



National Transportation Safety Board

Washington, D.C. 20594

Name: Tammy Espinoza

Department Atmos Energy / Mid-Tex Technical Services

Title: Director of Asset Management

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.



Tammy Espinoza

UNITED STATES OF AMERICA

NATIONAL TRANSPORTATION SAFETY BOARD

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Investigation of:

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NATURAL GAS-FUELED EXPLOSION OF
RESIDENCE, DALLAS, TEXAS
FEBRUARY 23, 2018

Accident No.: PLD18FR002

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Interview of: TAMMY ESPINOZA

Marriott Courtyard 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 Ms. Espinoza)

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I N T E R V I E W

(12:40 p.m.)

MR. EVANS: On the record with Tammy Espinoza.

Good afternoon. Today is April 25, 2018. It is now 12:40 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're at the Marriott Courtyard Hotel in Plano, Texas.

This interview is being conducted as part of the investigation into the fatality home explosion that occurred on February 23, 2018, in a west Dallas suburb ~~situation~~ ^{situated} just 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.

Ms. Tammy Espinoza, please provide the spelling of your name, the company you work for and your job title.

MS. ESPINOZA: My name is Tammy Espinoza, and you spell that T-a-m-m-y, E-s-p-i-n-o-z-a. I'm the Director of Asset Management for the Atmos Mid-Tex Division.

MR. EVANS: Okay. And you are permitted to have one other

1 person present during the interview. This is a person of your
2 choice -- supervisor, friend, family member or nobody at all.
3 Please state for the record who you have selected?

4 MS. ESPINOZA: Tom Tobin.

5 MR. EVANS: Okay. And, Mr. Tobin, can you please, for the
6 record, give us the spelling of your name and your affiliation?

7 MR. TOBIN: My name is Thomas Tobin, T-o-b-i-n. I'm an
8 attorney with the Wilson Elser law firm in New York.

9 MR. EVANS: Okay. I'd like to go around the room and have
10 everyone state their name and their title and agency or
11 organization that they represent.

12 MR. COLLINS: Jim Collins, J-i-m, C-o-l-l-i-n-s, regional
13 manager for the Railroad Commission of Texas, Dallas-Fort Worth.

14 MR. McDILL: John McDill, M-c-D-i-l-l, Vice President of
15 Pipeline Safety for Atmos Energy, Dallas, Texas.

16 MR. McLAREN: Chris McLaren, C-h-r-i-s, M-c-L-a-r-e-n, PHMSA
17 DIMP Coordinator, Houston, Texas.

18 MR. EVANS: Thank you.

19 Thank you, Tammy, for allowing us to interview you today.

20 INTERVIEW OF TAMMY ESPINOZA

21 BY MR. EVANS:

22 Q. We're going to start out with just some background
23 information. Just to begin with, we'd like to know your education
24 level and just your majors and, you know, PE license or whatever
25 you have. Just give us an idea what that is.

1 A. Sure. I have a Bachelor of Science Degree in Civil
2 Engineering from Texas A&M, a licensed PE in the State of Texas.

3 Q. Okay. And I see from this org chart here --

4 A. Yes.

5 Q. -- that you have five reports. So before we go on to this
6 though, I'd like to get the -- how long you've been with the firm.

7 A. I've been with Atmos a little over 5 years now.

8 Q. Okay. And your 5 years, can you give us a rundown of the
9 positions you've held and responsibilities and that type thing?

10 A. Sure. I started off as an engineer. I think they changed
11 the titles a little bit. It was Engineer I or Engineer III, but I
12 started off as an engineer, designing and managing projects, and
13 then I moved to senior engineer. And then from there, an
14 engineering manager of the system planning team, and then director
15 of asset management.

16 Q. Okay. So an engineer, senior engineer. What was the next
17 one? I'm sorry.

18 A. Engineering manager for the system planning[team].

19 Q. System planning.

20 A. Um-hum.

21 Q. Okay. And how long have you been in your current role?

22 A. About a year and a half.

23 Q. Okay. So go back through your previous experience, like on
24 the planning side, what were you doing?

25 A. I was the manager of the planning team. So it's actually --

1 if you look at the org chart you have right there, that's the role
2 that John ~~Gilford~~ ^{Guilford} is in right now.

3 Q. Oh, okay. Okay. Great.

4 A. So he's ~~got~~ an engineering manager. It should be seven
5 direct reports. So I managed that team before coming into that
6 director role.

7 Q. Okay, okay. Great. So -- and then the number in
8 parentheses, is that how many reports that person has?

9 A. Correct.

10 Q. Okay, okay. Great. So just briefly explain kind of how --
11 what your job is and how your reports, what they do, if you can
12 kind of, in a summary kind of level, give us an idea of how that
13 all works?

14 A. Sure. I'll talk through it a little bit. So you see Terry
15 Shuck there. He's the -- he manages our pressure control.

16 Q. Yes.

17 A. And so that's a 24/7 operation. They're looking at pressures
18 on our system. So he manages that team, and they're located in a
19 separate office from where the rest of us are at Lincoln Center.

20 And then John ~~Gilford~~ ^{Guilford} manages the system planning team.
21 They're responsible for pipe sizing, making recommendations to the
22 system. So whenever -- whether it's growth or whether it's
23 replacements or a long-term strategy, so they're looking at the
24 system as a whole. And they'll work with Terry Shuck sometimes if
25 there's winter pressure issues; what are the pressure issues, how

1 do we make improvements.

2 Q. Okay.

3 A. And then they also work with Andrew Marshall's team
4 incorporating some of the risk information into some of the
5 recommendations for replacement projects. So -- and then
6 hopefully Andrew spoke to you a little bit about what his team
7 does, but they're generally doing most of the risk modeling for
8 ~~the corporation.~~ ^[Mid-Tex]

9 And so then after that, you see those two asset planning
10 specialists. They are managing our budgets and analyzing our
11 budgets. So they work a lot with the planning team as well as
12 with myself. So they report directly to me. They don't have a
13 manager in between myself and them.

14 Q. Okay. And just a question about Mr. Shuck there. Does he
15 also deal with the quality of the gas as far as the additions and
16 subtractions of what they might add to the gas?

17 A. No. He's purely looking at pressures and monitoring
18 pressures.

19 Q. That person's not part of your world?

20 A. No.

21 Q. Okay. Good enough. Okay. So we understand that Andrew
22 comes up with the risk model.

23 A. Correct.

24 Q. And then there are all sorts of decisions to be made based on
25 what the models tell you, correct?

1 A. Right.

2 Q. So if you can give us just a run-through, a summary of how
3 that part of your world operates.

4 A. Okay. I'm trying to think about the best way to paint the
5 whole picture.

6 Q. That's okay.

7 A. So the big picture. We talk about risk on the system and
8 replacing that risk, and that's what you're trying to get at, is
9 how we make decisions around replacing risk.

10 Q. Yes. Right.

11 A. So we've got a lot of different project types for driving
12 risk out of our system, right. So part of the responsibility that
13 I have with those asset planning specialists and planning, and
14 Andrew, is to look holistically about how we drive risks out of
15 our system with the dollars that we have.

16 So there's a variety of project types that drive that risk
17 out of the system, and some of them are long-term, strategic
18 planned projects, and some of those are projects that are not
19 known about until more immediate concerns drive them, right.
20 Operations calls and says we have this need, this desire.

21 So I'll talk with you a little bit about some of the projects
22 that are known and kind of the risks around those and hopefully
23 that will answer your question. Is that the direction you're
24 wanting to --

25 Q. That sounds good.

1 A. Okay. So, you know, I know Andrew probably talked in depth
2 about our Optimain model. Did he talk with you about that?

3 Q. Yes.

4 A. Okay. So I'll talk with you about those different kind of
5 project types and it includes Optimain. So we've got -- so I look
6 holistically about driving out risk. Cast iron presents a risk.
7 So we've got a dedicated cast iron replacement. So we're
8 replacing cast iron. We've replaced -- we've driven down from 800
9 miles to 500 miles, and we're going down from 500 to zero in the
10 next 5 years. So that's one way we're driving out risk.

11 And then what Andrew probably talked with you about is our
12 Optimain part of the puzzle, and that's another way we're driving
13 out risk, is the analysis that he does with those Optimain
14 projects, and then deciding to replace the above-average projects,
15 the relatively high risk projects, high relative risk projects.

16 So do you want me to go into the detail of that piece or kind
17 of go through all the different projects?

18 Q. When you say high risk projects, let's -- before we go
19 forward --

20 A. Yeah.

21 Q. When you say high risk, you're talking about segments, right?

22 A. High relative risk segments.

23 Q. A segment?

24 A. Correct. Yeah, Optimain divides it into segments.

25 Q. Segments. Okay.

1 A. Correct.

2 Q. Yeah. So you can go -- well, I think we -- you can continue
3 on --

4 A. Okay.

5 Q. -- with this format. We've heard all about segments and I
6 think kind of understand how that is.

7 MR. EVANS: Do you agree?

8 MR. McLAREN: Yes, sir.

9 BY MR. EVANS:

10 Q. Yeah, you can go on with the rest of your discussion there.

11 A. So the Optimain, we replace a ~~segment~~ ^[portion] of the high relative
12 risk Optimain score segments. We also have a steel service line
13 replacement, and we have a model around that, that we replace --
14 so we're replacing 15- to 20,000 steel service lines this year.
15 We replaced about 15,000 last year. So that's another way that
16 we're looking at risk and driving that out. It's an other subset
17 of project types.

18 We replace DuPont Aldyl-A pipe as well, about 5 to 10 miles a
19 year is our currentpace. So that's another risk subset if you
20 will.

21 Then obsolete components is another. You know, if you've got
22 a regulator that doesn't have replacement parts, that's another
23 one that we go through and drive risk out of our system
24 methodically replacing those as well.

25 I'm trying to think if that's all of our categories. Those

1 are -- oh, and relocations. But those are the biggest ones. So
2 those are, you know, the high risk categories that we know about
3 and the way we're driving out risk in kind of that planned, you
4 know, ~~methodically~~ **methodical** way.

5 Q. Okay. So now that we know what you look at, and I love your
6 term -- I've never heard that before -- driving risk out of our
7 system. That's going to be a quote in the report, I can tell you
8 that. That's a great sentence. Driving risk out of our system.
9 I never heard that. Anyway, so let's talk about scores.

10 A. Okay.

11 Q. Kind of like the logic, you know, kind of like how you use a
12 score, you know, for a risk score.

13 A. Are you talking about within Optimain or are you talking
14 about --

15 Q. Well, wherever you use scores --

16 A. Okay.

17 Q. -- just to say, okay, this has this score, so we have to act
18 on it based on that score. Wherever you use that word score in
19 your work, I'd kind of like to know where you go with that.

20 A. So I think the biggest two places where we're using some sort
21 of risk score, if you will, that would be in our Optimain piece.

22 Q. Okay.

23 A. So the Optimain has a score at the end of its analysis, and
24 then it's looking at -- we look at it as projects that are high
25 relative risk and break those out. And that high relative risk is

1 based on a statistical analysis, so that that score can move
2 around from -- because it's high relative risk. So it's once a
3 year it's run. Optimain is run once a year. So you're going to
4 have a different score every year because it's relative to the
5 system at that snapshot in time.

6 Q. Right.

7 A. So that score is going to change from ~~hear~~^{year} to year, what that
8 high relative risk subset is. And then once we've got that high
9 relative risk subset of projects -- so Andrew's team creates that
10 and then they send -- they do a SME review. I think Andrew
11 probably talked to you about this process already.

12 Q. Right.

13 A. And then did he talk about the accelerated action piece?
14 They send those for accelerated leak survey.

15 Q. I don't believe he's talked about that.

16 A. Okay. So once -- it goes through the SME review process. If
17 they have a high relative risk subset, they send it to SME review.
18 After the SME review, then they go ahead and send it for
19 accelerated leak survey. So they do additional leak survey for
20 all of those in that category. And then from there, it's sent to
21 the planning team for review of which projects get chosen to be
22 replaced out of that set of projects.

23 Q. Okay. I need to go back. So you say that you do -- you pull
24 out of the Optimain those high risk items.

25 A. Yes.

1 Q. And you do an analysis of what's there, right?

2 A. Yes.

3 Q. And this is annual snapshots?

4 A. Correct.

5 Q. And you said the word -- I heard this word, S-M-E.

6 A. Subject matter expert.

7 Q. Right, SME, that's all it is? SME, that's all that acronym
8 is, correct?

9 A. Yes.

10 Q. Okay. I want to make sure of that.

11 And then once you have this data, you actually go to the
12 field with that data and do another leak assessment before it
13 becomes a project?

14 A. So -- no, at the same time. They're kind of happening at the
15 same time. So those high relative risk score projects, some of
16 those will get replaced and some of those won't, at least in that
17 given year. So they all go to accelerated leak survey to be -- to
18 have an accelerated action.

19 Q. And once that accelerated action is addressed, then out of
20 that group, they have more that they're going to look at?

21 A. No, at the same time -- at the same time, planners are
22 reviewing and replacing some of those projects but it may not be
23 all of those high relative risk segments.

24 Q. And how do you make your mind up of which ones of those ones
25 they make? Is there a score for that?

1 A. Right. There's -- they have the list kind of top to bottom,
2 highest of the high, all the way down, inside of that set. And
3 the planners focus on the top portion. So the planners are
4 divided by regions. So the list gets sent to planning, and they
5 look at their regions and then they'll look at it and go which
6 ones are in my region that are of the highest set, and they'll
7 start talking with our operations folks and our project
8 specialists that are out in the field to -- they'll call them and
9 say, hey, we want to do this Optimain segment; what do you think
10 about this project? Do you think it's something we can implement
11 soon? How soon?

12 And they might say -- we have project specialists who say,
13 well, that's a good project but there's one down the street that
14 we had a leak on last week; can we add that to it? And so then
15 they'll add that to it, and then start getting a project ready for
16 engineering to take over. So they're working on getting that
17 scope nailed down, because sometimes it's not just that Optimain
18 segment that needs to be constructed, but even more.

19 Q. I see.

20 A. So that's why it kind of goes to the planning team, is
21 they're reviewing it and then it goes to additional subject matter
22 experts on the project specialist side and operations side to
23 really make sure that the scope is appropriate before it gets sent
24 to engineering --

25 Q. I see.

1 A. -- to design and construct.

2 Q. And do you blend this with ongoing projects? I mean, if you
3 have something excavated and you're doing something like 20 feet
4 away?

5 A. It can be, yeah. I mean, and we've had ones where we've
6 added the scope due to -- like they'll say, can we just go a
7 little bit farther because there's poly here and there's poly
8 here. Why not just go another 300 feet and get all of the steel
9 out of this area?

10 So that's part of the reason why it comes back to a planner
11 and it isn't just an automated we're just going to do this
12 Optimain segment. It's really a holistic view. They might know
13 that there's a city project going on in 6 months; well, let's just
14 do it when the city's doing it. So there's a lot of review that
15 goes on.

16 Q. I see.

17 A. Or somebody's called in a request for additional customer
18 service there, like a commercial customer. Well, let's increase
19 the size of the line. We had pressures [issues] there last winter; we
20 should change the size of it from what it is today.

21 So there are a whole lot of things that go on in that process
22 outside of just an automated it's a high risk Optimain score.
23 There's a multitude of things. We want to make sure that we're
24 constructing it and only going back there one time and not going 6
25 months from now due to a pressure issue or whatever.

1 Q. Right. So if I'm the manager of a construction crew or a
2 superintendent or whatever you call them, foreman, and I'm going
3 to make a fix because I have a work order that says dig this up
4 and fix this. Can I be assured that what I'm working on is not
5 going to be part of a project that's 20 feet away? Does that
6 communication go back and forth?

7 A. I'm not sure I understand the question. Can you say it
8 again?

9 Q. Yeah. If I'm a construction guy and I know that I have a
10 work order, I have to go do this, right. Does that work that that
11 person does, has someone already filtered that within your domain
12 so that he's not doing --

13 A. Right. So there's several different project types that we
14 have, and most of them go through planning to make sure that, yes,
15 we're combining those projects appropriately. But operations does
16 have the ability to execute projects. If they go out in the field
17 and they see something immediate, if it's 250 feet or less, it
18 never comes into the planning team. It can just be done by
19 operations.

20 Q. Just go and do it.

21 A. Go and do it.

22 Q. All right. And so in those cases, no. But anything that's
23 not in that immediate determination, that's not 250 feet or less,
24 it will go through the planning team to look at it holistically to
25 make sure that we're kind of grouping projects together

1 appropriately and, you know, using our dollars and our time
2 effectively.

3 Q. So with regard to money --

4 A. Yes.

5 Q. -- let's look at this from the standpoint of, you know, a lot
6 of times in companies, people will say we are going to give you
7 this much money for this. Other companies say what do you need to
8 do this work that you've identified? What kind of company are
9 you?

10 A. Collaborative.

11 Q. So it's give and take? If they say we're going to give you 5
12 million, and you say you need 7, you might get 6 or something like
13 that?

14 A. It's collaborative. So they might say we'll give you this
15 many dollars this year and we start off saying, okay, we think we
16 can meet all of our needs within that. And then if a safety issue
17 arises, then we talk to them about it, and, you know, then we go
18 ahead get those dollars. So it's about what the need is.

19 Q. Okay.

20 A. It's not about just doing any projects, but if there's a
21 safety need then --

22 Q. Right.

23 A. -- then we get the dollars that are needed from corporate, if
24 that makes sense.

25 Q. Yeah.

1 A. But at the beginning of the year, there's even a discussion
2 around, you know, is this the amount of dollars we want to -- we
3 have cast iron, you know, we want to get cast iron. We want to
4 get cast iron out of the ground. We want to get all of these out
5 of the ground. And when I layer those up every year, all the
6 different -- I haven't had a situation where there's just not
7 enough dollars with what they've given us at the beginning of the
8 year. Now later in the year, things start to arise that are
9 unplanned. All right, you have something that was unexpected,
10 then we go back and we ask for an incremental amount. And like I
11 said, I haven't had an instance where we haven't received that
12 incremental.

13 Q. I see.

14 A. They understand what it's going to be used for. I mean, we
15 have a conversation around it, what is it used for? Is it safety
16 related? Is it something that's related to growth? What's the
17 conversation? What's the need and why?

18 Q. So generally we can say on this interview that when you need
19 money and it's safety related, the funds are made available?

20 A. Yes, they are.

21 Q. All right. So when you have all these projects going on, and
22 let's use the neighborhood where we had the -- the failure
23 neighborhood, where we had a problem with a pipe in there, and
24 then all of a sudden now we're -- there were actually three grade
25 1 leaks in like the corners of the property, right? I don't now

1 if you know that or not, but --

2 A. No, I didn't.

3 Q. Yeah. But what I'm trying to figure out is, it appears that
4 the -- I mean, I haven't been shown or I don't have a good feeling
5 for an understanding of how grade 1 leaks weren't addressed ahead
6 of time in that neighborhood, I mean, if it was part of -- you
7 know, those areas were -- I don't know if you can answer the
8 question and maybe we can get it later, but, you know, were the
9 grade 1 leaks that were in that neighborhood, were they on your
10 radar? Did you know all about them and, you know, were there
11 problems with those pipes? There's some significant problems with
12 the piping in that --

13 A. The grade 1 leaks, can you be specific about when they were
14 -- are you talking about the grade 1 leaks found when?

15 Q. In the time frame -- within a few days of the accident.

16 A. No. So the Optimain model and those risk models that we run,
17 like I talked to you about earlier, they're a snapshot, right. So
18 they're annually. So they're taking -- so, for instance, like
19 normally by -- sometime between January and March, we run a risk
20 model, and it uses the previous year's -- actually it has to be
21 after March. It uses the previous year's leak information to run
22 that snapshot in time.

23 Q. Right.

24 A. So inside of that risk model we had the previous year. So
25 that's not an immediate need. So when I talked to you earlier a

1 little bit, like the -- on our budgets we have all those known
2 categories like cast iron and steel service lines.

3 Q. Right.

4 A. Those are all planned. So this would fall into unplanned,
5 and the unplanned work, we really rely on operations to be our
6 eyes and ears, to call us, tell us, talk to us, and we have a
7 funding inbox and then we also have phones because we talk to
8 them.

9 Q. Right.

10 A. We go meet with them on a regular basis. So there's a
11 communications stream there that occurs, but it's also something
12 that flashes up on our radar, outside of getting a phone call or
13 getting an email with the request for funding. But again,
14 operations has that ability if it's immediate and urgent. If it's
15 250 feet or less, there's no reason for them to even pick up the
16 phone. They can just make that decision right there to replace a
17 piece of pipe.

18 Q. So just so I get this clear in my head.

19 A. Yeah.

20 Q. The work that you do is coming from planned, you know there's
21 issues.

22 A. Correct.

23 Q. Everything that you deal with is planned. There are no
24 surprise leaks on your list because they are leaks that people
25 know that they're risks, so you have to look at them because they

1 scored, there's some sort of score about those.

2 A. Most of our work is. There are ones that are called -- we
3 call them condition based. So if operations, once they found
4 multiple leaks in an area and they want to replace 1,000 feet, a
5 mile of pipe --

6 Q. Right.

7 A. -- they can call us and make that request and then we'd go
8 ahead and go through that. Because sometimes there's things that
9 are more than 250 feet, right? So that work is something that we
10 allocate for, just like in your budget at home, like we keep
11 dollars set aside for if the AC breaks.

12 Q. Right. For rainy days, yup. Uh-huh.

13 A. So it's the same thing. There's a certain amount of dollars
14 that we kept set aside based on, you know, kind of historical what
15 we tend to spend on things that come up over the course of a year,
16 and we keep those dollars set aside for those types of projects as
17 well.

18 Q. Okay. So I want to make sure I understand. So the field
19 crews have a lot of latitude if they want to just fix something.
20 Like even 1,000 feet, they could -- that could be done.

21 A. 250 feet or less.

22 Q. 250 feet, they don't even have to talk to you folks.

23 A. Correct.

24 Q. They can do it without coming into your group?

25 A. Correct.

1 Q. So, in essence, that's -- we could say that that whole
2 neighborhood, the 300-home neighborhood and the 2800-home
3 neighborhood, they weren't on your radar?

4 A. I wasn't aware of the leaks that were going on, on that week,
5 that you're talking about until after it occurred, the incident
6 occurred. So that was not something that was brought to our
7 attention.

8 Q. So in your world though of planning and all that, there were
9 no high risk items that made the hit parade that would have
10 prompted you to send crews into that area or even to plan that
11 work and send crews?

12 A. There were not a significant number of high risk Optimain
13 segments. So if you look at that area, there were no more than in
14 any other typical area.

15 Q. Okay. So what you're saying is, if you were given that
16 score, it was a low score for likely the probability of that type
17 of consequence thing for that particular area because you had --
18 you don't have any known reports of multiple leaks in that area in
19 the work that you do? There's nothing that you had ahead of time
20 that would have said, well, we knew about that area. That's why
21 we -- we understand the fact that they're going to curtail 2800
22 homes because that's all on my radar; I knew about that.

23 A. No, that wasn't anything that we --

24 Q. But that -- that was not on your radar?

25 A. No.

1 Q. And neither was the other neighborhood with the 300 homes,
2 correct?

3 A. No.

4 Q. Nothing on your radar to say that immediate high risk items
5 need to be addressed?

6 A. No. If you look at the area that was shut in, if you -- I
7 mean, if you want to get into the nitty-gritty of it, the numbers,
8 there are between 150 and 200 Optimain segments.

9 Q. Right.

10 A. Three of those were high relative risk out of 150 to 200. So
11 were there none? No, there were not none, but that's not an
12 unusual number for any given area.

13 Q. Okay. Low percentage?

14 A. Low percentage.

15 Q. Right. Okay. I want to make that very clear to everyone
16 that reads this report, that it sounds like you had your hand on
17 the pulse of a number of problems in those two neighborhoods.

18 That's what I guess I'm --

19 A. Correct. [There were three high relative risk segments out of 150 to 200 in this area. That is not
20 problems.]

20 Q. -- making sure we get that on point across.

21 A. Correct.

22 MR. EVANS: Okay. Interesting. That's all I have right now.

23 MR. McLAREN: Oh, well, thank you, Roger. This is Chris

24 McLaren.

25 BY MR. McLAREN:

1 Q. Yeah, so I was just kind of studying the map that shows some
2 of the graded leaks around -- centered around the alley between
3 Espanola and Durango Drive, and I guess a lot of those leak
4 surveys took place following the accident. Had there been -- when
5 was the most recent leak survey that you were aware of on that
6 area?

7 A. That's not something that I know. You probably have to ask
8 Marlo that.

9 Q. Okay. Do you do -- are you responsible for the IDL, the
10 Picarro car?

11 A. No, that would be Marlo as well.

12 Q. Okay. And -- very good. All right. So there was no
13 replacement of a large area identified here, just the three high
14 risk segments in that 150-segment area, were in the high risk
15 category?

16 A. High relative risk category, there were three, correct.

17 Q. And for 2017, the number was 89 to make it into a high risk
18 category? That's what Andrew had indicated.

19 A. Yes.

20 Q. And that this actual segment from one road to the other, it
21 was scoring about an 8 because it only had one previous leak
22 identified. Okay. All right. So that planning cycle that you
23 were just describing --

24 A. Yes.

25 Q. -- how long is a typical time for it to go from

1 identification to planning to operations? I mean, I know it's
2 going to vary. Can it be quite lengthy sometimes?

3 A. No, it's pretty quick. So from -- if it's something that an
4 operations or project specialist calls and says or emails, we have
5 a capital funding inbox, an email inbox, that's manned every day,
6 all day, by those two asset planning specialists. Those are
7 people that are watching that.

8 So that process, as it comes in, and then within a few hours
9 it goes to a planner, and the planner's goal is to turn anything
10 around in 2 to 3 days. And for the simplest requests, we see them
11 turned around within 1 to 3 days. When it gets to really
12 complicated requests -- when I say complicated, I'm talking about
13 long-term, you know, year-long types of projects.

14 Sometimes it can take longer to review and provide a
15 recommendation. But for the most part, for the types of projects
16 that we're talking about, operations calls, we want 1,000 feet,
17 2,000 feet, it's a couple-day process. If it's urgent, then
18 they're encouraged to just, you know, proceed. But in general,
19 they want to make sure it goes to planning to ensure they looked
20 at a really holistic approach to the replacement.

21 Q. Okay. And then following the accident during these
22 replacements that took place --

23 A. Correct.

24 Q. -- that would have certainly been accelerated, all hands on
25 deck type of planning and --

1 A. So the replacement -- the decision to replace was something
2 that Jeff made. It didn't come through myself or my team, but
3 Jeff did ask our team to put together the sizing for the
4 neighborhoods that were affected. So our team, yes, it was all
5 hands on deck making sure that we had the appropriate pipe sizing
6 ready for those folks to go ahead and install the new pipe to the
7 neighborhood.

8 Q. And would you describe -- is it a 2800 or 3100 home area,
9 would you describe that as the steel service, steel main area as
10 the predominant material?

11 A. The material that was there previously was coated steel. I
12 want to say it was ~~mel~~^{mill}-wrapped steel. What we install today would
13 be poly.

14 Q. And then during that installation process, was it most
15 directionally drilled or surface bored?

16 A. I can't speak to the construction process.

17 Q. Okay.

18 A. You probably want to ask Jeff.

19 Q. But you would have gone in with all poly mains and services?

20 A. Correct.

21 Q. And then how do you do your fusion of poly? Do you use
22 electrofusion predominantly or do you rely on trained and
23 qualified fusers? What's the rationale you use?

24 A. That's not really something that I can speak to. I mean, I
25 just -- that's not something my team does. So it's probably a

1 better question for someone else on the construction --

2 Q. Operations? Construction?

3 A. Yeah, construction management side of things.

4 Q. Okay. All right. I'm going through some questions. So
5 leaks is Marlo. If I had any other questions, it would be Marlo.
6 Even about self-assessment of the leak management program?

7 A. Yes, that would be Marlo as well.

8 Q. Okay. I've got that. How familiar have you been with the
9 effect of the -- help me, Tom -- the geology and hydro --

10 MR. TOBIN: Geological and hydrological.

11 BY MR. McLAREN:

12 Q. -- hydrological soils issue with the -- I assume we're
13 talking about the bentonite clay.

14 A. So I've been -- Jeff and I have met with John Bryant in the
15 last couple of weeks to talk about soils, and geological features,
16 hydrological features and understanding how we can assess those on
17 our system as a whole. So ~~it~~^{if} there are other areas that display
18 some of the characteristics that we've seen -- that we saw in the
19 incident area, to make sure that we're aware of those and to make
20 sure that we can incorporate those into our risk models and
21 replacement plans in the future. So we've begun that process.

22 Q. And so the places that those improvements would be made would
23 be in the risk model. Can you go back through where you're
24 looking at to make possible changes?

25 A. So right now, we're just in the process of getting the

1 information from John Bryant, and him identifying areas. So the
2 goal would be for him to circle, you know, areas on a map that we
3 should look at that might have certain hydrological and geological
4 factors. Right now he's saying, you know, he doesn't see anything
5 that has all of the ones that we saw in that incident area, that
6 he's saying like we've got some of them and we probably want to be
7 aware of what some of those are. So we asked him for that
8 information.

9 And then, you know, we haven't made a determination as to how
10 we're going to incorporate it into our risk model. We just know
11 that we plan to incorporate it into our risk model, and I could
12 see a lot of different ways to do that. We want to make sure we
13 overlay it with ^{what}~~what's the~~ pipe ^{is} in that area. If it's already
14 brand new poly pipe, we will probably focus on an area that's got,
15 you know, more cast iron or more steel pipe. Just if we're
16 looking at the same geological features, if he says both of these
17 are risky, which one would you look at. We'd look at ones that
18 have, you know, more.

19 Q. So we're in the awareness phase.

20 A. We're in the awareness phase.

21 Q. Gathering knowledge.

22 A. Yes.

23 Q. And is this a stratigraphic feature in terms of the soil
24 layer crops out at the surface?

25 A. I don't know.

1 Q. Or is it --

2 A. I don't know enough about that to speak to it.

3 Q. Isn't it primarily an expansion of it based on hydration?

4 A. I don't know enough about it to speak to that either.

5 Q. Is it similar to the contraction events that took place with
6 the mechanical fittings in the drought situation, where the soil
7 was contracting and it was pulling the unrestrained couplings on
8 the steel lines apart some time ago?

9 A. I don't know enough to speak about that either.

10 Q. Okay. What is the history with mechanical couplings on the
11 Atmos system and the replacement programs around them and leak
12 rate, et cetera?

13 A. I don't have a detailed history. Jeff is probably your best
14 person to ask that to. I mean, I've been in this role about a
15 year and a half. So a detailed history about steel service lines
16 is not something that I can really speak to.

17 Q. Okay. With regards to making sure we're doing the right
18 things, to reduce -- to drive risk out of our system --

19 A. Yes.

20 Q. -- what use of performance metrics do you use? We were
21 provided a listing of these, which are typically --

22 A. Yes.

23 Q. -- distribution IM rule, required minimum performance
24 measures.

25 A. Yes.

1 Q. Do you use other more granular performance metrics and for
2 the specific accelerated items or risk mitigation measures that
3 you are taking within your DIMP plan, could you describe the
4 performance metrics used to track the performance of those
5 programs?

6 A. The performance metrics for which programs?

7 Q. Well, within the DIMP rule, for those actions you take to
8 mitigate risk based on going through the DIMP program. You're
9 required to also have metrics to track the performance of those
10 from a baseline.

11 A. So there's a lot of different --

12 Q. Yeah, I can.

13 A. Can you tell me what you mean?

14 Q. In 1007(e)(6), it -- I mean, we've got the DIMP requirements,
15 but then I'm just trying to see what other performance metrics you
16 might use. It would be the (e), 1007(e).

17 A. Do you have the DIMP plan? Can I see --

18 Q. I do.

19 A. Either way.

20 Q. Um-hum. I'm just trying to understand the use of performance
21 metrics within the programmatic management.

22 A. Are you talking about the annual performance measure
23 effectiveness back here?

24 Q. That would be -- that may be it. It would be within that
25 performance measurement piece, and it would be those (e)

1 performance measures, four of which appear on the annual report.
2 The fifth is by material which you also have there, and then the
3 sixth is for those risk reduction measures.

4 A. I think these here -- I mean this is a primary one. As you
5 can see, it shows that we're driving leaks out of our system.

6 Q. Yeah.

7 A. So I mean in general, that shows that our DIMP plan overall
8 is effective. So I take this is our primary. If there's
9 something more specific that you're looking for --

10 Q. Do you use any other dashboards or any more granular
11 performance metrics for anything other that you do?

12 A. I'm not the owner of any of those. Marlo might have some.
13 Andrew might have some just that he keeps because he likes to kind
14 of look at those just on his own, but I don't have anything more
15 specific that I specifically look at.

16 Q. Okay. On Chapter 6, page whatever, we had a little printout
17 of it here earlier, it had the listing of all -- it was a listing
18 of all the --

19 UNIDENTIFIED SPEAKER: Is this the one?

20 MS. ESPINOZA: Yes.

21 MR. McLAREN: That's probably it. Yes, sir, that's it.

22 BY MR. McLAREN:

23 Q. No, you keep the book. It's got a listing of a whole lot of
24 the different programs. You can keep that one. So we talked
25 about driving risk out. You did cast iron replacement, steel

1 service line replacement, DuPont Aldyl-A, obsolete ~~component~~,
2 ~~locations~~, ~~relocations~~, operations can do anything they want to less than 250
3 feet. We have that one. Optimain analysis projects. And so
4 we've got these process required drivers, on the operations one,
5 but here we've got programs. And so the one that kind of stands
6 out to me is the cross bore. Is that something that you manage or
7 is that --

8 A. I'm not responsible for cross bores. That's primarily
9 Marlo's team.

10 Q. Okay. Let me have the book back then please.

11 A. Okay.

12 Q. Next question. So if continuing surveillance program
13 identified change along the pipeline, would that come in through
14 Marlo?

15 A. I'm sorry. Say that question again.

16 Q. If the continuing surveillance program identified change --

17 A. Right.

18 Q. -- either during a patrolling program, which I thought I saw
19 here earlier, or other -- change was identified.

20 A. Yes.

21 Q. And so this was information that was new that needed to be
22 updated, not necessarily a class location, but maybe even right-
23 of-way encroachments or whatever.

24 A. Right.

25 Q. How does that information come in?

1 A. Marlo's team patrols that. Frequently, you know, practically
2 speaking, operations tends to give us a call and say we've had an
3 encroachment. We'd like to do this project, and that tends to be
4 actually how it gets to our team. It's less data driven in a lot
5 of ways. Just in general, it's more of operations sees it, calls
6 it in and then we work on, you know, appropriately putting
7 together a project for it.

8 Q. So if there's an abnormal operations event, an over
9 pressurization, or other type of thing, it's really up operations
10 that's responsible for going and understanding the cause of that
11 abnormal operating condition and preventing recurrence. Similarly
12 with continuing surveillance, the requirement to identify change,
13 take actions, would be an operations piece.

14 A. The data is collected by Marlo's team. I think in a
15 practical sense, the way my team ends up receiving it is
16 frequently at a field call from operations because if you're
17 waiting for an annual time, whenever it gets collected, something
18 could occur in between.

19 Q. Exactly. That's what I'm speaking to.

20 A. So I mean that's part of the whole reason when I talk about
21 our planners being in tune with operations and even Andrew's team
22 as well, there's, you know, regular meetings they're having with
23 operations to facilitate, and it's not necessarily formal
24 meetings. It's times where hey, a project has come up. Can you
25 come by the office and talk about this in person and then other

1 subjects like that might come up while we're there. So that's
2 just kind of an ongoing conversation that occurs as opposed to
3 just waiting for that data to come in.

4 Q. Okay. Another more formal one might be the requirement to
5 investigate failures, to determine their cause and take actions to
6 prevent recurrence. That may be more formally documented. Does
7 that involve you or is that -- how does -- I ended up with a grade
8 1 mechanical fitting leak as one was noted just on the edge of
9 that alleyway in question from where the incident occurred. So if
10 the mechanical fitting was dug up, identified as a failure, cause
11 was established and actions were identified to prevent recurrence
12 of a similar failure. How does that information come in, from who
13 and who digests it and documents it and takes action?

14 A. So I'm not sure I have all the information that you need, but
15 from what our team does, is that we would actually take that data,
16 that information, and put it into a risk model. So even if a pipe
17 is repaired or replaced, that information about that asset type
18 ends up going into some of the analysis of the likelihood of
19 failure in the future for those types of assets. So that data's
20 still collected and incorporated in to Optimain, and into that
21 risk analysis.

22 Now as far as the processes of what's occurring in the field
23 and how decisions are made in the field, that's not something that
24 my team is actively part of day-to-day.

25 Q. Okay. What about the odorization program? I'll ask you

1 before Jim gets to. Do you have -- I'm stealing his thunder. Do
2 you have any new ground providing the -- because it's on the list.
3 Could you just discuss your -- the way it impacts you and any
4 responsibility you have for the odorization program please?

5 A. I do not have any responsibility for the odorization program.

6 Q. And to your knowledge, who does that reside with? Is that
7 operations?

8 A. That would be operations. Jeff should be able to speak to
9 that a little bit more. He's got more background in operations
10 than I do.

11 Q. Okay. One more time just to close out so I don't have any
12 further questions on performance metrics. Are the performance
13 metrics, on the piece of paper I handed you, are those them? Is
14 that it?

15 A. These are our primary performance metrics, yes.

16 Q. Okay. Dealing with system integrity and safety -- system
17 integrity?

18 A. Yes.

19 Q. Is there any other performance metrics you might use,
20 dashboards for system integrity?

21 A. Not that I can think of.

22 Q. Okay. I think that's all the questions from me for the time
23 being. Thank you.

24 MR. EVANS: Jim.

25 MR. COLLINS: Jim Collins, Railroad Commission of Texas.

1 Since Chris took my one question, I don't have any. Thank you.

2 It's okay.

3 MR. McDILL: John McDill, Atmos Energy.

4 BY MR. McDILL:

5 Q. Tammy, thank you for the discussion this afternoon. You
6 covered a lot of ground, and a lot of ways of how, you know, you
7 and your team go about, you know, filling replacements of
8 infrastructure and really driving risk out of the system. Just
9 maybe to clarify because it's, you know, a new process that
10 everyone's probably hearing a little bit about. So you talked
11 about there's kind of a path for known --

12 A. Right.

13 Q. -- which takes in a broad group of things from Optimain, I
14 heard you say, steel services, cast iron, DuPont Aldyl-A, ~~false~~ ^{obsolete}
15 ~~leak~~ components, kind of summarizing.

16 A. Correct. Yeah, relocations as well.

17 Q. Relocations as well.

18 A. Yeah.

19 Q. And then there's the kind of unknown events that may occur.

20 A. Right.

21 Q. And that would be events raised by operations?

22 A. Those are primarily who they come from. Sometimes they might
23 come from a project specialist just because there's construction
24 projects in the area.

25 Q. But those are generally people who are located across the

1 system?

2 A. Those are people that are, yes, located primarily in our
3 offices all across the system, all across the state.

4 Q. Okay. And you were speaking to the speed at which funding is
5 provided to address those risks?

6 A. Yes.

7 Q. So it sounds like it was very quickly?

8 A. Yes, we strive to be very responsive. So anywhere from a day
9 to 3 days, and we encourage -- if it's not -- if for some reason
10 they don't hear back from us in the timeframe that they need it,
11 to contact us again.

12 Q. Okay. And there's multiple avenues, but there's other
13 designated avenues where operations all across the state can
14 provide requests back to you either -- can you speak to those?
15 How do they make those requests normally?

16 A. The requests could come in, in a variety of ways. The
17 primary way is to be either through picking up the phone and
18 calling somebody on our team, whether that's an asset planning
19 specialist or somebody on the system planning team or myself or
20 John ~~Gilford~~ ^{Guilford}, as well as email. So we have those two avenues, and
21 we have a dedicated email inbox that's manned all of the time. I
22 ensure that when somebody's on vacation, that somebody's covering
23 it, just to make sure that there's no gap in time when funding is
24 needed, we can address the need.

25 Q. Okay. Andrew described earlier that there's kind of a path

1 where the Optimain results go through a subject matter expert
2 review --

3 A. Yes.

4 Q. -- and are verified. And it sounds like if I understood you
5 correctly, that the asset ~~plan~~^{planning} specialist, that they're engaged
6 also with -- on a regular basis with operations?

7 A. The asset planning specialists are if you -- they might talk
8 to them about the timing of it. So that way they know when the
9 funds are needed to make sure that we've got the budget at the
10 right time for the projects. So the planner is typically the one
11 talking the most with operations, but the asset planning
12 specialists do as well. They're all working together a lot. They
13 talk. They sit in the same -- they work together as a team.

14 Q. So you have the system planners.

15 A. Um-hum.

16 Q. They're the ones who are regulating and engaging operations
17 around?

18 A. Correct.

19 Q. Helping finalize determinations and --

20 A. Correct. The team makes sure we have a holistic scope as
21 opposed to just going and replacing it without -- kind of
22 mindlessly. We want to make sure that we're looking at the system
23 holistically, that we're not tearing up the street again in 6
24 months with a different replacement, for a different size due to a
25 pressure issue or any other replacements that might be needed.

1 Q. It's in coordination with --

2 A. Right.

3 Q. -- a municipal project and other things that may be going on.

4 A. Right.

5 Q. Okay. With respect to funding --

6 A. Yes.

7 Q. -- you just stated this, but your experience with funding, if
8 someone had a request that wasn't above what had been typically
9 allocated for budget needs, the process you would go through to
10 get the funds or the ability to get the funds --

11 A. So if it goes above what we've got kind of allocated for the
12 year.

13 Q. Um-hum.

14 A. Yeah, I would talk to Jeff about it, and explain what the
15 scope is and what the need is, and then he would work with
16 corporate to make sure we understand what the need is, and then he
17 would work with corporate to make sure we understand what the need
18 is, all agree that it really is a safety need, and then they would
19 work to allocate the funds to us, to make sure we can implement
20 the project.

21 Q. In your experience for any safety related **requests** that was
22 (indiscernible), your experience is, have those been funded?

23 A. They've always been funded.

24 Q. Okay. Thank you.

25 MR. McDILL: That's all the questions I have.

1 MR. EVANS: Okay. Thanks.

2 BY MR. EVANS:

3 Q. Let's go back to soil just briefly. This is Roger Evans by
4 the way. On the soil side, and I know I've read the report, the
5 Bryant Engineering report, when Mr. Bryant came around and talked
6 to you about that issue, and who was with you did you say?

7 A. Jeff and I -- I've been in meetings the past probably 2 to 4
8 weeks with John Bryant. So the initial timeframe, I wasn't
9 engaged with John until more recently.

10 Q. Okay.

11 A. I have a more forward looking, if you will, on how we're
12 planning for future projects.

13 Q. Okay. So -- and I know you're not a soil specialist.

14 A. Right.

15 Q. You've already told us that. So just a few questions about
16 that. So when you were having discussions with Mr. Bryant, were
17 there discussions that centered around the fact that that 300 home
18 neighborhood or that 2800 home area, those are both impacted by
19 the type of soil that causes expansive movement and all that?

20 A. The meetings I was involved with, for John Bryant, were more
21 holistic in nature. So they weren't really about that particular
22 area. It was more where are -- so if these factors are going on
23 here, could there be similar factors anywhere else. So we were
24 asking him those types of questions to go forward. So I wasn't
25 involved in that specific area.

1 Q. Okay. So I mean were his comments to that though like there
2 was a likelihood about those types of areas in your network?

3 A. So far what he's seeing is that the -- there are a multitude
4 of factors in that area, and other areas might have 2 or 3 of
5 those factors, but this area might have 10 factors and other areas
6 might have 3 or 4. So nothing as severe as what was seen in that
7 particular area.

8 Q. Okay. And when you say that area, do you mean the 300 home
9 area or the 2800 home area or both?

10 A. Both.

11 Q. Okay. So when he made the comments about that, were those
12 based on soil samplings? He went out and drilled and pulled up
13 soil?

14 A. You'd have to ask him what that's based upon. I don't know.
15 I don't know what he based --

16 Q. The phrase soil samples did not -- I mean when he was
17 talking, did he say based on soil samples, nothing like that?

18 A. Are you talking about around the state or in that area?

19 Q. In that area, the 300 and the 2800.

20 A. I mean I've heard that they're taking soil samples there, but
21 I don't know -- what else are you -- are you talking --

22 Q. No, was he talking --

23 A. -- about what's around the other --

24 Q. Yeah, I was just saying -- was he saying that -- for him to
25 make a statement that there are this many factors in that region,

1 to me, tells me that he must have taken some soil samples. Did he
2 reference soil samples in your discussion I guess is what I'm
3 asking?

4 A. Yeah, they were talked about because I know they've been
5 taking soil samples in that area. Now the timeline that -- when
6 he took that and what statements, I can't speak to that.

7 Q. Okay.

8 A. Is that --

9 Q. Yeah. That answers it.

10 A. Yeah.

11 Q. Yeah, that answers it. I'm sorry.

12 A. So I mean I know he's got a lot of knowledge about the area
13 and --

14 Q. Right.

15 A. -- and I know they're taking soil samples. When they were
16 taken versus when his report was done, that's a question you'd
17 have to ask him.

18 Q. But when he was talking about factors in other areas --

19 A. Um-hum.

20 Q. -- that some of the areas may have less or more factors --

21 A. Yeah, that's just based on his general knowledge at this
22 point.

23 Q. Oh, not on samples.

24 A. We haven't asked him to take any samples anywhere else in the
25 state at this point.

1 Q. Okay. So when you -- in the discussions about risk --

2 A. Yes.

3 Q. -- have you theorized how that might be applied?

4 A. Yeah, I mean we've started thinking about it and talking
5 about it a little bit. There hasn't been any decision on exactly
6 how we want to proceed with that. We really want to let kind of
7 the geotechnical engineer be the geotechnical engineer and tell us
8 what the different soil, geological and hydrological conditions
9 might be that could affect the pipe and then start applying
10 that --

11 Q. Right.

12 A. -- in the appropriate manner and make sure that it's thorough
13 and that it's appropriate and thought through before we just
14 start.

15 Q. Okay. So not that it matters today, because it's going to be
16 a while before this report gets written.

17 A. Okay.

18 Q. It could be a year just to be blunt about it.

19 A. Right.

20 Q. But would you say that today, based on what you know today,
21 that soil will become a factor in your risk model?

22 A. Yes.

23 Q. That's a definite?

24 A. It will become a factor in our risk model.

25 Q. Okay. That's good to know. Thanks. So back to that

1 neighborhood again, and the fact that -- I'm trying to -- I don't
2 mean to beat a dead horse, but I mean this is just kind of
3 bothering me. I look at, you know, Chris just had that drawing
4 up, but we have a drawing. Let's just show her the drawing. We
5 might as well. I don't know if you've seen it.

6 MR. McLAREN: The circles.

7 MR. EVANS: Yeah. No, no, not that one. The part of the --
8 that one.

9 BY MR. EVANS:

10 Q. This is probably the most troubling drawing I've had in a
11 long time.

12 A. The most troubling what?

13 Q. Drawing. Have you ever seen it before?

14 A. No, I have not seen this drawing before.

15 MR. EVANS: Okay. And you've seen it, haven't you?

16 MR. McDILL: I have not.

17 BY MR. EVANS:

18 Q. Okay. Well, this is a -- those white bubbles on that drawing
19 depict gas -- your gas surveys, your leak surveys, the --

20 MR. McLAREN: Bar holes.

21 BY MR. EVANS:

22 Q. -- bar holes. The white bubbles are bar holes.

23 A. Okay.

24 Q. And you see we have three homes that have issues, the two
25 green and the yellow, and you see how close they are, and we have

1 all goose eggs on those two properties, but then if you look over
2 on the -- north is straight up on the drawing by the way. So if
3 you look in the southeast corner, you look in -- I mean the
4 southwest corner, you look in the northwest corner, you see two
5 grade 1 leaks. They're hard -- it's hard to read.

6 A. Got it. I see it.

7 MR. McLAREN: One in the alleyway and two in the road.

8 BY MR. EVANS:

9 Q. Yeah, there's three of them I think over there.

10 A. I see it now.

11 Q. Okay.

12 A. Thank you.

13 Q. So we put this together based on -- well, I had to talk to
14 some high level people at the NTSB and I had to put something
15 together to show what we knew.

16 A. Okay.

17 Q. Right. And it's a very confusing -- this is a very confusing
18 case for us. I can tell you that right off the bat because of the
19 goose eggs. Those zeros on those two properties are really, you
20 know, alarming. No gas -- well, we had two homes that burned and
21 two gas issues. But what I'm trying to figure out is with your
22 statement you just made, that talks about you have three high risk
23 items on 150 segments, in that particular area.

24 A. In the area, when I say that area, I'm talking about the
25 shut-in area. So not that street and not the 300 but the largest

1 area.

2 Q. Okay.

3 A. Does that paint that picture for you a little clearer?

4 MR. EVANS: I didn't -- did you understand that?

5 MR. McLAREN: Yeah, the 100 to 150 segments is 3000 --

6 MS. ESPINOZA: It's about 150 to 200 segments in the large

7 area.

8 BY MR. EVANS:

9 Q. Oh, okay. Okay.

10 A. So it's a total of -- so I believe that the Optimain actually
11 has this particular alley as one segment if you will.

12 Q. One segment was the alleyway.

13 A. Right. So -- but if you look at it as a whole --

14 MR. TOBIN: Just to be clear, that was not the testimony.

15 MR. EVANS: Introduction.

16 MR. TOBIN: I'm sorry. I'm Tom Tobin. When you said one of
17 the Optimain high risk segments was in the alley, that's not been
18 the testimony.

19 MS. ESPINOZA: No, that's not correct.

20 BY MR. EVANS:

21 Q. But you identified one segment in that --

22 A. So if you think of the entire shut-in zone, where I had the
23 24, 2800 homes, whatever that number was. There were about 150 to
24 200 Optimain segments --

25 Q. Right.

- 1 A. -- in that area.
- 2 Q. Right.
- 3 A. Three of them were in that high relative risk category out of
4 that entire --
- 5 Q. Okay. Of the large group.
- 6 A. -- large group.
- 7 Q. Of the 2800.
- 8 A. Yes.
- 9 Q. Okay. What about this section? Do you know?
- 10 A. The section was not.
- 11 Q. There was nothing in that section.
- 12 A. That section there, in that alley, was not considered high
13 relative risk according to the Optimain log.
- 14 Q. So no high risk items in that whole area right there?
- 15 A. Well, that alley.
- 16 Q. That alley.
- 17 A. I would have to look at -- if you needed a segment by
18 segment, I would need to look into that.
- 19 Q. Could it be possible that these class 1 -- grade 1 leaks on
20 the left-hand side of the page could be in another segment that
21 have -- that were destined to be on your scorecard?
- 22 A. I don't -- I don't know. That were destined to be?
- 23 Q. No, that had been identified and now they're one -- they have
24 a score. That would make them --
- 25 A. I would have to look at our results. Would you like us to

1 just --

2 MR. McDILL: John McDill.

3 BY MR. McDILL:

4 Q. Maybe, Tammy, the right question, just to make sure we're all
5 very clear --

6 A. Yeah.

7 Q. -- because it's a lot of segments. Some Optimain segments
8 apply typically up to no greater than 2,000 feet in length.

9 A. Typically, yes.

10 Q. Okay. And when you speak to 150 Optimain segments --

11 A. Um-hum.

12 Q. -- that reflects the area that was for the planned outage.

13 A. Planned outage, correct.

14 Q. -- of 2800 homes.

15 A. Correct.

16 Q. And within that probably 150 segments of the planned
17 outage --

18 A. Yes.

19 Q. -- there were 3 Optimain segments that were high relative
20 risk within the 150 or so segments of the planned outage?

21 A. Correct.

22 Q. And as far as your knowledge, the outage that's identified
23 between Espanola and Durango, that was not a high relative risk
24 segment?

25 A. Correct.

1 Q. Do you happen to know what the relative risk was for that
2 segment?

3 A. I believe it was -- I believe it was around an 8 -- between
4 an 8 and a 9.

5 Q. Okay. Thank you.

6 MR. EVANS: Okay.

7 MR. McDILL: I just want to make sure --

8 MR. EVANS: I'm glad you --

9 MR. McDILL: -- because it can get confusing to make sure.

10 MS. ESPINOZA: Yeah.

11 MR. TOBIN: This is Tom Tobin. If you want a map showing you
12 where the three segments were, that may clarify all this
13 questioning.

14 MR. EVANS: No, I understand now.

15 BY MR. EVANS:

16 Q. I was -- I'm just trying to figure out why your system -- why
17 these grade 1s did not appear but your data is a year old. That's
18 one thing. That's a very key point in this whole discussion --

19 A. Right. So it's --

20 Q. -- is that you're working with year old data, and a lot can
21 happen in a year.

22 A. Which is really why we rely on the operational side of things
23 to kind of be the eyes and ears in (indiscernible) of the system.

24 Q. Right. Yeah.

25 A. They know if something looks different than what it did a

1 week ago.

2 Q. Okay.

3 A. So that kind of goes back to the known and unknown.

4 Q. Okay. So back to the area in the large area where they --
5 you had the three. Had they been scored?

6 A. I know that they were high relative risk. I know that one of
7 those three had been replaced, and outside of that, I don't know
8 what the scores were on those three. I know they weren't in the
9 top 100, if you will, of the segments that were high relative
10 risk, but outside of that, I don't know their exact scores.

11 Q. Okay. So just since we're talking about that 2800 homes, all
12 the segments and 3 issues. So typically in an area that size, and
13 having three issues, they could have a high score which would
14 create a demand to go out and get it fixed quickly. That could be
15 -- not that -- I mean but it's not unusual I guess to have 3 out
16 of an area of 2800 homes --

17 A. It's not.

18 Q. -- for someone to say, go ahead and go fix those because
19 they're scoring high.

20 A. It's -- I'm not sure what the question is. Are you asking if
21 it's unusual that there were three in that area?

22 Q. No, no. I'm sorry. What I'm trying to figure out is when
23 you have three items --

24 A. Um-hum.

25 Q. -- in an area that large --

1 A. Um-hum.

2 Q. -- if they score 8, 18 or 80, if it scored 80, you'd go out
3 and fix it. It would make the hit parade to go and fix it,
4 correct, if it was a high risk area -- item? You would actually
5 make the effort to go into that single item --

6 A. We do. We go and replace, you know. We go through that
7 Optimain list every year, and we go and target the top of the high
8 relative risk segments, and we go segment by segment. So there
9 could be one in east Texas and one in west Texas and one in
10 Dallas, and one in Sherman and one in wherever. They can be
11 everywhere. We go segment by segment to replace those as needed.

12 Q. Okay. Good.

13 A. So we're not targeting one area or another if that's what
14 you're trying to understand.

15 Q. That's what -- yeah, that's what I'm trying to understand.

16 A. Yeah, it's -- we will go and take out, but if we see that
17 there's others along that area, okay, well, there's been some new
18 leaks that's popped up in the past month or two, operations has
19 noticed, then we will add to that scope. So does that answer your
20 question.

21 Q. Yeah, that answers it.

22 A. Okay.

23 Q. So the other question I have along the scoring though --

24 A. Yeah.

25 Q. -- once an item gets a score, but it's not a high risk score,

1 does that -- what score do you have to have for that to get some
2 attention or do you just keep looking at it over the next period
3 of time, the next run you do, the next year's data or the next
4 year's data. Because I mean it could score like an 8 and then the
5 next time you run it, it's a 20 and the next time you run it,
6 maybe it's a 25. What point does it have to get to, to where
7 you're actually going to address that issue?

8 A. So the way that we look at our Optimain in particular, so
9 there's the steel service line replacement. There's the cast iron
10 and all those other ones.

11 Q. Right.

12 A. So I'm speaking just about one piece of our kind of risk
13 modeling if you will.

14 Q. Right.

15 A. Is we take that snapshot in time and then every year it's
16 different, and it's a statistical average. So we talk about a
17 mean plus 2 sigma. So it's a mean plus two standard deviations,
18 and you take that and that's your high risk piece.

19 Q. Okay.

20 A. And then you look at all of those as high risk.

21 Q. Right. So something could be high on the list one year or
22 higher on the list one year than the next year.

23 A. Right, because it's high relative risk.

24 Q. High relative risk, okay.

25 A. So when we talk about, you know, the -- we include things

1 like, you know, if there's schools, if there's churches, if
2 there's consequences. So one could be lower one year and higher
3 the next year, not because the pipe changed but because a school
4 went in nearby, and that raises the consequence, in that risk
5 equals --

6 Q. Oh, okay.

7 A. -- likelihood times consequence --

8 Q. Yep.

9 A. -- formula.

10 Q. Right.

11 A. Does that make sense?

12 Q. It makes sense.

13 A. So I mean that's part of the reason it's an annual process,
14 too.

15 Q. Right.

16 A. We gather all of those bits of data, like buildings and
17 population density and all those other things.

18 Q. Like they're building a hospital today, but it's not
19 finished, but next year it's going to be finished, and it's fully
20 populated with patients, that's going to make that risk score
21 higher.

22 A. That's going to make the risk score higher on the same piece
23 of pipe --

24 Q. Right. Okay.

25 A. -- and it would increase it, yeah, from one year to the next.

1 Q. The key question for me, did you have any role whatsoever in
2 the decision to curtail service at the 300 home area or the 2800
3 home area?

4 A. No, I did not.

5 Q. Okay. Anyone in your group?

6 A. No.

7 Q. Okay. Thank you. You know, we did some -- we haven't --
8 we're not done studying it, but we did -- thank you, by the way,
9 John, for the -- he gave us the composition of the gas and we
10 studied it. And we found 3 years of where there was tiny, tiny
11 off spec by just small fractions of trace -- almost trace type
12 commodities, but nothing like propane was off or nothing like
13 that.

14 So the composite of the gas itself was okay, which I know you
15 don't deal with but on the pressure side, we were kind of
16 surprised at the pressures. We have a guy in our group who has
17 been around this a long, long time, and he asked me, are you sure
18 that's the number, because there was a range of like 28 pounds to
19 49 pounds. Does that sound like a --

20 A. At what location?

21 Q. The 300 home area.

22 A. How did you make that determination?

23 Q. We had a spreadsheet that's enormous that we did a -- we did
24 standard deviation and we did averaging. We did a whole lot with
25 that spreadsheet, and the numbers were kind of like -- we were

1 just wondering if -- is that 28 to 49 pounds, does that sound --

2 A. That doesn't sound unusual off the cuff, but I haven't dug
3 into the pressures on that system to -- I mean 28 to 49 doesn't
4 sound very unusual to me.

5 Q. Okay. Okay. Good. One of the, you know, we hear in our
6 business, when we're asking questions, at this kind of situation,
7 you know, doing interviews and stuff, you know, especially when it
8 comes to cast iron. Cast iron, they have a goal -- every company
9 has a goal to get rid of so much cast iron. And every year
10 there's a reason why they didn't get the mileage they had, you
11 know, and a lot of times it's because there might be other
12 projects that they had or something got pushed out of the way.
13 I'm just curious, the way your allocation of funding and all that
14 for pipe replacement, can you talk about that a little bit? I
15 mean is there borrowing money from Peter to pay Paul when it comes
16 to how that gets allocated?

17 A. No. I mean to give you a little background, I mean so I
18 started at Atmos in 2013.

19 Q. All right.

20 A. A little over 5 years, and from about 2012 to now, we've
21 increased our budget to drive risk out by 3 to 4 times. So when
22 you talk about allocating those dollars, we have the adequate
23 dollars to allocate to drive that risk out of our system that
24 we're talking about. How we make decisions inside those different
25 categories, I mean I can get kind of specific about it. One of

1 the things that, you know, at the beginning of the year, okay,
2 you've got this many dollars. Where do we ~~spent~~^{spend} these dollars?
3 Right. Well, we go through and we look at all the things that
4 we've talked about spending the money on, that we've said we are
5 going to drive cast iron out. Okay. Well, how -- we said we're
6 going to do it in 5 years. Well, how many miles do we have left?
7 How many dollars a year, and we put that in there. Okay. Well,
8 that's -- here's your total amount to take cast iron out. Okay.
9 We want to do this many steel service lines. We want to do this
10 much of our DuPont Aldyl-A, and you just keep going down that
11 list.

12 Q. Right.

13 A. And then you kind of go, okay, do I have enough for all of
14 those what ifs, those condition based that come up throughout the
15 year, those relocations that come up. A lot of times, the
16 relocations, they're known but they're not all known at the
17 beginning of the year. We just know that they're going to
18 happen --

19 Q. Right.

20 A. -- because cities are going to do projects. So we look at
21 those and make sure that we've got what we think, based on
22 historical trends and then based on all the goals that we have for
23 replacing our infrastructure, that we have enough dollars to do --
24 to meet our goals for the year.

25 Q. Okay. I was just curious about that.

1 MR. EVANS: That's all I have. So any questions?

2 MR. McLAREN: No, thank you.

3 BY MR. COLLINS:

4 Q. One quick question.

5 A. Yes.

6 Q. Do you know the total mileage replaced in the 2800 home or
7 footage (indiscernible)?

8 A. I want to say -- it's not in my mind right now. I want to
9 say it was like 28 miles but I could be wrong. Something in that
10 range.

11 Q. Thank you. That's all I have.

12 MR. McDILL: John McDill, with Atmos Energy.

13 BY MR. McDILL:

14 Q. Tammy, just -- you said this already but I want to make sure
15 the record's clear real quick. When Andrew's group reveals kind
16 of the highest relative risk segments --

17 A. Um-hum.

18 Q. -- so there's a part that goes towards planning for
19 replacement of those segments.

20 A. Um-hum.

21 Q. But while that's happening, it goes down a parallel path --

22 A. Correct.

23 Q. -- where it goes to a different group --

24 A. Right.

25 Q. -- to help explain.

1 A. So the high relative risk segments, we take accelerated
2 action on those, and that accelerated action are -- our choices
3 are to either do an accelerated leak survey and/or replace. So
4 all of them get that additional leak survey and then some of those
5 get replaced. Is that what you're speaking to, John?

6 Q. Yes. So it may take a while to replace a segment based on
7 conditions outside of our control, if it's a permitting process.

8 A. Some of them get replaced immediately and some of them may
9 take a little bit longer in that permitting process. So we
10 wouldn't go ahead and say, okay, we're not going to worry about
11 what the schedule for the city is and all those other things that
12 could happen. We go ahead and leak survey everything just as a
13 matter of kind of due diligence and prudence. We'd rather go and
14 do additional leak survey something that we end up replacing or
15 that's about to get replaced than to not.

16 Q. I see. Okay. And just the data is refreshed annually, but
17 as needs arise, there's an ability to fund those requests for
18 safety needs regardless if the data's been refreshed or not, as
19 new data is becoming available.

20 A. Right. Exactly.

21 Q. Those that need funded.

22 A. Those get funded immediately so those can be done immediately
23 by operations if they're 250 feet or less, or if they're more,
24 they'll come through us and we'll do a review to make sure that we
25 get the appropriate, you know, size and scope and pressure on

1 those pipes but there's no lag in that. We don't have to re-
2 crunch it and have a new list before we can implement a project.

3 Q. Good. Thank you.

4 MR. EVANS: Any more questions?

5 MR. McLAREN: No, thank you.

6 MR. EVANS: Okay. That completes the interview.

7 (Whereupon, the interview was concluded.)

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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 Tammy Espinoza

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.


Kathryn A. Mirfin
Transcriber