DIRECT TESTIMONY
OF
DARIN BURK

PIPELINE SAFETY PROGRAM MANAGER
ENERGY DIVISION
ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission on its own motion

vs.

The Peoples Gas Light and Coke Company

DOCKET NO. 07-0358

Citation for alleged violation of Commission rules regarding leakage surveys.

July 17, 2007

WITNESS IDENTIFICATION

Q. **What is your name and business address?**

A. My name is Darin Burk. My business address is 527 East Capitol Avenue, Springfield, Illinois 62701.

Q. **By whom are you employed and in what capacity?**

A. I am employed by the Illinois Commerce Commission ("Commission" or "ICC") as Manager of the Pipeline Safety Program of the Energy Division. In my current position, I manage the natural gas pipeline safety program, which performs inspections to determine if the natural gas system operators in Illinois are meeting the minimum federal safety standards as prescribed by 49 CFR Sections 191.23, 192, 193, 199, and by the Illinois Gas Pipeline Safety Act (220 ILCS 20).

Q. **What is your technical background?**

A. Prior to employment with the ICC, I was a Technician for Utility Safety and Design Inc. and the Southern Cross Corporation. Both companies provide field consulting services to the natural gas industry. I have received extensive technical training at the Transportation Safety Institute ("TSI") in Oklahoma City, which is where state and federal pipeline safety inspectors receive technical education relating to the enforcement and interpretation of pipeline safety standards. Training at TSI included subjects such as incident investigation, pipeline integrity management, operator qualification, pipeline corrosion control and various other technical aspects of natural gas pipeline operations. I worked as a Pipeline Safety Analyst for over 17 years.

PURPOSE OF TESTIMONY

Q. **What is the purpose of this proceeding?**

A. The purpose of this proceeding is to consider whether Peoples Gas Light and Coke Company ("Company") or ("Peoples") has violated Commission rules regarding leakage survey requirements as required under 49 CFR Part 192.723 (b) 2, which was adopted by the ICC under 83 Ill. Admin. Code Part 590 in 1977 and to determine whether or not a penalty, and if so, what penalty, should be imposed for the violation.

Q. **What is the purpose of your testimony?**

A. The purpose of my testimony is to present evidence regarding Peoples noncompliance with the Commission rules and a recommendation regarding a penalty. I wrote the Staff Report that was attached to the Initiating Order in this proceeding and is attached to and incorporated into my testimony. (Attachment A)

Regulatory and Enforcement Provisions

Q. **What authority or jurisdiction does the ICC have in this matter?**

A. Enforcement of the Minimum Federal Safety Standards is granted to the ICC under an agreement pursuant to 49 U.S.C. Section 60105 with the U.S. Department of Transportation ("USDOT") Pipeline and Hazardous Materials Safety Administration ('PHMSA"). The federal standards codified under 49 CFR Sections 191.23, 192, 193 and 199 have been adopted by the State of Illinois in 83 Ill. Adm. Code 590.

Q. **What is the regulation covering leakage surveys?**

A. Leakage surveys are covered under 49 CFR Part 192.723, which states:

> Sec. 192.723 Distribution systems: Leakage surveys.
>
> (a) Each operator of a distribution system shall conduct periodic leakage surveys in accordance with this section.
> (b) The type and scope of the leakage control program must be determined by the nature of the operations and the local conditions, but it must meet the following minimum requirements:
> (1) A leakage survey with leak detector equipment must be conducted in business districts, including tests of the atmosphere in gas, electric, telephone, sewer, and water system manholes, at cracks in pavement and sidewalks, and at other locations providing an opportunity for finding gas leaks, at intervals not exceeding 15 months, but at least once each calendar year.
> (2) A leakage survey with leak detector equipment must be conducted outside business districts as frequently as necessary, but at least once every 5 calendar years at intervals not exceeding 63 months. However, for cathodically unprotected distribution lines subject to Sec. 192.465(e) on which electrical surveys for corrosion are impractical, a leakage survey must be conducted at least once every 3 calendar years at intervals not exceeding 39 months.

Q. **When was 49 CFR Part 192.723 established and then adopted by the Illinois Commerce Commission?**

A. 49 CFR Part 192.723 was originally adopted on August 19, 1970 and updated to require leakage surveys using leak detector equipment as of October 22, 1993. These rules were codified by the Commission under Ill. Admin Code Part 590, which was first adopted in 1977 with biennial updates to adopt any amendments since that time.

Q. **Why are leakage surveys important?**

A. Leakage surveys are critical to ensuring the safety and integrity of natural gas distribution systems. They identify leakage on natural gas facilities and give owners of those facilities the opportunity to take corrective action on any

problems discovered. Problems left uncorrected could result in escaping gas, which could cause explosions or fires and thus, result in loss of property or life.

Q. **To what extent are leak surveys to be conducted on gas pipeline facilities and why must a gas company get into a consumer's home to conduct it?**

A. Gas pipeline operators are responsible for leakage surveys, which are to be conducted on all distribution lines. This includes the service lines extending from distribution mains to individual pressure regulators and/or meters on customer premises. The jurisdiction of gas pipeline operators ends at the outlet of a customer gas meter or the connection to the customer piping, whichever is furthest downstream. In Peoples' service area, the outlet of a customer gas meter and/or connection to the customer piping is often inside the structures.

Peoples Gas

Q. **How many service lines does Peoples operate in Illinois and how many inside meters do they claim?**

A. According to USDOT Form 7100.1-1, in 2006 Peoples claimed to operate 507,300 service lines in the state of Illinois. (See Attachment B) They have also reported to the ICC they have approximately 364,970 inside meters in their system.

Q. **When did Peoples' failure to conduct leakage surveys first come to Staff's attention?**

A. Staff first discovered that Peoples was in violation of Commission rules in December 1999 and officially notified Company on January 10, 2000.

Q. **What action has Staff taken to enforce the requirements relating to leakage survey?**

A. In a January 10, 2000 letter, Staff officially notified Peoples of it's failure to comply with Section 192.723(b)(2) requirements. Peoples failed to perform 100% of the required leakage inspections inside structures from 2000 to 2005. On June 2, 2005, the Commission entered an Order commencing a proceeding (Docket No. 05-0341) to determine whether Peoples had failed to comply with the inspection requirements of 49 CFR Part 192.723(b)(2) in that Peoples had failed to conduct leakage surveys with leak detector equipment within the five year time span mandated by the federal rule incorporated in the Commission's rule, 83 Ill. Adm. Code 590.10 and to determine whether civil penalties should be imposed. In its Order, issued March 22, 2006, the Commission concluded that Peoples was not in compliance with the requirements to perform leakage inspections under 49 CFR Part 192.723(b)(2) at the time Staff issued its notice in January of 2000 and that the state of noncompliance continued. The Commission found that Peoples had been in violation of 83 Ill. Adm. Code 590.10, which adopts 49 CFR Part 192.723(b)(2), since January 10, 2000. The Commission found a penalty of $500,000 to be appropriate.

Q. **What must Peoples do to maintain compliance with Commission rules?**

A. To comply with Section 192.723(b)(2) requirements to perform leakage inspection surveys inside structures, Peoples conducts Inside Safety Inspections commonly referred to as ISIs. In order to conduct ISIs, Peoples must gain access to the gas-company-owned facilities located inside the structures. Access can only be obtained if the customers consent to entry into their homes and/or places of business.

Q. **What is the status of Peoples compliance with the Commission rules regarding ISIs?**

A. On January 12, 2007, I sent a number of data requests to Peoples inquiring about ISIs due and completed in 2006. According to Peoples, a total of 85,596 inspections were first due to be completed in 2006. Peoples completed 164,979 ISIs in 2006. At the end of 2006, there remained 5,365 due and overdue ISIs. The data provided indicates that Peoples made a substantial improvement in 2006 over its previous efforts but has not yet attained 100% compliance with the leakage survey requirements. (See Attachment C)

Q. **What methods does the Commission have to enforce the requirement that leakage surveys be conducted?**

A. Under Section 7 of the Illinois Gas Pipeline Safety Act, the Commission may assess civil penalties against any person who violates rules or orders issued under the Act. Section 7 also provides that the Commission may secure compliance by mandamus or injunction.

Q. **Under the Illinois Gas Pipeline Safety Act, what factors should be considered in determining whether a penalty should be assessed?**

For purposes of determining the amount of the penalty, Section 7 states:

> (b) Any civil penalty may be compromised by the Commission. In determining the amount of the penalty, or the amount agreed upon in compromise, the Commission shall consider the appropriateness of the penalty to the size of the business of the person charged, the gravity of the violation, and the good faith of the person charged in attempting to achieve compliance, after notification of a violation.

Q **How would you describe the size of Peoples?**

A. Peoples can be considered a large natural gas distribution company. According to American Gas Association 2005 statistics, Peoples ranks 17th in the United States in residential customers and 10th in revenue. (See Attachment D)

Q. **Has People's maintained a good faith effort in trying to achieve compliance?**

A. Peoples was repeatedly notified of its failure to be in compliance, from 2000 to 2004. During that period, Peoples averaged less than half of the number of inspections that were necessary to come into compliance annually. By way of comparison, in 2006 Peoples completed more than 90% of the inspections that were due or overdue. Information provided by Peoples during meetings over the past year indicates that Peoples has encountered difficulty in obtaining access to company-owned facilities inside structures. Peoples has used numerous methods including letters, cold calls, and after-regular-work -hours appointments in an effort to obtain access to facilities to perform the required inspections. In many cases, the customers are difficult to contact or simply do not respond to the requests. In my opinion, Peoples did make a good faith effort in trying to achieve compliance with the ISI requirement.

Q. **How would you assess the gravity of the failure to complete all the mandated ISIs?**

A. Timely completion of leakage surveys is required by federal regulations. Leakage surveys are critical to ensuring the safety and integrity of natural gas distribution systems. Leakage surveys are a necessary component in providing safe gas service. They provide natural gas facilities owners with an opportunity to repair leaks and thus avoid the potential for explosions which could result in

the loss of lives or property. As I stated previously, problems left uncorrected could result in escaping gas, which could cause explosions or fires and, thus, result in loss of property or life. For these reasons, I find the failure to complete the required ISIs to be a significant violation of the rules.

Q. **What penalties may be assessed against Peoples?**

A. Title 49 of Federal Regulation Chapter 60122, which was adopted by Section 7 of the IL Gas Pipeline Safety Act, allows for civil penalties of not more than $100,000 for each violation, for a maximum of $1,000,000. Both the Gas Pipeline Safety Act & the federal regulations state that each day the violation persists is also a separate violation.

Q. **In this situation, what would be considered a violation?**

A. I recommend that each service line that did not receive an inside safety inspection within the required time frame should be considered a separate violation.

Q. **What is your recommendation as to what penalty should be assessed against Peoples?**

A. Peoples failed to perform inspections on 5,365 service lines that were then recorded past due as of January 1, 2007. However, based upon the number of ISIs that Peoples did complete in 2006, I believe that Peoples made a good faith effort to comply with the ISI requirement. It appears that the civil penalty assessed in Docket No. 05-0341 relating to the failure to perform ISIs has motivated Peoples to take an aggressive approach to compliance with safety regulations. The difficulty with completing the ISIs as required seems now to lie principally with Peoples' inability to gain access to buildings to complete the

inside portion of the safety inspection. While Peoples appears to be making a good faith effort to completing the ISIs, in 2006 5,365 due and overdue inspections were not completed. The gravity of the offense dictates that additional action be taken until Peoples is able to complete all ISIs as required. The critical issue for the Pipeline Safety Program is for each system operator to attain compliance, not necessarily simply to penalize system operators that are already apparently making an effort to comply with requirements. Therefore, rather than proposing a civil penalty, I recommend that Peoples be required to provide funding for and develop a written plan detailing processes and procedures it intends to take to ensure that all required leakage survey inspections are conducted within the time constraints outlined in CFR Part 192.723.

The plan should include development and administration of an enhanced public awareness campaign specifically targeted at increasing the customer knowledge and understanding of the necessity to permit Peoples to perform its obligatory ISIs. The program media should explain: the regulatory requirements, the potential hazards that may go undiscovered if access is not granted, the inspection process, time constraints, time requirements, a means to positively identify Peoples' employees assigned to perform inspections, potential consequences of failure to respond to the request, including discontinuance of service, and a means of obtaining additional information relating to the inspection from Peoples and the City of Chicago. The plan should also include specific actions the Company will take to achieve 100% compliance with the ISI requirement.

The financial commitment to this educational and completion initiative should be set at a minimum of $500,000 annually, which is consistent with the penalty assessed in 2006. The commitment should be ongoing until such time as Peoples is in strict compliance with the ISI requirement.

Summary

Q. **Please summarize your position**.

A. I recommend that Peoples should be found in violation of Commission rules and ordered to develop and administer the plan outlined above. Peoples, through documents provided, confirms it is not in compliance with Commission rules. Peoples did not assign the resources necessary to achieve ISI compliance until late 2004 and did not aggressively pursue code compliance related to this matter until 2005. It appears that a large civil penalty previously assessed relating to this matter has motivated Peoples to take a more aggressive approach to compliance with safety regulations. Peoples should be ordered to continue to support the existing ISI program at the current funding and staffing levels. In addition, Peoples should be required to develop a written plan detailing processes and procedures it intends to take to ensure that all required leakage survey inspections are conducted within the time constraints outlined in CFR Part 192.723. The plan should include an educational component as well as specific actions the Company will take to meet its goal of 100% compliance. Peoples should fund the education and compliance plan up to the level of no less than $500,000 per calendar year.

Q. **Does this conclude your direct testimony?**

A. Yes, it does.

ATTACHMENT A

Energy Division
Pipeline Safety Program Staff Report
May 25, 2007

Subject: Peoples Gas Light and Coke Company Inside Safety Inspection

Summary

In December 1999, Peoples Gas Light and Coke Company ("Peoples Gas") was informed by Illinois Commerce Commission Staff ("Staff") that Peoples Gas was not in compliance with the requirement in 49 CFR §192.723(b)(2) to perform leak detection testing on gas service line piping located inside structures. In a January 10, 2000 letter, Staff officially notified Peoples Gas of noncompliance with Section 192.723(b)(2).

To comply with Section 192.723(b)(2) requirements to perform leakage inspection surveys inside structures, Peoples Gas conducts Inside Safety Inspections ("ISIs"). ISIs require Peoples Gas to gain access to the gas-company-owned metering and regulator facilities located inside the structures. Access can only be obtained if Peoples Gas' customers consent to entry into their homes and/or places of business. Without consent to enter, Peoples Gas has no way of obtaining access to perform the ISIs on company-owned facilities located inside the structures. Peoples Gas has far more facilities located inside customer structures than any other Illinois natural gas distribution system operator.

Each year from 2000 to 2005, Peoples Gas failed to perform 100% of the ISIs required to comply with Section 192.723(b)(2). Each year, Peoples Gas implemented revised or newly developed approaches to gain access to the structures in order to complete the ISIs. However, through and including calendar year 2005, Peoples Gas failed to achieve 100% of the required inspections.

On June 2, 2005, the Illinois Commerce Commission ("Commission") entered an Order commencing a proceeding (Docket 05-0341) to determine whether Peoples Gas had failed to comply the inspection requirements of 49 CFR §192.723(b)(2) in that Peoples Gas had failed to conduct leakage surveys with leak detector equipment within the five year time span mandated by the federal rule incorporated in the Commission's rule, 83 Ill. Adm. Code 590.10,and to determine whether civil penalties should be imposed pursuant to Section 7 of the Illinois Gas Pipeline Safety Act [220 ILCS 20/7]. Peoples Gas and Staff provided testimony in the proceeding.

The Commission concluded that Peoples Gas was not in compliance with the requirements to perform ISIs under 49 CFR § 192.723(b)(2) at the time Staff issued its notice in January 2000, and that the state of noncompliance continued. The Commission found that Peoples Gas had been in violation of 83 Ill. Adm. Code 590.10, which adopts 49 CFR §192.723(b)(2), since January10, 2000. The Commission found a penalty of $500,000 to be appropriate.

On March 22, 2006, the Commission ordered Peoples Gas to complete promptly currently overdue ISIs as required by the minimum safety standards for the transportation of gas and for gas pipeline facilities found at 83 Ill. Adm. Code 590.10.

On December 13, 2006, Desiree Rogers, President of Peoples Energy Corporation notified Harold Stoller, Director of the Commission's Energy Division, that Peoples Gas was again encountering difficulty in obtaining access to several thousand structures and that she was concerned that Peoples Gas would not complete ISIs required to achieve compliance with 49 CFR § 192.723(b)(2). Mr. Stoller informed Ms. Rogers that compliance with the regulation was essential and that failure to obtain compliance might result in a citation order.

Records

On January 12, 2007, a data request was sent to Ed Doerk, Vice President of Gas Operations, Peoples Gas, requesting information pertaining to ISIs due and completed during 2006. On January 29, 2007, responses to RE-1 through RE-6 of the data request were provided. A summary provided in response to RE-1 indicated that Peoples Gas had 85,596 ISIs due in 2006 and failed to complete 5,365 of that total. RE-1 also requested the total number of ISIs not completed since 2000, and Peoples Gas reported 1,554 ISIs in that category.

The response to RE-2 of the data request identified locations requiring 5-year interval ISIs that were not completed in 2006. The documents provided identified 3,329 locations requiring inspections at 5-year intervals that were not completed in 2006. Several of the inspection location entries list no previous ISI inspection dates and other entries list inspection dates in the early 1990's. The listing included ISI locations the Commission ordered Peoples Gas to complete promptly in its Order in Docket 05-0341 on March 22, 2006.

The response to RE-3 included 1,016 locations requiring 3-year interval ISIs that were not completed in 2006. Again, several location entries listed no previous inspection date, and others listed previous inspections in the 1990's. The locations identified also included locations referenced in the Commission's March 22, 2006 Order in Docket 05-0341.

The response to RE-4 included 1,202 locations requiring 1-year interval ISIs that did not receive ISIs in 2006. A review of the data indicates that, in some

locations, previous inspection dates are not provided and, in other locations, the 1-year interval ISIs have not been conducted since the 1990s.

Data request item RE-5 requested all ISI locations requiring annual inspection that were not completed within the 15-month time interval required. The response to RE-5 includes 7,296 locations where the inspections exceeded the 15-month interval. The ISIs identified in RE-4 were included in this group.

Data request item RE-6 requested the total number of leaks discovered inside the structures in the course of performing ISIs during calendar years 2000-2006. Peoples Gas reported: 234 leaks identified in 2000; 514 leaks identified in 2001; 210 leaks identified in 2002; 265 identified in 2003; 578 leaks identified in 2004; 1,736 leaks identified in 2005 and 2,870 leaks identified in 2006. The leak detection rate in 2006 was 1.74%, which is somewhat higher than previous years. Peoples Gas attributes the increase in detection rate to the use of more modern, higher sensitivity instruments being used during the more recent inspections.

Conclusions

Peoples Gas failed to meet the requirements of 49 CFR §192.723(b)(2) in calendar year 2006 by failing to complete 5,365 ISIs due or past due in the calendar year. Included in that count are 1,554 incomplete ISI locations carried from previous years back to calendar year 2000. The failure to complete the inspections overdue in 2005 is a violation of the Commission Order in Docket 05-0341 issued March 22, 2006.

Recommendation

Section 8-505 of the Public Utilities Act [220 ILCS 5/8-505] provides:

> The Commission shall have power, after a hearing or without a hearing as provided in this Section and upon its own motion, or upon complaint, by general or special orders, rules or regulations, or otherwise, to require every public utility to maintain and operate its plant, equipment or other property in such manner as to promote and safeguard the health and safety of its employees, customers, and the public, and to this end to prescribe, among other things, the installation, use, maintenance and operation of appropriate safety or other devices or appliances, to establish uniform or other standards of equipment, and to require the performance of any other act which the health or safety of its employees, customers or the public may demand.

Staff recommends that the Commission initiate a proceeding pursuant to Section 8-505 of the Public Utilities Act to determine whether Peoples Gas should be

required to provide funding for, develop, and administer an enhanced public awareness campaign specifically targeted at increasing the customer knowledge and understanding of the necessity to permit Peoples Gas to perform its obligatory ISIs. The program would be an "act which the health or safety of its [Peoples] employees, customers or the public may demand." The program media should explain: the regulatory requirements, the potential hazards that may go undiscovered if access is not granted; the inspection process; time requirements; a means to positively identify Peoples Gas employees assigned to perform inspections; potential consequences of failure to respond to the request; and a means to obtain additional information relating to the inspections from Peoples Gas and the City of Chicago. The funding should be in the amount of $500,000 above and beyond that budgeted for the existing Public Awareness Program in use by Peoples Gas.

Darin R Burk

Prepared by
Darin Burk
Pipeline Safety Program Manager

H. L. Stoller

Approved by
Harry L. Stoller
Energy Division Director

ATTACHMENT B

NOTICE: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty not to exceed $100,000 for each violation for each day the violation continues up to a maximum of $1,000,000 as provided in 49 USC 60122.

Form Approved
OMB No. 2137-0522

U.S. Department of Transportation
Pipeline and Hazardous Materials
Safety Administration

ANNUAL REPORT FOR CALENDAR YEAR 2006
GAS DISTRIBUTION SYSTEM

INITIAL REPORT ☒
SUPPLEMENTAL REPORT ☐

PART A - OPERATOR INFORMATION

DOT USE ONLY

1. NAME OF OPERATOR
Peoples Gas Light & Coke Company

2. LOCATION OF OFFICE WHERE ADDITIONAL INFORMATION MAY BE OBTAINED
130 E. Randolph Drive
Number and Street
Chicago Cook
City and County
Illinois 60601
State and Zip Code

3. OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER
/ 1 / 5 / 3 / 2 / 9 /

4. HEADQUARTERS NAME & ADDRESS, IF DIFFERENT
Number and Street
City and County
State and Zip Code

5. STATE IN WHICH SYSTEM OPERATES: Illinois (provide a separate report for each state in which system operates)

PART B - SYSTEM DESCRIPTION

Report miles of main and number of services in system at end of year.

1. GENERAL

	STEEL				PLASTIC	CAST/ WROUGHT IRON	DUCTILE IRON	COPPER	OTHER	OTHER	TOTAL
	UNPROTECTED		CATHODICALLY PROTECTED								
	BARE	COATED	BARE	COATED							
MILES OF MAIN	0	0	0	1,208	839	1,664	314	0	0	0	4,025
NO. OF SERVICES	6,735	182	0	44,031	411,608	71	382	19,852	24,439*	0	507,300

2. MILES OF MAINS IN SYSTEM AT END OF YEAR

MATERIAL	UNKNOWN	2" OR LESS	OVER 2" THRU 4"	OVER 4" THRU 8"	OVER 8" THRU 12"	OVER 12"	TOTAL
STEEL		230	180	576	94	128	1,208
DUCTILE IRON		0	0	200	38	76	314
COPPER		0	0	0	0	0	0
CAST/WROUGHT IRON		0	11	1,237	136	280	1,664
PLASTIC 1. PVC		0	0	0	0	0	0
2. PE		477	229	115	17	1	839
3. ABS		0	0	0	0	0	0
OTHER		0	0	0	0	0	0
OTHER		0	0	0	0	0	0
SYSTEM TOTALS		707	420	2,128	285	485	4,025

3. NUMBER OF SERVICES IN SYSTEM AT END OF YEAR

AVERAGE SERVICE LENGTH 56 FEET

MATERIAL	UNKNOWN	1" OR LESS	OVER 1" THRU 2"	OVER 2" THRU 4"	OVER 4" THRU 8"	OVER 8"	TOTAL
STEEL		2,318	34,294	13,257	1,020	59	50,948
DUCTILE IRON		0	0	0	336	46	382
COPPER		1	19,851	0	0	0	19,852
CAST/WROUGHT IRON		0	0	0	0	0	0
PLASTIC 1. PVC		0	0	1	63	7	71
2. PE		161,544	248,822	1,137	104	1	411,608
3. ABS		0	0	0	0	0	0
OTHER		0	24,439*	0	0	0	24,439*
OTHER		0	0	0	0	0	0
SYSTEM TOTALS		163,863	327,406	14,395	1,523	113	507,300

Form PHMSA F 7100.1-1 (12-05)

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4. MILES OF MAIN AND NUMBER OF SERVICES BY DECADE OF INSTALLATION

	UN-KNOWN	PRE-1940	1940-1949	1950-1959	1960-1969	1970-1979	1980–1989	1990–1999	2000–2009	TOTAL
MILES OF MAIN	0	1,417**		341	290	332	637	587	421	4,025
NUMBER OF SERVICES	7	28,604***			42,180	122,802	136,842	118,251	58,614	507,300

PART C - TOTAL LEAKS ELIMINATED/REPAIRED DURING YEAR

CAUSE OF LEAK	Mains	Services
CORROSION	63	131
NATURAL FORCES	90	35
EXCAVATION	140	467
OTHER OUTSIDE FORCE DAMAGE	6	8
MATERIAL OR WELDS	0	0
EQUIPMENT	9	28
OPERATIONS	1	1
OTHER	754	490

NUMBER OF KNOWN SYSTEM LEAKS AT END OF YEAR SCHEDULED FOR REPAIR 866

PART D - TOTAL NUMBER OF LEAKS ON FEDERAL LAND REPAIRED OR SCHEDULED FOR REPAIR

0

PART E - PERCENT OF UNACCOUNTED FOR GAS

Unaccounted for gas as a percent of total input for the12 months ending June 30 of the reporting year.

[(Purchased gas + produced gas) minus (customer use + company use + appropriate adjustments)] divided by (purchased gas + produced gas) equals percent unaccounted for.

Input for year ending 6/30 2.05 %.

PART F - ADDITIONAL INFORMATION

* For **Number of Services in Parts B1 and B3:** "Other" represents Clear (CAB) Plastic (**24,439**)

** For **Miles of Main in Part B4:** Represents total miles prior to 1950 (**1,417**)

*** For **Number of Services in Part B4:** Represents total services prior to 1960 (**28,604**)

PART G - PREPARER AND AUTHORIZED SIGNATURE

Joseph M. Corso (Supervisory Operations Specialist)
(type or print) Preparer's Name and Title

773-395-7444
Area Code and Telephone Number

jcorso@pecorp.com
Preparer's email address

773-395-7441
Area Code and Facsimile Number

Edward Doerk (Vice-President – Gas Operations)
Name and Title of Person Signing

773-395-7412
Area Code and Telephone Number

Edward Doerk
Authorized Signature

Form PHMSA F 7100.1-1 (12-05)

ATTACHMENT C

Data Request: RE-1

Please provide a summary containing the following data relating to Inside Safety Inspections ("ISIs"): (A)Total ISIs due in 2006; (B) ISIs completed in 2006; (C) 5-year-interval IS's due in 2006; (D) 3-year-interval ISIs due in 2006; (E) annual ISIs due in 2006; (F) 5-year-interval ISIs due in 2006 that were not competed in 2006; (G) 3-year interval ISIs due in 2006 that were not completed in 2006; (H) annual ISIs due in 2006 that were not completed in 2006; (I) ISIs that have not been completed since 2000.

Response:

Author: Theodore J. Lenart
Supervisory Engineer
Phone: 773-395-7430

A) Total 2006 ISIs due as of 1/1/2006
85,596

B) Total ISI completed in 2006
164,979

ISIs due in 2006 as of 1/1/2006

ISI Type	# of
C) 5 yr	43,880
D) 3 yr	19,110
E) 1 yr	22,606
Total	85,596

ISIs due in 2006 that were not completed in 2006

ISI Type	# of
F) 5 yr	3,329
G) 3 yr	1,016
H) 1 yr	1,020
Total	5,365

I) ISIs that have not been completed since 2000

ISI Type	# of
1 yr	15
3 yr	124
5 yr	1,415
Total	1,554

Supplemental data for RE-1
Functional Equivalent ISI required Re-completions

Re-Completions required for ISIs due in 2006 to be competed in 2007

ISI Type	# of
C&F) 5 yr	6,325
D&G) 3 yr	45
E&H) 1 yr	-
Total	6,370

I) Re-completions required for ISIs completed since 2000

ISI Type	# of
5 yr	4,936
3 yr	8
1 yr	52
Total	4,996

ATTACHMENT D

2005 Ranking of Companies By Total Sales Customers
Source: AGA eGUS Database

	Company Name	Total Customers	Total Volumes (Mcf)	Total Revenue
1	SOUTHERN CALIFORNIA GAS COMPANY	5,300,823	346,857,436	$3,850,466,836
2	PACIFIC GAS AND ELECTRIC COMPANY	4,115,061	275,780,063	$3,226,954,073
3	ATMOS ENERGY CORPORATION	3,087,742	384,569,375	$4,281,332,234
4	NICOR GAS	1,884,443	247,683,948	$2,656,708,451
5	CONSUMERS ENERGY COMPANY	1,693,860	247,097,996	$2,348,501,139
6	PUBLIC SERVICE ELECTRIC GAS CO	1,682,636	256,687,281	$3,198,323,950
7	SOUTHWEST GAS CORPORATION	1,644,554	118,187,699	$1,390,504,930
8	CENTERPOINT ENERGY ENTEX	1,642,671	124,493,084	$1,493,871,216
9	COLUMBIA GAS DIST CO	1,625,313	175,273,896	$2,476,174,459
10	PUB SERVICE CO OF COLORADO	1,216,940	130,561,263	$1,288,472,589
11	MICHIGAN CONSOLIDATED GAS COMPANY	1,134,399	163,138,318	$1,867,090,465
12	THE BROOKLYN UNION GAS CO DBA KEDNY	1,094,492	155,006,304	$2,097,081,487
13	CONSOLIDATED EDISON NEW YORK INC	1,032,912	106,989,672	$1,437,690,241
14	PIEDMONT NATURAL GAS	889,132	101,559,671	$1,417,127,095
15	QUESTAR GAS CO	824,341	96,557,885	$880,913,398
16	SAN DIEGO GAS AND ELECTRIC COMPANY	817,887	48,935,835	$558,917,438
17	PEOPLES GAS LIGHT AND COKE COMPANY	794,770	109,981,721	$1,460,827,661
18	OKLAHOMA NATURAL GAS CO	784,774	67,695,979	$769,902,509
19	CENTERPOINT ENERGY MINNEGASCO	769,125	141,774,250	$1,457,802,717
20	NORTHERN INDIANA PUBLIC SERVICE CO	701,175	91,558,652	$1,060,626,963
21	PUGET SOUND ENERGY	682,661	80,995,459	$911,631,364
22	CENTERPOINT ENERGY ARKLA	682,334	62,014,524	$755,528,061
23	MIDAMERICAN ENERGY CO	678,825	76,942,660	$907,673,031
24	LACLEDE GAS COMPANY	641,784	73,471,013	$910,121,083
25	EAST OHIO GAS COMPANY DOMINION EAST	639,823	86,018,326	$1,116,423,283
26	KANSAS GAS SERVICE COMPANY	637,997	56,687,680	$705,102,126
27	NORTHWEST NATURAL GAS CO	617,260	80,465,620	$869,236,475
28	BOSTON GAS CO D B A KEY SPAN ENERGY	577,936	70,395,286	$1,057,490,767
29	WISCONSIN GAS COMPANY	577,077	71,734,129	$793,157,709
30	BGE	565,049	51,756,451	$742,986,013
31	TEXAS GAS SERVICE	557,563	32,824,376	$361,897,599
32	NORTHERN STATES PWR CO	550,014	90,969,183	$960,540,405
33	INDIANA GAS COMPANY INC	549,378	64,112,300	$805,364,249
34	PHILADELPHIA GAS WORKS	506,334	58,036,662	$888,759,794
35	MISSOURI GAS ENERGY	495,636	50,896,442	$634,732,000
36	KEYSPAN ENERGY DEL LONG ISLAND	493,242	73,575,493	$1,052,550,881
37	NIAGARA MOHAWK POWER CORP	490,858	60,288,705	$767,536,229
38	PNM	478,561	42,486,633	$436,042,700
39	PECO ENERGY COMPANY	471,426	59,825,124	$783,637,287
40	WASHINGTON GAS AND LIGHT COMPANY	471,270	51,018,338	$788,533,408
41	NATIONAL FUEL GAS DIST NY	463,279	54,314,891	$772,240,722
42	ALABAMA GAS CORP	459,743	37,099,059	$551,710,180
43	NEW JERSEY NATURAL GAS	452,312	53,576,058	$766,458,466
44	WISCONSIN ELEC PWR CO	441,252	53,878,208	$588,587,193
45	ILLINOIS POWER COMPANY DBA AMERENIP	417,973	47,155,838	$529,401,077
46	PUBLIC SVC CO OF NORTH CAROLINA	407,635	43,514,858	$645,285,803
47	WASHINGTON GAS AND LIGHT	384,061	38,841,373	$565,889,512
48	CINCINNATI GAS ELECTRIC COMPANY	383,398	45,092,497	$586,322,228
49	SOUTH JERSEY GAS COMPANY	322,425	28,016,621	$364,476,808
50	EON-US	320,224	33,216,795	$410,290,350

2005 Ranking of Companies By Residential Sales Revenues
Source: AGA eGUS Database

	Company Name	Residential Revenue	Residential Customers	Residential Volumes (Mcf)
1	SOUTHERN CALIFORNIA GAS COMPANY	$2,783,208,702	5,090,152	240,826,754
2	PACIFIC GAS AND ELECTRIC COMPANY	$2,336,359,278	3,903,373	194,108,386
3	NICOR GAS	$2,211,472,428	1,803,555	206,024,268
4	ATMOS ENERGY CORPORATION	$2,042,651,374	2,807,350	163,932,064
5	PUBLIC SERVICE ELECTRIC GAS CO	$1,855,169,674	1,538,638	139,801,784
6	COLUMBIA GAS DIST CO	$1,833,171,726	1,494,965	127,374,128
7	CONSUMERS ENERGY COMPANY	$1,724,379,820	1,567,627	175,928,031
8	MICHIGAN CONSOLIDATED GAS COMPANY	$1,402,738,937	1,053,665	122,070,334
9	THE BROOKLYN UNION GAS CO DBA KEDNY	$1,374,704,201	1,056,246	88,600,917
10	PEOPLES GAS LIGHT AND COKE COMPANY	$1,226,164,364	755,070	91,101,179
11	PUB SERVICE CO OF COLORADO	$924,029,770	1,122,276	91,086,627
12	EAST OHIO GAS COMPANY DOMINION EAST	$882,556,124	599,349	67,521,646
13	SOUTHWEST GAS CORPORATION	$858,380,073	1,569,860	63,208,554
14	CENTERPOINT ENERGY ENTEX	$856,941,998	1,529,672	64,084,522
15	CONSOLIDATED EDISON NEW YORK INC	$851,169,074	917,888	50,660,358
16	PIEDMONT NATURAL GAS	$792,770,876	795,072	52,819,373
17	BOSTON GAS CO D B A KEY SPAN ENERGY	$740,094,002	532,751	48,832,990
18	CENTERPOINT ENERGY MINNEGASCO	$738,225,339	704,802	66,619,455
19	NORTHERN INDIANA PUBLIC SERVICE CO	$684,094,445	649,780	57,031,014
20	KEYSPAN ENERGY DEL LONG ISLAND	$676,435,511	443,064	44,619,050
21	NATIONAL FUEL GAS DIST NY	$666,502,633	438,982	45,926,024
22	LACLEDE GAS COMPANY	$644,716,265	600,524	50,434,341
23	PHILADELPHIA GAS WORKS	$633,820,199	479,062	41,281,159
24	WASHINGTON GAS AND LIGHT COMPANY	$621,235,975	447,199	39,703,668
25	MIDAMERICAN ENERGY CO	$604,880,317	614,786	48,228,711
26	NEW JERSEY NATURAL GAS	$603,221,571	423,157	42,572,964
27	NIAGARA MOHAWK POWER CORP	$592,645,814	455,908	45,397,077
28	PUGET SOUND ENERGY	$586,188,582	629,553	49,453,071
29	QUESTAR GAS CO	$583,534,910	766,114	59,996,080
30	OKLAHOMA NATURAL GAS CO	$581,961,610	725,010	50,455,871
31	INDIANA GAS COMPANY INC	$567,913,590	500,934	44,007,144
32	BGE	$558,537,920	529,427	37,391,165
33	KANSAS GAS SERVICE COMPANY	$548,503,141	585,270	43,805,251
34	PECO ENERGY COMPANY	$528,548,812	430,753	39,042,315
35	NORTHERN STATES PWR CO	$526,946,990	501,064	45,149,158
36	WISCONSIN GAS COMPANY	$520,575,478	526,563	44,354,384
37	CENTERPOINT ENERGY ARKLA	$484,351,556	613,447	35,471,652
38	NORTHWEST NATURAL GAS CO	$459,391,161	556,667	35,423,764
39	WASHINGTON GAS AND LIGHT	$451,432,773	366,036	29,920,047
40	MISSOURI GAS ENERGY	$441,897,000	432,627	35,094,468
41	CINCINNATI GAS ELECTRIC COMPANY	$397,025,171	349,389	29,978,541
42	BAY STATE GAS COMPANY	$393,381,774	257,059	24,717,292
43	ALABAMA GAS CORP	$386,289,356	425,214	24,705,598
44	PUBLIC SVC CO OF NORTH CAROLINA	$383,027,841	369,791	24,140,585
45	SAN DIEGO GAS AND ELECTRIC COMPANY	$381,289,029	788,188	31,282,123
46	WISCONSIN ELEC PWR CO	$378,341,386	405,283	33,538,142
47	PEOPLES NATURAL GAS COMPANY	$352,005,490	249,370	25,377,566
48	ILLINOIS POWER COMPANY DBA AMERENIP	$351,019,406	382,640	30,194,164
49	EQUITABLE GAS CO	$328,734,460	224,000	21,110,031
50	NSTAR GAS COMPANY	$315,122,415	230,362	21,139,177