

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

NORTHERN ILLINOIS GAS COMPANY)	
)	Docket No. 11- _____
Application for Waiver of 49 CFR Sections)	
192.53(c), 192.121, 192.123, and 192.619(a).)	

APPLICATION FOR WAIVER

Northern Illinois Gas Company d/b/a Nicor Gas Company (“Nicor Gas”), pursuant to 220 ILCS 20/4, respectfully submits its application to the Illinois Commerce Commission for a waiver of 49 CFR Sections 192.53(c), 192.121, 192.123, and 192.619(a), and states as follows:

1. Nicor Gas is an Illinois corporation with its general office located at 1844 Ferry Road, Naperville, Illinois 60563-9600. Nicor Gas is engaged principally in the business of distributing and selling natural gas to customers located primarily in the northern part of the State of Illinois, and is a public utility subject to the jurisdiction of the Illinois Commerce Commission (the “Commission”) under the Illinois Public Utilities Act (220 ILCS 5/1 et seq.)(the “Act”).

2. Nicor Gas is subject to the Illinois Gas Pipeline Safety Act (220 ILCS 20/1 et. Seq.)(“Illinois Pipeline Safety Act”). Nicor Gas owns and operates “Pipeline facilities” and engages in the “Transportation of gas” as such terms are defined in the Illinois Pipeline Safety Act. Furthermore, Nicor Gas is subject to the regulations enacted by the Commission under the Illinois Pipeline Safety Act. 220 ILCS 20/3.

3. Pursuant to Section 20/3 of the Illinois Pipeline Safety Act, the Commission has adopted the standards for pipeline safety set forth in 49 CFR Sections 191.23, 192, 193 and 199

as of January 1, 2009, as its minimum safety standards for the transportation of gas and for gas pipeline facilities. 83 Ill. Admin. Code Section 590.10.

4. Nicor Gas requests a waiver of 49 CFR Sections 192.53(c), 192.121, 192.123, and 192.619(a) to permit the installation and use of a non-metallic, composite, reinforced thermoplastic pipe (“RTP”) manufactured by Smart Pipe® (“Smart Pipe®”) for rehabilitation of up to four 6-inch diameter 230-psig steel intrastate gas distribution pipeline segments that cross underneath the Illinois River approximately one mile southeast of Ottawa, IL. Smart Pipe® will be used as a tight-fit liner inserted into and encased within the existing steel pipelines, each with a maximum allowable operating pressure (“MAOP”) of 230-psig. The length of each segment rehabilitated will be approximately 2,700 feet long. The existing steel pipeline segments will remain in place as insertion sleeves thus providing additional protection against external forces and third-party damage. The project location encompasses the width of the Illinois River and its banks. The river is subject to heavy barge and recreational traffic. Specifics of the project are discussed in Exhibit 1 referenced below. Inserting the Smart Pipe® into the existing steel pipelines will improve the integrity of Nicor Gas’ system by eliminating corrosion, reducing environmental impact versus alternative construction methods at the river, and increasing resistance to third-party damage.

5. Smart Pipe® utilizes high strength fabric and fibers wound over a thermoplastic (high density polyethylene) core pipe. RTP using fiber reinforcement and/or fabric wrap is quite common in the gas and oil industry and is widely used for high-pressure hoses in many applications, including marine loading lines and fire hoses. Smart Pipe® introduces a new design for a pipeline capable of handling high pressures that is immune to both internal and external corrosion and offers better resistance to third-party damage. Smart Pipe® is designed in

accordance with the American Petroleum Institute Recommended Practice 15S “Qualification of Spoolable Composite Pipe” and manufactured in accordance with ISO 9001 standards.

Smart Pipe® offers a number of unique advantages:

- a. eliminates the need for cathodic protection systems, including rectifiers, ground beds, insulation joints, test stations, and anodes;
- b. eliminates the need for internal or external corrosion inspections;
- c. eliminates the need for coating inspection and repair;
- d. eliminates need for welding of pipe, and;
- e. minimizes environmental impacts in comparison to open cut and directional drill construction methods.

Exhibit 2 provides additional information on the design and installation of Smart Pipe®.

6. Nicor Gas notes that the use of non-metallic, plastic pipe in gas pipelines is widespread at distribution pressures up to 125 psig. However, Nicor Gas believes a waiver of 49 CFR Sections 192.53(c), 192.121, 192.123, and 192.619(a) is necessary because composite piping systems, including Smart Pipe®, are not expressly addressed in 49 CFR 192 and because Nicor Gas’ requested use of RTP anticipates operation at pressures higher than 125 psig. Nicor Gas notes that 49 CFR 192 does not expressly restrict the use of other qualified materials.

7. 49 CFR 192.53(c) requires that materials for pipe and components must be “[q]ualified in accordance with the applicable requirements of this subpart.” Nicor Gas seeks a waiver of this requirement as composite RTP is not specifically addressed in 49 CFR 192.

8. 49 CFR 192.121 sets forth the design requirements for plastic pipe. Nicor Gas seeks a waiver of this requirement as the design formula set forth in Section 192.121 is for a monolithic plastic and does not address design requirement for composite RTP.

9. 49 CFR 192.123 sets forth the pressure limitations for plastic pipe. Nicor Gas seeks a waiver of this requirement as the pressure limitation of 125 psig for plastic pipe is not applicable to Smart Pipe®.

10. 49 CFR 192.619(a) requires plastic pipe to be pressure tested to 1.5 times desired MAOP. Nicor Gas seeks a waiver of this requirement as the design formula set forth in Section 192.619(a) is for a monolithic plastic and does not address composite RTP. Nicor Gas notes that the pressure test set forth in Section 192.619(a) can easily be achieved by Smart Pipe®. Nicor Gas will pressure test the Smart Pipe® segments in accordance with 49 CFR Sections 192.507 and 192.619(a)(2)(i).

11. Approval of this Application for Waiver is warranted because the installation and use of Smart Pipe® will improve the integrity of Nicor Gas' system by eliminating corrosion, reducing environmental impact of alternative construction methodologies at the Illinois River, and increase resistance to third-party damage.

12. The below listed Exhibits contain supporting information providing detailed information on the Smart Pipe® technology, design, manufacture, and construction and include information on the quality assurance/quality control (QA/QC) program regarding the performance of Smart Pipe®. The following Exhibits are attached hereto and by this reference made a part of this Application for Waiver:

- a. Exhibit 1 – Description of Scope and Design of Nicor Gas' (Smart Pipe®) Project.
- b. Exhibit 2 – Smart Pipe® materials, design, testing, and installation overview.

- c. Exhibit 3 – Smart Pipe® Company, Inc. supporting information including marketing materials, presentations, and technical papers.

13. Section 4 of the Illinois Gas Pipeline Safety Act provides that "...the Commission may, upon application of any person engaged in the transportation of gas or the operation of pipeline facilities, waive in whole or in part, compliance with any standard established under this Act, if it determines that such a waiver is not inconsistent with gas pipeline safety." 220 ILCS 20/4. This Application for Waiver by Nicor Gas is not inconsistent with gas pipeline safety, and therefore should be approved.

WHEREFORE, for the reasons set forth herein, Nicor Gas respectfully requests that the Commission grant a waiver of 49 CFR Sections 192.53(c), 192.121, 192.123, and 192.619(a) so that Nicor Gas may install and use Smart Pipe® for rehabilitation of up to four 6-inch diameter 230-psig steel intrastate gas distribution pipeline segments that cross underneath the Illinois River approximately one mile southeast of Ottawa, IL.

Dated: March 14, 2011

Respectfully submitted,

NORTHERN ILLINOIS GAS COMPANY

By: /s/ John E. Rooney

John E. Rooney
Rooney Rippie & Ratnaswamy LLP
350 West Hubbard Street, Suite 430
Chicago, Illinois 60654
(312) 447-2800
john.rooney@r3law.com