



FOR IMMEDIATE RELEASE

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Contact: Jessica Walker, Jessica.Walker@fairhopeal.gov

FAIRHOPE, Alabama – In light of rumors about the Gas Department’s standing with the Public Service Commission (PSC), Fairhope Utilities has issued the following statement:

“In 2019, the annual audit from the Public Service Commission (PSC) showed that the City had not completed required inspection and repair of unprotected gas services along with concerns regarding cathodic protection. After these violations were noted, members from the Gas Department met with the PSC and completed a plan for mitigation of the issues.

During the remainder of 2019 and into 2020, a portion of this work was completed but demand for new construction led to the work on unprotected services and cathodic protection not being completed. On June 17th and 18, 2020, the audit for calendar year 2019 was completed and again it was noted that the required maintenance was insufficient.

Once the results of the audit were shared with Operations Director Mike Allison and Mayor Karin Wilson, the Gas Department was instructed to pause installing new construction and new services for generators until a plan for mitigation was developed. Along with this, changes were made to staffing and management responsibilities of the Gas Department.

On June 25th, 2020, a notice was put out informing customers that we would be delaying the installation of new services for up to six weeks while we assessed the system. The assessment was completed, and a plan developed within three weeks.

During that three-week period, Fairhope Utilities continued to respond to emergencies and install gas mains and other services. The department also completed several service installations for generators needed to support life safety needs.

RFP’s for the mitigation plan were expedited to get contractors on board to assist with mitigation by December 31, 2020. These contracts were awarded August 10th, 2020, by the City Council and the contractors will soon be on site to complete the work.

Moving forward, all work for the Gas Department has been reprioritized in such a way that ensures this required maintenance is completed each year and that the system is operated as safely and efficiently as possible. This includes asking developers to install new gas infrastructure for their subdivisions much as they currently do for water and wastewater.

The PSC has made no mention or has expressed no intention to shut the Gas Department down.”

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