

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission)	
On Its Own Motion)	
)	
v.)	
)	Docket No. 12-0623
The Peoples Gas Light and)	
Coke Company)	
)	
Citation for failure to comply with)	
49 CFR 192.465(d))	

DIRECT TESTIMONY
OF
MARK W. KINZLE

- 1 Q. Please state your name and business address.
- 2 A. My name is Mark Kinzle. My business address is 3001 Grand Ave, Waukegan,
- 3 Illinois 60085.
- 4 Q. By whom are you employed?
- 5 A. North Shore Gas Company ("North Shore").
- 6 Q. What position do you hold with North Shore?
- 7 A. I am the General Manager, District Field Operations.
- 8 Q. What are your responsibilities in that position?
- 9 A. I am responsible for all gas distribution utility field operations for North Shore
- 10 including customer service, distribution system maintenance, and construction.
- 11 Q. Please summarize your educational background and business experience.
- 12 A. I graduated from Milwaukee School of Engineering with a Bachelor of Science in
- 13 Electrical Engineering and from Roosevelt University with a Master of Business

14 Administration. I have worked for Integrys Energy Group, Inc. and its utility subsidiaries,
15 including The Peoples Gas Light and Coke Company (“Peoples Gas”) and North Shore,
16 for over 21 years and have held many positions with increasing responsibility within gas
17 operations, including Manager of Gas System Support. I assumed my current position
18 in January 2013.

19 Q. What is the purpose of your testimony?

20 A. The purpose of my testimony is to respond to the Direct Testimony of Illinois
21 Commerce Commission (“Commission”) Staff witness Matthew Smith. Specifically, I
22 respond to the factors that underlie his recommended civil penalty. Peoples Gas
23 witness Thomas Webb will describe Peoples Gas’s compliance organization and
24 respond specifically to Mr. Smith’s recommendations.

25 Q. Please summarize the conclusions of your testimony.

26 A. Peoples Gas has made significant changes to the corrosion department and by
27 the third quarter of 2012 had brought the corrosion department into compliance with the
28 cathodic protection requirements at issue in this proceeding.

29 Q. Do you have any attachments to your testimony?

30 A. Yes, there are three attachments,

- 31 • PGL Exhibit (“Ex.”) 2.1: the 2012 year end Safety Survey Report for corrosion
32 outlining the year end status,
- 33 • PGL Ex. 2.2: 2012 Ongoing Status Charts, and
- 34 • PGL Ex. 2.3: the March 31, 2013 Safety Survey Report for corrosion.

35 Q. What was your role in addressing Peoples Gas’s corrosion (cathodic protection)
36 compliance efforts?

37 A. I became the lead of the corrosion group in 2012 and implemented a number of
38 changes to improve the timeliness of corrosion reads and remediation activities. In
39 addition, I implemented a number of metrics, training, and interfaces with other
40 departments, described later in my testimony, to assure improvements in corrosion
41 compliance are sustainable.

42 Q. Mr. Smith, on pages 13-14 of his direct testimony, described what he believed
43 were violations that are the basis for a recommended civil penalty. Has Peoples Gas
44 addressed the locations identified in his testimony and Staff Ex. 1.3?

45 A. Yes, Peoples Gas had addressed all the locations identified in the testimony by
46 September 27, 2012.

47 Q. What is the recent and current status of Peoples Gas's cathodic protection
48 program?

49 A. Peoples Gas's cathodic protection program is in compliance with applicable
50 requirements and has the processes in place to stay in compliance. PGL Ex. 2.1, data
51 as of December 31, 2012, and PGL Ex. 2.2, data for calendar year 2012, provide
52 information about the 2012 corrosion surveys. These exhibits show that only one
53 required survey was not completed in 2012. The customer would not provide access
54 during the December holiday period, and Peoples Gas completed the survey in January
55 2013 when the customer provided access. Among other things, PGL Ex. 2.2 shows
56 progress over the course of 2012. PGL Ex. 2.3 provides the same information as PGL
57 Ex. 2.1, but as of March 31, 2013. PGL Ex. 2.3 shows no pending overdue surveys.

58 Q. What steps did Peoples Gas take to improve its compliance with cathodic
59 protection requirements?

60 A. The corrosion department focused on two areas for improvement. The first area
61 concerns the processes related to corrosion remediation. The department held
62 coordinated regular weekly meetings with each shop to review workload. The
63 department developed a shared reporting system to facilitate coordination of planning,
64 permits, and execution of the work. This coordination helped reduce the time to perform
65 the corrosion remediation work. We developed a customer communication letter
66 program to help inform customers of the work that would be required and to help
67 address access issues that we had encountered in the past. The department made
68 system improvements to help streamline our processes so that the corrosion
69 technicians could spend more time on inspection and remediation activities. These
70 improvements occurred through automation of several steps in the process.

71 The second major area for improvement was training and development. The
72 corrosion technicians and engineers in the department have attended NACE (National
73 Association of Corrosion Engineers) training and certification courses.

74 Q. When did Peoples Gas begin to implement these changes?

75 A. There have been continuous improvements to the department, but the changes
76 described in the previous answer began in July 2012.

77 Q. Will Peoples Gas be able to sustain the changes you described?

78 A. Yes, the processes that are in place are sustainable. Mr. Webb addresses the
79 organization changes that support sustainability.

80 Q. Why should these changes give the Commission confidence that Peoples Gas
81 will sustain its recent record of cathodic protection compliance?

82 A. The changes that we made in reporting, coordination, training, and quality
83 assurance will ensure that the department will stay in compliance. The other main
84 change has been in the culture, with safety and compliance being our top two priorities.
85 Additionally the compliance oversight and metric reporting by the compliance group led
86 by Mr. Webb and field monitoring that the Monitoring Group performs provide assurance
87 of sustainable compliance.

88 Q. Does this conclude your direct testimony?

89 A. Yes.