as footages, mileages of pipe?

A. It's, it's -- I don't know the exact number of projects or the footages that we're, that we're working on right now.

MR. COLLINS: Okay. All right. That is all the questions I have.

MR. EVANS: Okay.

BY MR. McDILL:

Q. John McDill, Atmos Energy. Jeff, earlier today we've had kind of a number of discussions to help maybe better clarify or gain some understanding around data or information that may be available to the operations groups that you help support, particularly related to leaks repaired or, you know, on people's ability to query that on their mobile data terminals in this software called ~~Fluke~~ Field SmartView.

Do you have any knowledge around what may be available to

some of the people, either accessible through compliance management system CM+ or ~~Fluke~~ Field SmartView?

A. Yes, I do.

Q. Can you --

A. Describe it?

Q. Sure. Yeah, describe what, what you know.

A. Yeah. Within our compliance system we call CM+, there is an ability within that in the report section or through the leak edit function that you can, you can identify. You can get a leak history of all leaks on a map sheet and a map sheet is just a -- basically a rectangular boundary that we use for identifying leak surveys and helping us manage our work.

But you can actually put in that, that map sheet, that's a unique number and it will give you the entire leak history of all the leaks on that particular map sheet by -- it shows it by pipe type. It has the grade on it, it has some other -- if it was on a main or service and if it was repaired, unrepaired, all those types of things.

In addition, that's more of a tabular format. In FieldSmart, which is the field viewer of our, of our asset, the pipes and materials that we have that's accessible to all of our employees that have an MDT, there's a function in there that you can render leaks. It's called rendering leaks and you can actually render them by grade, by timeframe and that type of stuff and that will visually show you where those are at -- approximate location, you

know, within the FieldSmart viewer.

And also in CM+ not only can you narrow it down by map sheet but you can actually go into an edit mode and you can actually put in just the address or just the street and it will just show you the leaks on that street or if there was ever a leak at that address.

So there's multiple ways or functions that a field technician would be able to view, view leaks in an area.

Q. Okay. Thank you for clarification. If, maybe you can describe for us if as you guys go about planning work projects, laying out the strategy and utilizing data -- if a request came from the field that they needed to fund a project that was previously unknown, can you describe that process to us?

A. Yeah. The first thing is if it's, if it's a smaller type project, 250 feet or less, they can go do it without actually requesting it. They have the ability, as I mentioned earlier.

But if it's -- say it's a 2,000 foot project that would come into -- the operations would send it into our -- we have a mailbox setup for funding requests that's monitored everyday by two different people, so we turn those around -- that, that request would be reviewed by a planner to analyze the geographic area that's being requested.

They look at our Optimain scores, they look at any other leakage, they look at material type and they will recommend a -- maybe expanding the scope of the project to include more of that

pipe and then they would recommend the size that would go back to our funding person who would then send it back out to the operations location.

And then they would work back with my team, who's out in the field, my project specialists that are out in the field, and they would actually generate a project to send it out for approval.

And in some cases and some emergency type projects that all happens within about a 12 hour period but our ops folks, if it's an emergency where they have to do something for safety related, they will pick up the phone and call and say, hey, I need a project number and they're going to go do the work and we'll take care of the paperwork afterwards.

Q. So that will describe something greater than the 250?

A. Correct.

Q. So if they had a project that was 300 feet and it was deemed a safety risk, describe what you said again -- what you were talking about.

A. Yeah. If it's 300 feet and it's a safety risk then they would complete the project and then they would follow that process, send it in for a request and would generate the project after the fact and but the project is done. We take care of the safety issue immediately.

Q. So they do the work followed up by the paperwork --

A. Correct.

Q. -- while you're down?

MR. McDILL: Okay. Thank you.
MR. EVANS: Okay. ABB LGR, LGR stands for?
MR. KNIGHTS: Los --
MR. TOBIN: Los Gatos Research.
MR. EVANS: Okay.
MR. KNIGHTS: What he said.
MR. TOBIN: Los Gatos Research.
MR. KNIGHTS: What he said.
MR. EVANS: Oh, okay.
MR. KNIGHTS: I can never pronounce that so --
MR. TOBIN: I might not have pronounced it correctly.
MR. EVANS: Los Gatos, that's New Mexico.
MR. TOBIN: New Mexico, correct.
MR. McLAREN: That's not how they say it in Chicago.
MR. TOBIN: Yeah.
MR. KNIGHTS: That's not how they say it in Maine either.
MR. McLAREN: Yeah.
BY MR. EVANS:
Q. Okay. This is Roger Evans. With the 2,800 home area -- you know, previous to your concentrated survey, did you have odor complaints in that area?
A. I don't know. I'm not -- nope, that's not part of my, my role.
Q. Well, so you may have had but you don't know?
A. Yeah.

Q. Okay, okay, very good.
A. If there was odor complaints I would go to our dispatch area or if there was --
Q. What about leak reports -- were there -- did anyone call and say or would you get that if someone said, hey, I've got gas bubbling up on or in a puddle? You'd get that, right, you'd know about that?
A. Not necessarily I wouldn't know about it. I would -- it would -- that would, again, if someone calls our customer support or our emergency line that would be sent to our dispatch.

Our dispatch would dispatch a service technician that reports up through our operations side and the service technician would go out and investigate that and determine if, determine if there's a hazardous leak or if it just needs to be a gradable leak to schedule for later.

So and then I would not, I would not be involved in those day to day activities, excuse me.
Q. So the fact that, you know, water hitting the soil with all these factors, right, is an issue. So do you -- have you changed the way you do business when it rains and you look over that area? I mean, is it such that if it rained four inches in one day in the 2,800 home area that you could generate more problems?
A. We have -- we are -- we have looked at that to determine that that's something we want to incorporate into our future accelerated leak surveys and we're considering what those factors

might be for -- while we're deciding that in this particular area that if we are accelerating that survey we're doing that on a routine basis.

It's almost continuously we're kind of working that area. We've got folks out there kind of going over that area again and then they'll start it again and keep, keep surveying until we have -- we're not seeing any leaks that to occur so --

Q. Okay. So as of today with your surveys you've done, you've gone and repaired leaks because they're still -- I mean, I guess, not to say that you didn't grab all the leaks the first time. But I mean you still have leaks coming up in that soil area?

A. Not in that.

Q. Not in the main area?

A. I don't know, I don't know. I have not looked recently what the results of those -- that area but there shouldn't be any leaks in that outage area because now it's all, it's all plastic.

Q. Coupling?

A. Poly, poly pipe, so if there is leaks it's going to be most likely thread leaks or something like that but --

MR. TOBIN: (Inaudible).

MR. KNIGHTS: It could be on the customer side. Yes, it could.

MR. EVANS: Right.

MR. KNIGHTS: There still could be customer side leaks --

MR. EVANS: Okay, okay.

MR. KNIGHTS: -- that would show up.
BY MR. EVANS:
Q. So the other three areas that you spoke about, are you doing daily type surveillance of that area with or are you -- I know you were talking about you were doing some work over there. But I mean, is that a result of the surveillance you were doing -- with the surveying you're doing of the area?
A. Yeah. We're not doing daily or we're doing some periodic surveys over there as well so --
Q. Okay.
A. -- we have accelerated that, that routine or the periodic nature of that, so we're -- but we're not, we're not out there constantly on that one --
Q. Okay.
A. -- because, again, we're not seeing the same -- the level of leak history in that area.
Q. So and one thing I was curious about, if I -- let's say I live in one of those areas and am I going to get your attention fairly quickly if I call you for a leak complaint? Is there going to be -- is that how the priority -- those three areas have like a star next to these -- the routine?
A. No, all of our, all of our customers get --
Q. The same?
A. -- good emergency response. We have techs out there --
Q. Regardless of where it is?

A. -- and 24/7 and the dispatch knows where they are. It's a very automated and efficient system that we have on our dispatch side to ensure that our -- any customer that has, has a concern, it doesn't matter where they're located in our system they're going to get that emergency response by our trained technicians.

Q. Okay. You know, the only things that I have to say that I have seen in every accident I've ever investigated there's a silver lining, you know. If (indiscernible) people got or five people got killed or -- you know, the worst one was in Connecticut a lot of -- I think there was 30 or 40 injuries and eight fatalities in one I was an investigator at.

But one of the things I did -- I have seen in my career is that there's always some sort of silver lining that something gets changed, you reduce risk, you do business differently. And your guys are way up here at the top of this chain, the food chain right here, right.

You know, what do you see that you're going to be changing or have you, have you earmarked items that you're going to be changing since this accident happened?

A. I believe, I mean, definitely we're going to -- we're learning. We've learned lessons and we're going to continue to learn lessons as we, as we determine this.

The one key thing is that we're going to be continuing to work with John Bryant to look at our soils and our hydrology and some of the other factors that he's, that he's identified and

DIM

incorporate those into our overall ~~dim~~ model, our risk analysis system.

And then I think the other thing that we've learned is the, is the ability to have a lot of data available at one time and kind of being able to overlay it.

So I feel that we will seriously consider moving forward with some automation of some systems to allow us to more quickly analyze data and more quickly take all of the data together to see how the interactiveness between, between them.

So I think those are the two big things for me. And then just continuously work on our damage prevention -- excavation damage. We have an awesome program. Hopefully that was demonstrated by my team but it's a really good program but there's always room for improvement.

And we've still got some bad actors out there that just won't call -- just won't, won't tell you and doesn't -- and as long as they don't get caught, you never know that they hit you.

Q. All right.

A. So I think that's one of the things that we'll just continue to work on and focus on is our third party damage so --

MR. EVANS: Okay. That's all I have. Any more questions here, young man?

MR. McLAREN: No, thank you.

MR. COLLINS: None for me. Thank you.

BY MR. McDILL:

Q. John McDill, Atmos Energy. Jeff, we didn't talk a lot about your background at the company, but can you tell a little bit about some of the activity you're done in the industry or either Texas Gas Association?

A. Yeah. I'm involved in the American Gas Association and I'm actually on the managing committee and I was also one of the participants in the inaugural best practices that we did -- that we were one of the top or first 10 companies that did best practices back five years, seven years.

I'm not sure how long ago it was now but it was -- we did the safety culture, the pipeline -- I think it was pipeline integrity and the training -- technical training side. So that was the initial three.

And then we have also done round two already. I wasn't directly involved in that but several members of my team were and we did damage prevention and OQ -- or not OQ, QA/~~*9QC~~ QC on that so --

So I'm heavily involved in the industry and we will -- I've already been reached out by Christina Sames with AGA to share this experience, what we can share on lessons learned with the industry at the June, June conference.

So definitely we'll be sharing the lessons to improve the industry to make sure that we're all -- in fact, I've also got several calls from several companies already asking. Some of them came in the day after, two days after -- what happened, why did

you take out the 2,800 outage and so -- do we need to be concerned about any of this stuff?

And we gave them Dr. Bryant's name and they -- I know several of them contacted him so --

Q. So, Jeff, when you say that AGA best practice, are you talking about the AGA peer review program?

A. Yes. Yeah. That's our peer review, yes.

Q. And so that's industry evaluating industry?

A. Correct.

MR. McDILL: Okay. I don't think I have any more questions.

BY MR. EVANS:

Q. Okay. I have one other thing -- just a couple things. Yeah, we -- believe it or not, almost every accident that we investigate the association crowd comes out and says, will you come over and present to us with what happened.

If you do that, you need to send us your presentation if you're going to be doing it.

A. Got it.

Q. And let us filter it --

A. Yeah, yeah.

Q. -- for what may be said to the public.

A. Yeah, yeah.

MR. TOBIN: So, for clarification, are you being asked to present about the planned outage?

MR. KNIGHTS: Yes, the planned outage beyond -- not the --

MR. EVANS: Yeah. We would need the --

MR. KNIGHTS: -- not the ~~instant~~ incident before so --

MR. EVANS: But if it's about this case, we've got to make sure that nothing goes out that's not --

MR. KNIGHTS: Sure.

MR. EVANS: -- that we don't want to have go out.

MR. KNIGHTS: Yeah.

MR. TOBIN: Okay.

MR. KNIGHTS: Got it.

MR. EVANS: That's for sure. We do that all the time by the way.

MR. KNIGHTS: Okay.

MR. EVANS: That happens all the time. And I -- oh, go ahead.

MR. McLAREN: And just with regards to that -- Chris McLaren -- is it during that presentation that you would be providing information on the real time events that occurred in making that planned outage decision such as having the leak survey data and then the rain event effect on the expansive hydrological soils and then the resurveying showing new leaks and different leaks? Is that the kind of information?

MR. KNIGHTS: No.

MR. McLAREN: That seems to be a lot of the information that would form the basis of the theory.

MR. KNIGHTS: Yeah, no. We haven't developed the program yet

or the presentation yet.

MR. EVANS: Right.

MR. KNIGHTS: But the thought is more of the response of how did you shutdown that -- take that outage and --

MR. EVANS: Right.

MR. KNIGHTS: -- and how did you mobilize 120 crews and do a one year project in three weeks? How did you have the logistics in place to be able to pull that off?

That would be where I would focus what my thoughts are but I'm going to get with the rest of the team and see and we're going to -- we've also just made sure that we're going to have kind of one presentation that if multiple people might give it to different locations but it's going to be one presentation so to control that information, as you mentioned.

MR. EVANS: Yeah. There's a really good chance that our -- my director will be at that.

MR. McLAREN: It's in D.C., I think.

MR. KNIGHTS: Yeah, it is.

MR. EVANS: Yeah. And I'm sure he'll be there. And if he comes up to me and says, did you filter that presentation before he gave it?

MR. KNIGHTS: (Inaudible).

MR. EVANS: He doesn't care what you say --

MR. KNIGHTS: Right.

MR. EVANS: -- he's going to ask me if I filtered that

presentation, period.

MR. KNIGHTS: Sure.

MR. KNIGHTS: Yeah.

MR. EVANS: If we've looked at it.

MR. KNIGHTS: Yeah.

MR. EVANS: Because something like that would really be embarrassing for us if --

MR. KNIGHTS: Sure.

MR. EVANS: -- one word got out that our director did not like to see.

MR. KNIGHTS: Yeah.

MR. EVANS: And that's one of the things about the way we do our work so --

MR. KNIGHTS: Okay.

MR. EVANS: Yeah, I would -- if you're going to do that presentation, especially to AGA --

MR. KNIGHTS: Yeah.

MR. EVANS: -- big time we want to look at that one so --

MR. KNIGHTS: Got it.

MR. EVANS: Just before we wrap up here, is there anything else you'd like to say about where you're going, what you're doing, your experiences, anything at all?

MR. KNIGHTS: No. I mean, I can't. I mean, this has been an experience -- unfortunate situation that led to it but the experience and the -- I've never been prouder of a company in the

way that we've responded all the way from top leadership down to our front line employee.

And not only have we responded in the way we did, taking care of our customers, but safety was always the top and it's really -- it's a proud time when you can work for a company that doesn't just put safety as our top priority as a blue chip on a piece of paper, but actually lives it.

And, I mean, this last two weeks or two months has been a testimony of really living the safety culture that we, that we drive and strive for every day.

So, I mean, and I appreciate all of you and your involvement in this as well so thank you.

MR. EVANS: Okay. Well, that will complete the interview. Thank you so much. We're done with the interview.

MR. McLAREN: Thank you, Jeff.

MR. KNIGHTS: Thank you.

(Whereupon, the interview was concluded.)

CERTIFICATE

This is to certify that the attached proceeding before the

NATIONAL TRANSPORTATION SAFETY BOARD

IN THE MATTER OF:	NATURAL GAS-FUELED EXPLOSION OF RESIDENCE, DALLAS, TEXAS FEBRUARY 23, 2018 Interview of Jeffrey Knights
ACCIDENT NO.:	PLD18FR002
PLACE:	Plano, Texas
DATE:	April 25, 2018

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.

Cheryl Farner Donovan
Transcriber