

April 1, 2014

Ms. Elizabeth A. Rolando  
Chief Clerk  
Illinois Commerce Commission  
527 East Capitol Avenue  
Springfield, Illinois 62701

Re: North Shore Gas Company;  
Submission of Section 5-111 Report for CY2013

Dear Ms. Rolando:

In accordance with the requirements of Section 5-111 of the Public Utilities Act, attached is the reporting submission package for North Shore Gas Company metrics for calendar year 2013.

Attachment 1 is the notarized verification statement.

Attachment 2 is the reporting narrative that supplies additional detail for each Section 5-111(b) metric, goal and jobs attributed to the metric.

Attachment 3 is the report. Since this is the first year for this report, the prior calendar year and year over year change columns are blank.

Attachment 4 is the definitions used for the report.

Please contact me at your convenience if you have any questions regarding this matter.

Sincerely,



Thomas J. Webb  
Compliance Manager  
312-240-4650

cc: Mr. Darin R. Burk (w/ encl.)

Attachment 1  
to the letter

From:  
TJ Webb (NSG)

To:  
EA Rolando (ICC)

Dated:  
April 1, 2014

Re:  
Notarized Verification Statement

VERIFICATION

STATE OF ILLINOIS

COUNTY OF COOK

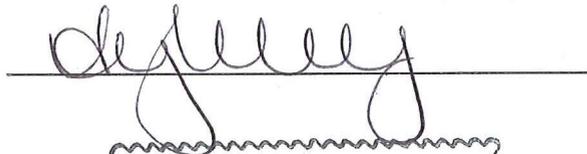
Thomas J. Webb makes oath and says that he is Compliance Manager for the North Shore Gas Company; that he has examined the attached report submitted pursuant to Section 5-111 of the Public Utilities Act (220 ILCS 5/5-111); that to the best of his knowledge, information and belief, all statements of fact contained in said report are true and said report is a correct statement of the information of the respondent required to be provided pursuant to Section 5-111 in respect to each and every matter set forth therein during the period from and including January 1, 2013, to and including December 31, 2013.



Thomas J. Webb

Subscribed and sworn before me, a Notary Public in and for the State and County names, this 21<sup>st</sup> day of March, 2014.

My Commission expires on: 3/27/16



Attachment 2  
to the letter

From:  
TJ Webb (NSG)

To:  
EA Rolando (ICC)

Dated:  
April 1, 2014

Re:  
Reporting Narrative

# North Shore Gas Company (“NSG”)

## Section 5-111 Reporting Metrics Narrative

This narrative addresses each reporting item identified in Section 5-111(b) of the Public Utilities Act in the order in which they are listed in that section.

### 1. Emergency Calls

#### a. Metric

- i. The number of emergency calls with response times exceeding 30 and 60 minutes is an existing metric that has been previously tracked in NSG’s customer information system (CFirst) computer program with the Composite Leak Order Tracking Report. The percentage of calls exceeding 30 and 60 minutes is also being reported since the goal is set as a percentage.
- ii. The number of emergency calls in which the flow of gas was stopped/vented in times exceeding 60 and 90 minutes was not previously tracked and no data exists for calendar year 2013. The leak form was modified and qualified personnel were trained to document their arrival time and time to make safe. Data collection for this metric began on 1-7-2014.

#### b. 2014 Goal

- i. The number of emergency calls with response times exceeding 30 and 60 minutes has existing goals of less than 25% and less than 0.5% respectively. These goals were met in 2013 and are the same for 2014.
- ii. The goal for the number of emergency calls in which the flow of gas was stopped/vented in times exceeding 60 and 90 minutes will be developed upon review of 2014 data.

#### c. Jobs Attributed to Metric

- i. The jobs attributed to this metric include field support (leak chasers), field supervisors, dispatchers, dispatch supervisors and 3<sup>rd</sup> party call center (IQor) personnel.

### 2. Number of Incidents

#### a. Metric

- i. The Peoples Gas Light and Coke Company (“PGL”), an affiliated utility, and NSG damage metrics are tracked monthly by the PGL System Integrity Group on an Excel spreadsheet. The damage to NSG as a result of NSG error includes NSG crews damaging NSG facilities, locating errors by NSG and locating subcontractor and incorrect mapping of NSG facilities in the Navigate database.
- ii. The damage to NSG facilities as a result of 3<sup>rd</sup> party errors includes damages from personnel other than NSG employees. Subcontractors (except locating subcontractor) are included in this metric.

#### b. 2014 Goal

- i. The damage incidents per thousand gas facility locate requests goal was developed by the General Manager of NSG and took into account historical performance and planned construction activity in 2014.
  - c. Jobs Attributed to Metric
    - i. The jobs attributable to this metric include NSG personnel qualified to perform locates and NSG personnel qualified as first responders.
- 3. Cathodic Protection Readings Below -0.850 Volts**
  - a. Metric
    - i. The number of initial reads below -0.85 volts was supplied by the Operations General Supervisor and includes mains and services read annually and every 10 years.
  - b. 2014 Goal
    - i. The 2014 goal was difficult to develop due to the unknown variation of mains and services that are read every 10 years. A true representation of the system will not be fully known for another 9 years.
  - c. Jobs Attributed to Metric
    - i. The jobs attributable to this metric include corrosion technicians, contractors for inspections and remediation, and management personnel.
- 4. Service Lines Inactive > 3 Years and Not Disconnected from Source**
  - a. Metric
    - i. The number of services inactive over 3 years and not disconnected from a source of supply was not previously tracked. However, a system query was performed by personnel from the Central Planning Group to provide data for this metric.
  - b. 2014 Goal
    - i. The 2014 goal for this metric is to disconnect 50 of the oldest inactive services. The ongoing goal is to disconnect the oldest inactive services in a given year.
  - c. Jobs Attributed to Metric
    - i. The jobs attributable to this metric include the full time equivalent of work crews needed to disconnect inactive services based on the number of cut offs and manhours required per cut off.
- 5. Number of Difficult to Locate Services Replaced**
  - a. Metric
    - i. NSG has the ability to locate all mains and services in its territory by conductive or inductive methods or by use of company records.
  - b. 2014 Goal
    - i. NSG does not anticipate replacing any main or service based solely on difficulty of locating the facility.
  - c. Jobs Attributed to Metric
    - i. Since no facility will be replaced based on locating difficulty, no jobs are attributed to this metric.
- 6. Number of Remotely-Readable Cathodic Protection Devices**

- a. Metric
  - i. The number of remotely-readable cathodic protection devices was supplied by the Manager of the Corrosion Control Group. Rectifiers and bonds are reported separately.
- b. 2014 Goal
  - i. The current plan from the Corrosion Control Group is to install one bond in the NSG system in 2014.
- c. Jobs Attributed to Metric
  - i. The jobs attributable to this metric include a technician to install a bond.

**7. Miles of Main Replaced**

- a. Metric
  - i. The numbers reported for 2013 are the amount with “retired” status in NSG’s system of record and reported by the Work Asset Management (WAM) program.
- b. 2014 Goal
  - i. The NSG system of distribution mains contains cathodically protected coated steel and MDPE plastic only. Therefore NSG has no plans to replace any mains in 2014.
- c. Jobs Attributed to Metric
  - i. The jobs attributable to this metric are combined with the number of services replaced and include the average monthly full time equivalent number of contractor and NSG crews.

**8. Number of Services Replaced**

- a. Metric
  - i. NSG is currently in the process of replacing certain services with modern materials. The numbers reported for 2013 are the amount with “retired” status in NSG’s system of record and reported by the Work Asset Management (WAM) program.
- b. 2014 Goal
  - i. NSG does not currently plan to replace any services in 2014.
- c. Jobs Attributed to Metric
  - i. The jobs attributable to this metric are combined with the number of mains replaced and include the average monthly full time equivalent number of contractor and NSG crews.

**9. Miles of Transmission Facilities on Which MAOP Have Been Established**

- a. Metric
  - i. The miles of transmission facilities with established MAOP were derived from part Q of the 2013 NSG annual PHMSA<sup>1</sup> report for Gas Transmission and Gathering Systems.
- b. 2014 Goal

---

<sup>1</sup> United States Department of Transportation’s Pipeline and Hazardous Materials Safety Administration.

- i. The goal for 2014 is to develop a plan to address the sections of transmission line that do not have adequate records verifying their MAOP.
  - c. Jobs Attributed to Metric
    - i. The jobs attributable to this metric include the total manhours spent on MAOP verification by internal labor and contractors.

**10. Miles of Transmission Facilities Equipped with Remotely Controlled Shut Off Capability**

- a. Metric
  - i. The miles of transmission facilities equipped with remotely controlled shut off capability were supplied by the Manager of Gas Control and Pipeline Operations after a review of a system query.
- b. 2014 Goal
  - i. Planning for remotely operated valves will be determined after MAOP plan is established for the NSG system.
- c. Jobs Attributed to Metric
  - i. There are currently no jobs attributable to this metric.

**11. Diversity of Contracting**

- a. Metric
  - i. The data for minority, women and veteran owned businesses was supplied by the Director of Supply Chain Services and is derived from the PGL and NSG 2013 Supplier Diversity Report.
- b. 2014 Goal
  - i. The reported goal for 2014 is a consolidated goal for both PGL and NSG.
- c. Jobs Attributed to Metric
  - i. The jobs attributable to this metric were not measured in 2012 or 2013, however they are currently being tracked and will be included on next year's report.

Attachment 3  
to the letter

From:  
TJ Webb (NSG)

To:  
EA Rolando (ICC)

Dated:  
April 1, 2014

Re:  
Section 5-111 Report for CY2013



**Sec. 5-111. Natural gas performance reporting.**

**NORTH SHORE GAS  
NATURAL GAS DELIVERY**

**OTHER**

Number of scheduled cathodic protection readings below -0.850 volts;  
 Number of service lines that were inactive for over 3 years and not  
 disconnected from a source of supply;  
 Number of difficult to locate services replaced  
 Number of remotely-readable cathodic protection devices

Total Jobs Attributed to Other

**MILES OF MAIN REPLACED**

Miles of main replaced that were constructed of:

	(A) Calendar Year 2013 Sec. (b)(c)	(B) Prior Calendar Year Sec. (c)	(C) Year-Over- Year Change (A) - (B)	Jobs Attributed Sec. (c)	2014 Goal Sec. (d)
Under					
(b)(3)	814			10	814
(b)(4)	915			2	Disconnect 50
(b)(5)	0			0	0
(b)(6)	1 rectifier; 1 bond			1	Install 1 bond
Sec. (c)				13	
<b>MILES OF MAIN REPLACED</b>					
Miles of main replaced that were constructed of:					
Cast Iron	0				
Wrought Iron	0				
Ductile Iron	0				
Unprotected Coated Steel	0				
Unprotected Bare Steel	0.082				
Mechanically Coupled Steel	0				
Copper	0				
Cellulose Acetate Butyrate (CAB) Plastic	0				
Pre-1973 DuPont Aldyl "A" Polyethylene	0				
PVC	0				
Other types of materials identified by a State or Federal government agency as being prone to leakage	0				
Total Miles of Main Replaced	0.082				0
<b>SERVICES REPLACED</b>					
Number of services replaced that were constructed of:					
Cast Iron	0				
Wrought Iron	0				
Ductile Iron	0				
Unprotected Coated Steel	0				

Sec. 5-111. Natural gas performance reporting.

**NORTH SHORE GAS**  
**NATURAL GAS DELIVERY**

	Required	(A) Calendar Year 2013	(B) Prior Calendar Year	(C) Year-Over- Year Change	Jobs Attributed	2014 Goal
		Sec. (b)(c)	Sec. (c)	(A) - (B)	Sec. (c)	Sec. (d)
Unprotected Bare Steel	Under (b)(7)	176				
Mechanically Coupled Steel	(b)(7)	0				
Copper	(b)(7)	3				
Cellulose Acetate Butyrate (CAB) Plastic	(b)(7)	0				
Pre-1973 DuPont Aldyl "A" Polyethylene	(b)(7)	0				
PVC	(b)(7)	0				
Other types of materials identified by a State or Federal government agency as being prone to leakage	(b)(7)	0				
Total Number of Services Replaced		179				0
Total Jobs Attributed to Miles of Main & Number of Services Replaced	Sec. (c)				3	
<b>TRANSMISSION</b>						
Number of miles of transmission facilities on which maximum allowable operating pressures have been established	(b)(8)	28.2			2.1 FTE	28.2
Number of miles of transmission facilities equipped with remotely controlled shut-off valve capability	(b)(9)	0			0	0 (See Note 2)
Total Jobs Attributed to Transmission	Sec. (c)				2.1	

Sec. 5-111. Natural gas performance reporting.

**NORTH SHORE GAS**  
**NATURAL GAS DELIVERY**

*DIVERSITY OF CONTRACTING*

Value in dollars of contracts in force with: (PGL & NSG combined)

Minority Owned businesses

Female Owned businesses

Qualified Service-Disabled Veteran-Owned businesses

Total Jobs Attributed to Diversity of Contracting

Note 1 - Goal to be developed after a review of 2014 data.

Note 2 - Planning for ROV's will be determined after MAOP plan is established.

Note 3 - Goal is a consolidated goal for NSG and PGL. We do not have goals split out for each company.

Note 4 - Jobs were not measured in 2012 or 2013, however they are being tracked for 2014.

	Required	(A) Calendar Year 2013	(B) Prior Calendar Year	(C) Year-Over- Year Change	Jobs Attributed	2014 Goal
	Under	Sec. (b)(c)	Sec. (c)	(A) - (B)	Sec. (c)	Sec. (d)
	(b)(10)					
	(b)(10)	\$46,141 0.16%	\$110,328 0.55%	(\$64,187) (0.39%)		3% (See Note 3)
	(b)(10)	\$331,695 1.14%	\$476,574 2.36%	(\$144,879) (1.22%)		10% (See Note 3)
	(b)(10)	\$25,772 0.09%	\$25,451 0.13%	(\$321) (0.04%)		0.2% (See Note 3)
	Sec. (c)				See Note 4	

Attachment 4  
to the letter

From:  
TJ Webb (NSG)

To:  
EA Rolando (ICC)

Dated:  
April 1, 2014

Re:  
Definitions

# North Shore Gas Company (“NSG”)

## Definitions for Section 5-111 Report

1. Section b1 – **Emergency call** – notification of Customer Care Center (City-wide Dispatch) of an emergency condition. (Emergency condition codes on Composite Leak Order Tracking Report from C-First program – A,B,E,F,G,H,O). The emergency conditions include:
  - a. severe and normal leaks (inside premises or outside)
  - b. explosion
  - c. fire
  - d. carbon monoxide leak
  - e. fire department call
  - f. odor

At a minimum, leak and odor times will be reported to the ICC.

2. Section b1 – **Dispatch** – a central entity for receiving emergency notifications and coordinating day-to-day crew activity.
3. Section b1 – **Response time** – time elapsed from Dispatch center notification to gas company responder arrival on scene (received to arrived).
4. Section b1 – **Stopped or vented natural gas** – applies to Excavation Damage hits only. The time elapsed from time a qualified individual (employee that has the ability to start performing tasks that restrict the flow of gas on the system) arrives at the scene (arrive time) until the flow of gas is stopped or vented (time made safe).
5. Section b2 – **Incidents of damage** – definition from Illinois Underground Utility Facilities Damage Prevention Act:

“The contact or dislocation of any underground utility facility during excavation or demolition which necessitates immediate or subsequent repair by the owner of such facility.”
6. Section b2 – **Locate request** – (from CGA best practices handbook) a communication between an excavator and one call center personnel in which a request for locating underground facilities is processed.
7. Section b2 – **Damage to Utility as a result of Utility error** – damage to an operator’s facility due to operator’s (NOT including operator sub-contractors, but including locating sub-contractor) mistakes including:

- a. not hand digging while excavating
- b. un-marked and mis-marked facilities
- c. incorrect facility mapping
- d. not requesting a locate
- e. excavating outside requested limits
- f. failing to support or protect facility
- g. not maintaining locate marks
- h. relying on someone else's locate
- i. damage by non-power equipment
- j. failure to maintain proper clearance
- k. improper backfilling
- l. difficult to locate facilities
- m. ticket not valid/excavation without a proper ticket (digging early, ticket expired)
- n. not exposing facilities for boring

8. Section b2 – **Damage to Utility as a result of Third Party error** – damage to an operator's facility due to personnel other than operator employees. Subcontractors (except as noted above) are included in this metric. (NSG Damage Prevention metrics "NSG 3<sup>rd</sup> Party – Cont at Fault" tab).

Types of damage include:

- a. not hand digging while excavating
- b. not requesting a locate
- c. excavating outside requested limits
- d. failing to support or protect facility
- e. not maintaining locate marks
- f. relying on someone else's locate
- g. damage by non-power equipment
- h. failure to maintain proper clearance
- i. improper backfilling
- j. ticket not valid/excavation without a proper ticket (digging early, ticket expired)
- k. not exposing facilities for boring

9. Section b3 – **Scheduled cathodic protection reading** – main and service pipe initial corrosion protection (pipe to soil) readings scheduled by the Corrosion department, not including maintenance, follow-ups or remediation readings. For mains, if the high or low read (worst case) is greater than -0.85V it will be reported.

10. Section b4 – **Inactive** – services no longer in use with no customer on record, premises/building could be occupied or not occupied.

11. Section b4 – **Services inactive greater than 3 years and not disconnected from a source of supply** –

The following "how off" methods are to be included in this metric:

- a. Inactive CIS
- b. Internally plugged
- c. Locked at Bbox
- d. Locked at riser
- e. Plugged at valve
- f. RH off inside front building
- g. Shutoff at riser
- h. Shutoff at valve
- i. Shutoff at valve with lock

**Note: Services that have been cut off at the main, cut off between the main and building or disconnected at the riser will not be included in this metric.**

12. Section b5 – **Difficult to locate services** – is a service that :

- a. "Difficult to locate main" refers to a main from which a utility cannot obtain a reliable locating signal.
- b. "Difficult to locate service pipe" means a service pipe from which a utility cannot obtain a reliable locating signal.
- c. "Difficult to locate" for NSG means:
  - i. Cannot be located conductively (i.e. plastic services with no tracer wire) and
  - ii. Cannot be located inductively and
  - iii. for which there are no drawings and records do not exist

A line that can be located using any one of the above three methods is a locatable line and does not meet this definition.

Will only report number of difficult to locate services replaced.

13. Section b6 – **Remotely-readable cathodic protection devices** – a method of monitoring the cathodic protection status of protection devices (e.g. anode, rectifier, bond) without the need for an on-site visit. Defined as Remote Monitoring Units (RMU) installed that will monitor rectifiers and bonds.

Initial report – base number of installed RMUs.

14. Section b7 – **Miles of main and number of services replaced** – main and service pipes constructed from Qualifying Material no longer actively carrying natural gas. Replaced mains and services have been superseded by modern materials such as steel and polyethylene (PE) plastic. Mains and services may be removed, cut off and abandoned in place or used as insertion medium for more modern materials.

**Replaced = Retired.** Retired is defined as when an asset has been physically cut off from the source of supply and purged of gas.

- a. For Distribution mains – after As-built complete
- b. For Distribution services – after As-built reconciliation
- c. For Transmission and High Pressure Distribution – after As-built reconciliation, enter retired date manually into Powerplant.

**Installed = In-service.** In-service –when an asset becomes used or useful; when the main or service gets pressurized with natural gas.

- a. For Distribution mains – after gas pressurization is completed – Compliance clock starts (leak surveys, inspections, etc.) and accounting \$ reported (this does NOT require a distribution service to be installed on the main); after As-built complete for PHMSA & ICC reporting.
- b. For Distribution services – after gas pressurization is completed – Compliance clock starts (leak surveys, inspections, etc) and accounting \$ reported (the distribution service will be stubbed and capped at house at this point, but a meter may not be installed yet); after As-built reconciliation for PHMSA & ICC reporting.
- c. For Transmission and High Pressure Distribution – enter installed date manually into PowerPlant. Accounting \$ reported and compliance starts when in-service (gassed date) entered in PowerPlant. Units will be tracked and reported by the transmission group.

15. Section b7 – **Qualifying Material** – The following are defined as Qualifying Material:

- a. cast iron
- b. ductile iron
- c. unprotected coated steel
- d. unprotected bare steel
- e. mechanically coupled steel
- f. copper
- g. cellulose acetate butyrate (CAB clear) plastic
- h. wrought iron
- i. pre-1973 Aldyl “A” polyethylene
- j. pvc plastic

16. Section b8 – **Transmission facilities** – Transmission facilities = transmission line

Definition from 49 CFR 192.3 – Transmission line means a pipeline, other than a gathering line, that: (1) Transports gas from a gathering line or storage facility to a gas distribution center, storage facility, or large volume customer that is not down-stream from a gas distribution

center; (2) operates at a hoop stress of 20 percent or more of SMYS; or (3) transports gas within a storage field.

17. Section b8 – **Maximum Allowable Operating Pressure (MAOP)** – Definition from 49 CFR 192.3 – means the maximum pressure at which a pipeline or segment of a pipeline may be operated under this part.
18. Section b8 – **Miles of Transmission facilities on which MAOP have been established** – derived from Part Q of the annual Gas Transmission and Gathering Systems PHMSA report by subtracting the total incomplete records from the grand total mileage.
19. Section b9 – **Remotely controlled shut-off valve** – valves that have the ability to be opened or closed by Gas Control Department personnel in the Gas Control Center or valves that automatically respond to system conditions to isolate a fault.
20. Section b9 – **Miles of transmission facilities equipped with remotely controlled shut-off capability** – transmission pipeline owned by the company with remotely controlled shut-off valves. Report miles protected by ASVs and RSVs and number of ASVs and RSVs on the system.
21. Section b10 – **Minority-owned business** – (from ICC Annual Goal and Total Work Performed Report) an American business which is at least 51% owned, operated and controlled on a daily basis by one or more American citizens of the following ethnic minority classifications (includes second tier spend, self certifications are acceptable):
  - a. African American
  - b. Asian American which includes Sub Asian Continent Americans (India, Pakistan, etc.) and Asian-Pacific Americans (Japan, China, Korea, etc.)
  - c. Hispanic American – not of the Iberian peninsula
  - d. Native American (indigenous people of the continental United States, Hawaii and Alaska)
22. Section b10 – **Female-owned business** – (from ICC Annual Goal and Total Work Performed Report) an American business which is at least 51% owned, operated and controlled on a daily basis by one or more female American citizens (includes second tier spend, self certifications are acceptable).
23. Section b10 – **Qualified service disabled veteran-owned business** – (from ICC Annual Goal and Total Work Performed Report) an American business which is at least 51% owned, operated and controlled on a daily basis by one or more US Veteran/US Service Disabled Veterans (includes second tier spend, self certifications are acceptable).