

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

ILLINOIS COMMERCE COMMISSION
160 NORTH LASALLE STREET, SUITE 800
CHICAGO, ILLINOIS 60601

GAS PIPELINE SAFETY POLICY SESSION

Met pursuant for the Illinois Commerce Commission Gas Pipeline Safety Policy Session held at 160 North LaSalle Street, Suite 800, Chicago, Illinois, on May 6, 2014, commencing at the hour of 10:33 a.m.

- PRESENT:
- MR. DOUGLAS P. SCOTT, Chairman
 - MR. JOHN T. COLGAN, Commissioner
 - MS. ANN McCABE, Commissioner
 - MR. MIGUEL DEL VALLE, Commissioner
 - MS. SHERINA E. MAYE, Commissioner
- JENNIFER L, BERNIER, CSR, RPR, CLR
On behalf of Midwest Litigation

1 APPEARANCES:

2

3 Mr. Darin Burk (Via Teleconference)

4 Mr. Torrence Hinton

5 Mr. Tom Kallay

6 Mr. Tom Webb

7 Ms. Jackie Voiles

8 Mr. Scott Glaeser

9 Ms. Natalie Hemmer

10 Ms. Gina Meehan-Taylor

11 Assistant Fire Chief Rick Ward

12 Mr. Craig Whyte

13 Ms. Jennifer Block

14 Commissioner Thomas H. Powers

15

16

17 ALSO PRESENT:

18 Various members of the public

19

20

21

22

23

24

1 CHAIRMAN SCOTT: Pursuant to the provisions of the
2 Open Meetings Act, I now convene this policy session of
3 the Illinois Commerce Commission to address gas pipeline
4 safety in Illinois. The issue, as all of us know, has
5 become particularly prevalent of late first following on
6 the heels of a large explosion in East Harlem, New York,
7 this past March and now following a recent explosion
8 much closer to home in Long Grove, Illinois. And the
9 last couple of years we've been working through the
10 legislature on replacement, pipe replacement programs,
11 with the General Assembly that we think will be very
12 successful and something that is needed in the state.
13 So there is a lot for us to talk about today.

14 So today the Commission will hear from our gas
15 utilities here in Illinois on a number of related
16 topics. First, we will hear from our own ICC pipeline
17 Safety Program Manager, Darin Burk, on the current state
18 of investigation into the New York natural gas incident.
19 Mr. Burk will -- maybe he's too modest, but he should
20 tell you that he is a national figure on pipeline safety
21 and he can explain how he's gotten involved with that
22 particular incident and then relate it back to what's
23 going on here in Illinois. Second, we'll hear from
24 Peoples Gas as to the challenges associated with the

1 Legacy infrastructure replacement in an urban
2 environment. Next, Nicor, Peoples, and Ameren on the
3 utilities public awareness campaigns and general public
4 outreach on the topics of safety. Fourth, we will hear
5 about utility communication with emergency responders
6 and public officials before and after incidents occur.
7 And, last, we will hold a roundtable discussion to talk
8 about public awareness partnerships and the path
9 forward.

10 We all look forward to all of the
11 presentations and discussions today. I'll turn this
12 over to my colleague, Commissioner Colgan, for his
13 remarks on the subject. Commissioner.

14 COMMISSIONER COLGAN: Thank you, Chairman. And
15 good morning to everybody. And I want to, first of all
16 thank everyone for being here today and for the time and
17 effort that you've put forward to make presentations to
18 us and to the utilities who have advanced materials to
19 us about your pipeline safety information projects that
20 you have in your own shops. Thanks for advancing those
21 to us so we could get a little peek at what we're going
22 to expect here today.

23 We're here today for several reasons. First,
24 to hear presentations from stakeholders on the status of

1 where we stand in the State of Illinois as it is with
2 the pipeline safety issues around the state. And we
3 want to remind all parties that the Commission is very
4 interested in pipeline safety issues and to bring this
5 issue to a more higher level in terms of public
6 awareness of the importance of pipeline safety and,
7 hopefully, to get some word out to the general public in
8 terms of what they can do in helping us maintain a safe
9 and thriving natural gas transmission and distribution
10 network in the state.

11 While we have no reason to suspect that any of
12 the utilities in this state are not in compliance with
13 all of the requirements that they have to work on
14 pipeline safety, I think that, at the same time, there
15 is no way that anyone can prepare for all of the
16 possibilities of things that can happen. And that's
17 been brought to our attention very recently with the
18 disaster that we had in New York City, the issue that
19 happened in Long Grove, and then a couple of years ago
20 we had a couple of really big incidents in San Bruno,
21 California, and Allentown, Pennsylvania. And I think
22 there was even something that happened just last week or
23 just a few days ago in Florida in a prison that blew up.
24 They suspect it was due to some of the really bad

1 weather, the weather that they had, disrupting some of
2 the distribution system there. So the ICC does have a
3 lot of responsibility to oversee pipeline safety in the
4 State of Illinois, and with that responsibility comes
5 the commensurate authority to make sure that everything
6 is happening appropriately as it relates to that
7 pipeline safety.

8 Through the Pipeline Safety Act, we are
9 responsible for establishing minimum safety standards
10 for the transportation of gas in pipeline facilities in
11 Illinois, and we have, by reference -- we've
12 incorporated by reference the applicable Federal Rules
13 into these as the state rules for pipeline safety. The
14 Commission is required to adopt rules establishing
15 minimum safety standards for the transportation of gas
16 and pipeline facilities. Such rules shall be, at least,
17 as inclusive, as stringent, and compatible with the
18 minimum safety standards adopted by the Secretary of
19 Transportation under the federal act.

20 So with that, I think that I'm looking --
21 well, I know that I'm looking forward to your
22 presentations. And I, again, before we start, want to
23 thank you for being here and being prepared to discuss
24 this important issue with us.

1 CHAIRMAN SCOTT: Thank you, Commissioner Colgan.
2 Commissioner McCabe.

3 COMMISSIONER MCCABE: Yes, I want to thank everyone
4 for being here today, also, and all of the materials
5 you've provided us. And I also want to say thank you to
6 our city colleagues who are here, including Commissioner
7 Powers.

8 CHAIRMAN SCOTT: All right. And, with that, let's
9 start off with Darin Burk, the pipeline safety program
10 manager from the ICC. Darin, as you can tell, is in
11 Springfield.

12 I don't know if it's possible if those drapes
13 that are behind Darin, if that's possible to shut those.
14 Maybe that's just Darin's glow. I'm not sure. If
15 that's possible, that might help out a little bit.
16 Otherwise, go ahead, Darin, whenever you're ready.

17 MR. BURK: Okay. Thank you, Mr. Chairman. As
18 everyone is aware, we did have a serious incident in
19 East Harlem and, you know, there were eight fatalities,
20 48 injuries. As required, the operator filed the
21 107100.1 incident report, but there's very little
22 information in that report at this time.

23 I looked it up yesterday on the DataMart and
24 read through it, and they estimate the damage is at 2.8

1 million, which is very low, I'm sure. That's probably
2 just the value of the buildings that were lost, and
3 there are a lot of lawsuits going on. I've been in
4 contact with the New York program manager, and we've had
5 some discussions. Although he cannot reveal any
6 information about the incident, itself, or the
7 investigation, he did have several questions for me as
8 to how we deal with certain issues in Illinois and,
9 particularly, in the Chicago area since it's very
10 similar to New York. So I've been helping him with
11 that.

12 And, as you mentioned, I am sitting as the
13 chairman of NAPSRS this year, and I handled several press
14 inquiries regarding the New York incident on behalf of
15 NAPSRS and tried to educate the reporters as to what we
16 would be doing in such an investigation and the efforts
17 that are being made by NAPSRS, PHMSA, and state
18 commissions to improve pipeline safety.

19 The pipe, under investigation in New York, was
20 8-inch cast iron, but there was also 8-inch
21 polyethylene. And it operated at low pressure, less
22 than one pound. There were reports that there were --
23 there was a water main break in the area, and that may
24 have had some effect on the integrity of that pipe. The

1 gas system, where the location of the building was,
2 there was a segment of polyethylene, and that's usually
3 joined via a transition fitting and mechanical couplings
4 back to the cast iron. And polyethylene of that 8-inch
5 diameter usually comes in 20- to 40-foot segments. So
6 the pipe was most likely joined together by heat fusion.
7 Heat fusion is a very reliable joining method if it's
8 done under an approved procedure by qualified
9 individuals.

10 So it's very difficult to speculate what may
11 have gone wrong because you could have joint failure on
12 a mechanical fitting, you could have joint failure on
13 polyethylene, you could have cast iron breakage, you
14 could have internal piping and so on. And the piping in
15 the structure is always a potential source of a leak.
16 And no statements have been made indicating of that, but
17 it's always something that's investigated. One report
18 did state that some of the piping inside that building
19 was replaced about six months prior to the incident. So
20 I'm sure the investigators were looking at that as well.

21 Obviously, it's reignited the discussion
22 regarding replacement of vintage pipelines in our
23 systems. And I caution everyone that, because the
24 incident has not been released and the investigation

1 will be ongoing for quite some time, it was immediately
2 assumed by the media that the old cast iron piping had
3 contributed to this incident. But that's not been
4 publicly verified by the parties of the investigation.
5 And even though much of the cast iron piping currently
6 in service was very old, it's not necessarily hazardous.
7 The smaller diameter pipelines, under 8 inch in
8 diameter, are more susceptible to failure by cracking
9 because they lack beam strength, but the larger diameter
10 piping have greater wall thicknesses and the beam
11 strength is improved because of that. It is far more
12 resistant to cracking than the smaller diameter pipe.

13 Peoples Gas and Nicor Gas have both been
14 engaged in a cast iron replacement program for many
15 years. Ameren had cast iron piping in their systems,
16 but it's all been replaced. The operators are required
17 to rank the risks associated with all of the
18 distribution piping and then determine which piping
19 should be replaced first. This is a requirement under
20 distribution integrity management and we verify that the
21 operators are risk ranking their pipe and taking the
22 corrective actions as needed.

23 Peoples, today, has been invited to discuss
24 some of the challenges associated with replacing vintage

1 pipeline infrastructure in urban areas. I believe it's
2 important for everyone to understand that the vintage
3 pipeline or vintage piping is not going to disappear
4 overnight. There are many factors that we must address,
5 and customers play a significant role in threat
6 mitigation. They are the eyes and, for lack of a better
7 word, noses out there that will detect the leaks and
8 report them to the utilities in between the leak survey
9 intervals. That's why we requested that the operators
10 present their public awareness efforts that they are
11 undergoing at this time.

12 Several of the witnesses reported smelling gas
13 in East Harlem prior to the incident, but only reported
14 it. The operators of natural gas systems have been
15 engaged in educating the public regarding the risks
16 associated with pipeline systems and what to do in the
17 event of an emergency over many years now. It's very
18 important that these customers and the general public
19 understand their role in mitigating the risk when even a
20 potential leak is detected. The operators are required
21 to engage in a public awareness effort and evaluate
22 their effectiveness of their programs by June of 2010.
23 The evaluation must be conducted over a maximum of four
24 years; so, therefore, the second round of evaluations is

1 due this year by June of 2014. I believe Nicor is one
2 year ahead of that schedule because they implemented
3 their plan prior to the due date.

4 Public awareness works hand in hand with
5 emergency planning. The operator is required to
6 maintain liaison with emergency responders to identify
7 the roles and responsibility during the pipeline
8 emergency. It's essential to have clear communication
9 of who will do what in the emergency.

10 Last week I attended the NAPSRS southern region
11 meeting held in Florida -- otherwise known as the
12 monsoon area -- and was made aware of a program to
13 enhance training of firefighters regarding pipeline
14 emergencies. The program is going to be kicked off
15 May 16th, I believe, in Georgia. The program was
16 developed by the natural gas pipeline operators, the
17 Pipeline Hazardous Material Safety Administration, or
18 PHMSA, the Florida Public Service Commission, and the
19 Georgia Fire Academy. The course will be included as
20 optional curriculum to the Georgia Fire Academy. The
21 one good thing about firefighters, they are always eager
22 to learn and they will take as many optional courses as
23 they can to improve their careers and improve safety.

24 AGL Resources, the parent company of Nicor,

1 has open discussions with me regarding initiating a
2 similar program in Illinois. I plan to pursue that
3 discussion in the near future, but we are waiting to see
4 how the initial rollout goes. In Illinois, we have a
5 fire school at the University of Illinois, and I think
6 they would be interested in this program as well. In
7 Georgia, all of the financing for this program was
8 provided by the utilities, but they considered it part
9 of their liaison with public officials and public
10 awareness training. So it is an acceptable expense
11 under the code requirements. I'm looking forward to
12 hearing how that works out and seeing if we can get
13 something going here in our state.

14 Thankfully, pipeline incidents are rare
15 occurrences and hopefully the discussions today will
16 contribute to even further reduction in incidences and
17 allow a more effective response to pipeline emergencies
18 if they occur. And with that, I think I will turn it
19 back to Chicago so we can hear from the operators.

20 CHAIRMAN SCOTT: Thank you, Darin. Questions for
21 Darin?

22 COMMISSIONER MAYE: I have a quick question.

23 CHAIRMAN SCOTT: Sure.

24 COMMISSIONER MAYE: Thank you so much, Darin.

1 Based on what you have seen and heard about the
2 responsiveness of the utilities in New York City after
3 that explosion, what types of emergency preparedness
4 action should we be seeking from our utilities, and, at
5 this point, are you confident that those procedures are
6 in place?

7 MR. BURK: I believe that they are with the
8 emergency responders. A few years ago we really started
9 pushing for liaison; in other words, direct
10 communication with the firefighters. Obviously, the
11 Chicago Fire Department is one of the best in the
12 country and I know they take it seriously. And, as
13 you'll hear today, Peoples Gas is engaged with them.
14 Ameren is engaged with the fire departments Downstate,
15 and Nicor within their territory. And they all have
16 extensive programs.

17 I believe there is more that can be done and I
18 believe part of that needs to be done on our part. We
19 do encounter, when we go out to incidents, that
20 firefighters don't know who the Illinois Commerce
21 Commission Pipeline Safety Program is. And that's why
22 I'm very interested in this program they're kicking off
23 in Georgia. One of the suggestions I made is that they
24 include that type of training in that program. And even

1 though it's not in the initial program, they are going
2 to look at adding it to the Georgia program as time goes
3 on, and I would like to see that done here. But,
4 overall, I believe that our major utilities have good
5 communication with the fire departments. And, on a
6 municipal level, most of the fire departments are
7 volunteers and many of the gas system operators are on
8 the fire department, so that does help with the
9 communication in those smaller areas. But we do audit
10 the programs every year to make sure they're conducting
11 the meetings. And if somebody is slacking, we will
12 write that up and make sure that they get that
13 corrected.

14 COMMISSIONER MAYE: Thank you.

15 CHAIRMAN SCOTT: Commissioner del Valle.

16 COMMISSIONER DEL VALLE: Yes. I'm just looking for
17 some clarification here just so that I understand. The
18 Georgia program you said is funded by the utilities, but
19 that it is a recoverable expense for the utilities; is
20 that correct?

21 MR. BURK: I believe that it would be a recoverable
22 expense because they have to maintain the liaison under
23 the rules and regulation.

24 COMMISSIONER DEL VALLE: Okay. Thank you.

1 CHAIRMAN SCOTT: Commissioner Colgan.

2 COMMISSIONER COLGAN: Yeah. The responsibility for
3 maintaining the safety program has a really large chain
4 of command all the way from the transportation companies
5 to the distribution companies to the local first
6 responders to the customers who actually are the
7 endusers of the natural gas.

8 And you mentioned just a little while ago that
9 in New York there were several people who had smelled
10 the gas, but no one had reported that -- only one person
11 reported that they had smelled the gas. And I'm just
12 wondering if you have any ideas or if you have any
13 examples of best practices in terms of how to make sure
14 that the general public is well informed about the
15 potential dangers of gas leaks.

16 MR. BURK: Well, historically, we've always left
17 that up to the utilities to do the public awareness
18 program, and there are specific guidelines under API RP
19 1162 that they must follow. And it's difficult to gauge
20 the effectiveness because, obviously, the response to
21 any inquiries from the operators is voluntary on the
22 part of the customer, and getting good response takes a
23 lot of work. They really have to encourage the
24 customers to fill out the surveys or reply when it's

1 done via robocalling.

2 You know, I know the operators are
3 implementing different measures constantly. One of the
4 things that we have identified as a problem is, if you
5 get in a neighborhood where there is criminal activity
6 going on or where people are just not in tuned with the
7 services that the operators will provide for free, many
8 people have expressed that they were concerned to call
9 the utility because they didn't want to pay for the
10 call. I think that's one thing that needs to be pointed
11 out that, if the customers or the general public smell
12 gas and they do call the operator, they're not going to
13 charge them to come out there and investigate that gas
14 odor. They're going to do everything they can to make
15 sure the system is safe. And how to get that message
16 through to people, I'm just not sure; but I think that's
17 one of the focuses that we need to be concentrating on
18 in the future.

19 CHAIRMAN SCOTT: Darin, I'm wondering, just
20 briefly, if you could, to go back to some of your
21 original comments, you talked about the risk ranking
22 that goes into the pipeline identification for
23 replacement. Obviously, age is one of those factors and
24 material that's used there. What are some of the other

1 factors that go into that risk ranking?

2 MR. BURK: Under the Distribution Integrity
3 Management Program, or DIMP, as we call it, the
4 operators are required to identify specific threats to
5 their pipeline. There are eight -- well, seven specific
6 threats that they must address, such as corrosion
7 control, third-party damage, outside force damage, and
8 so on, and then they can put in sub threats. And each
9 of the operators are responsible for doing that. You
10 know, obviously, risk is likelihood times consequence.
11 Then they have to determine the consequence factor
12 associated with all of those threats.

13 Most of them use an algorithm where they put
14 in a points-based calculation. For example, cast iron,
15 there are several tests you can make on cast iron to
16 determine whether it is starting to graphitize.
17 Graphitization is a form of corrosion and it's when the
18 pipe, itself, starts returning to its natural state and
19 the pipe will become lighter. It will become softer.
20 There's tests that the operators do when they cut into
21 the pipe. They'll coupon test it. You can weigh the
22 coupon. They test for its hardness when they excavate.
23 They examine the pipe. And all of the results of these
24 are points-based and it's entered into the program.

1 Then the program comes up with a risk ranking, and
2 there's several mitigation measures.

3 If you have, for example, a high risk of
4 corrosion, you take actions to mitigate that corrosion.
5 But if third-party damage seems to be threatening the
6 pipe, you can take actions to reduce that, protect the
7 pipelines and so on. And I think that's one of the big
8 factors with cast iron is one third-party damage
9 prevention operators have to take extensive measures to
10 protect that pipe. A good leak monitoring program and
11 leak management program is also necessary.

12 Cast iron pipe, in the old days, was joined
13 via bell and spigot, and it was packed with a material
14 called jute, and that's what kept the gas in the pipe.
15 Over time the gas will dry out the jute. When we first
16 started putting in gas systems, there was a lot of
17 manufactured gas, which had more moisture content. But
18 we try to keep the gas as dry as possible now so that we
19 don't have freeze up of meters.

20 So there have been many innovative measures to
21 rejuvenate that jute. Certain chemicals can be injected
22 into it. And then there's also clamping that can be
23 done. And many of the operators have extended the life
24 of the cast iron pipeline by implementing these measures

1 and, therefore, you know, it's been a cost savings to
2 the consumer. But some of the pipe has just reached its
3 life expectancy. And as the different factors, such as
4 frequency of leaks, the graphitization information or
5 corrosion information, they will also throw in their
6 outside force -- potential for outside force damages,
7 such as sewer line replacements and things like that,
8 and that will move the segments of pipe up in the
9 rankings so that they can implement the corrective --
10 correct mitigative measure and, in many cases, it is
11 actually replacing the line.

12 If you're going to disturb the soil near a
13 cast iron line via a water or sewer project, in many
14 cases, the operators will elect to go ahead and replace
15 that pipe even though it may not be their highest risk
16 pipe. But it just makes sense because the risk could
17 increase, plus they can get in there while the road is
18 removed and the recovery costs are lower and you don't
19 have to worry about them digging into that new road a
20 year later, so on and so forth. And I'm sure that
21 Mr. Hinton will talk about that a little bit during his
22 presentation. But, overall, we look at the general
23 ranking and what measures that they're implementing to
24 reduce the threats.

1 CHAIRMAN SCOTT: Thank you. One last one from
2 Commissioner Colgan.

3 COMMISSIONER COLGAN: Darin, you talked quite a bit
4 about the physical nature of the pipelines and the aging
5 infrastructure that we have around the state and in the
6 country in general; and, you know, as entropy would set
7 in on that physical nature of the pipeline, you have
8 natural sort of breakdowns.

9 But I wonder if you can comment a little bit
10 on the problems that we have with third parties that are
11 doing excavation and the issues of JULIE and for the
12 City of Chicago, DIGGER. How are those efforts, in your
13 opinion, how are they working out?

14 MR. BURK: Well, obviously, public awareness and
15 calling before you dig is very important. We just went
16 through April, which was damage prevention month or 811
17 month, as some of us call it. And, fortunately, right
18 after April ended, the Kentucky Derby winner jockey had
19 811 all over the side of his pants and on his hat. So
20 we had some real nice advertising out of that thanks to
21 some efforts by the utilities on the East Coast and West
22 Coast.

23 But educating the public and excavators is
24 essential. Every time they dig in the ground they must

1 call and ask for a locate. Obviously, we have
2 enforcement through our agency for everything outside
3 the city of Chicago. The concerns that we are dealing
4 with now and we're working with the City of Chicago on
5 are enforcing the Damage Prevention Act within the city.
6 We are basically exempted from enforcing it in the city,
7 and that's a great concern because excavators know that
8 and they know that, you know, even though they may be
9 required to pay for the repairs of the facilities that
10 they damage, there is no, you know, punitive measure
11 that can be taken. And that's a big concern for us and
12 it's a big concern for PHMSA as well. They would like
13 to see more enforcement in the city.

14 I know that DIGGER does require permitting for
15 any digging in the city, and often excavators are
16 penalized for failure to obtain the permit, and that's
17 good because, you know, notification that the dig will
18 occur is the first step. And we just have to keep
19 working to educate the excavators that they must first
20 call and, second, they have to dig carefully around this
21 aging infrastructure. I've seen photographs, in the
22 city of Chicago, where you open up the ground and there
23 is no more than 8 to 10 inches in between each of the
24 various underground facilities, the wires, pipes,

1 conduits, so on and so forth. So hand digging is
2 essential. Supporting the facilities that are going
3 under is essential so they don't sag or droop and put
4 the stresses on the pipeline. But, in general, just
5 continuing to pound away and educate the public, educate
6 the excavators, and let them know when failures occur
7 that do cause incidents and the real risks that are
8 associated.

9 Third-party damage still is the number one
10 cause of pipeline incidents on distribution systems.
11 Last year over 36 percent of the incidents that resulted
12 in injuries and fatalities were caused or a result of
13 third-party damage.

14 CHAIRMAN SCOTT: Thank you very much, Mr. Burk. We
15 appreciate it. And we would call next on Mr. Torrence
16 Hinton, who is the general manager of field operations
17 for Peoples Gas Light and Coke Company. Good morning.

18 MR. HINTON: Good morning.

19 CHAIRMAN SCOTT: Whenever you're ready.

20 MR. HINTON: Good morning, Commissioners. It's a
21 pleasure being here. I have my colleague Tom Webb,
22 manager of compliance, supporting me in this
23 presentation. It's a pleasure being here, to have an
24 opportunity to speak about the Peoples Gas and our

1 Legacy Infrastructure Project Replacement, as well as
2 maybe speak to some of the challenges that we face
3 working in an urban environment that is a little bit
4 more unique to that environment.

5 So this slide really just gives some history
6 about the Peoples Gas Light and Coke Company. As you
7 can see, we've been in business almost since the City,
8 itself, was incorporated back in 1837. So we have a
9 long history and honor in serving the residents of the
10 city of Chicago. We have over 4,000 miles of
11 distribution gas main within our system; approximately,
12 40 percent of that remains cast or ductile iron main at
13 this time. Working in an urban environment, one of the
14 things that you typically see is that a lot of our
15 meters are located on the inside, which presents some
16 challenges. So of our active meter count, we have,
17 approximately, 70 percent of our meters, gas meters, are
18 still located inside of customers' premises.

19 So, really, the infrastructure upgrade project
20 is a great opportunity for us to obviously replace some
21 of the vintage system and reduce overall lower costs as
22 we engage in that activity. And so with the current
23 program we have in place, it is intended to eliminate
24 all of the remaining cast and ductile iron main from our

1 system. Doing so will certainly lower costs. It also
2 gives us an opportunity, as we engage in this
3 construction activity, to do our best to place most of
4 those existing inside meters on the outside, minimizing
5 customer inconvenience when we have to perform certain
6 surveys, as well as emergency situations, providing us
7 better access to the meter to shut it down in case we
8 need to take that action.

9 This next graph basically provides for you
10 some indication of the progress we've made, so prior to
11 2011. So from 2009 to 2011, we've seen about a
12 2-and-a-half percent reduction in remaining inventory of
13 our cast and ductile iron main facilities. Since the
14 inception of our accelerated project from 2013 to 2011,
15 this graph represents about a 10 percent reduction in
16 that material.

17 So our next slide, you know, one of the things
18 we want to mention is that, as we engage in this
19 opportunity, it doesn't always represent one mile of
20 retirement for one mile of installation. So there are
21 areas, especially in the residential areas, where we try
22 to perform what's known as a double deck. So instead of
23 replacing a leg or segment of gas main down the middle
24 of the street, we try to place two mains in the parkway

1 because it eliminates potential future damage regarding
2 long-sized services.

3 So if you might imagine, a lot of our existing
4 infrastructure is one main down the street. And so
5 sometimes, depending on the placement of that main,
6 there are services that run long distances. And
7 whenever you have other infrastructure projects, namely,
8 sewer upgrades or water main upgrades, it tends to cause
9 some additional risk to the system. And so, by putting
10 our new mains on both sides of the parkway, we kind of
11 eliminate that potential future risk out of the system.

12 As was previously discussed, our Legacy system
13 is mostly operated on low pressure, so less than one
14 pound. The cast iron sizes, typically, on a residential
15 block, are 6 inch in diameter or 8 inch in diameter.
16 The newer facilities we are installing operate at a
17 higher pressure, and those facilities are typically
18 plastic with a size of 2 or 4 inch in pipe diameter.

19 Darin discussed a little bit about the DIMP
20 program. But even prior to the existence of DIMP,
21 Peoples Gas Light and Coke Company was engaged in an
22 effort to prioritize the replacement of our existing
23 facilities. And what you see up here is kind of a
24 representation of a system we refer to as our MRI

1 system, or main ranking index. This has been in
2 existence since about '95, '96. And, really, it's an
3 algorithm that we utilize to kind of rank some of our
4 higher risk pipe. And there you see some of our
5 criteria that go into that ranking, so breaks, cracks
6 that we have actually experienced, physical
7 observations, or the amount of repairs that we have had
8 to engage in as a result of failures or leaks.

9 So, you know, obviously, we take this data
10 into account when we are looking at prioritizing some of
11 our main facilities. So to the extent it meets a
12 certain threshold, we will expedite the replacement of
13 those main segments. The other criteria we utilize,
14 obviously, with the advanced replacement project is we
15 are now engaged in the neighborhood approach. So we're
16 trying to concentrate our resources to gain some
17 efficiencies. So this year we are operating in three
18 neighborhoods -- one on the north side, one on the west
19 side, and one on the south side -- accelerating the
20 replacement of some of those older facilities.

21 Another method in our prioritization is
22 coordinating with city agencies. You know, obviously,
23 the City of Chicago is also engaged in some
24 infrastructure improvement projects. And so where it

1 makes sense, we want to coordinate those efforts with
2 them. One, it minimizes disruption to the city
3 residents, but also we can gain certain efficiencies as
4 you also look at restoration costs. And so where city,
5 sewer, or water, or they are making excavations to
6 streets and repairs to streets, we take a look at those
7 projects and see if it makes sense to also replace the
8 facilities that might be located in those areas as well.

9 This next slide is really a picture to kind of
10 give you some indication of what some of the
11 intersections look like. And this really shows you, as
12 you operate in some of the older urban areas, there is a
13 lot of underground facilities. And as was previously
14 mentioned, we noticed that damage prevention continues
15 to be one of the higher risks to our facilities. And so
16 both ourselves and other excavators must take great care
17 when excavating the city streets. Fortunately, not
18 every intersection is like this, but there are enough
19 where, again, coordination is key, making sure people
20 follow the proper protocols so that facilities are
21 properly excavated and we avoid any potential damages.

22 Another thing that certainly has come on our
23 radar in recent years is this phenomenon called cross
24 bore, which is basically one utility cutting through

1 their facility into an existing facility, especially
2 when you have potentially gas lines inside of other
3 facilities, such as a sewer. You might not know right
4 away that that damage has occurred, and that could lead
5 to some catastrophic events. And so because of things
6 that have occurred locally and nationally, Peoples Gas
7 has updated its procedures and now, as we are engaged in
8 our replacement project, we require 100 percent
9 cameraing for all mains and services to ensure that we
10 are avoiding any damages to other facilities, certainly
11 avoiding this cross-bore situation. This is something
12 that, Commissioner Maye, and, Chairman Scott, you might
13 recall, on a recent visit, that we tried to point the
14 actions that were taken to avoid these damages.

15 Other challenges, some of them unique to the
16 environment we work in. You know, we have a lot of key
17 stakeholders. That includes the fifty aldermen that
18 work in the city of Chicago. And so, as we engaged in
19 these construction projects, we want to take great care
20 to ensure that we have a high level of communication and
21 engagement. Obviously, as was previously mentioned,
22 where you're talking about DIGGER or the permitting
23 agencies for the city, we want to work through those
24 processes to assure that we obtain the necessary permits

1 to complete the work that's required.

2 We have challenges sometimes in the length of
3 time securing IDOT permits, and we're seeing more and
4 more of that as we move forward. And then, as we have
5 facilities near railroads, you know, that's a separate
6 set of protocols we have to go through to seek the right
7 level of approvals or easements to get facilities
8 replaced in those areas.

9 Restoration, as some of you may be aware,
10 simply with recent changes to CDOT protocols, you know,
11 that has caused us to make some changes in our protocols
12 in terms of not only how we replace our facilities, but
13 certainly how we restore those streets and other areas
14 that we are excavating as a result of that project work.

15 And this last slide really is just, again, to
16 try to give you some idea of the environment we're
17 working in. You know, safety and reliability are two
18 things that is of utmost importance. And that includes
19 the safety of our employees, but, certainly, our
20 customers and the public at large. And so, in working
21 in urban environment streets that are typically busy, we
22 want to make sure we take extra care to avoid any
23 potential incidences as we engage in this activity.

24 CHAIRMAN SCOTT: Thank you, Mr. Hinton. We've got

1 time, probably, for a couple of questions here, if you'd
2 like. Commissioner del Valle.

3 COMMISSIONER DEL VALLE: On the prioritization of
4 the replacement, we have a list here. We look at
5 breaks, cracks, visual observation. And then you list
6 coordination with the City -- with the City. The City
7 is aggressively replacing water mains at this time. Is
8 the prioritization, your prioritization, synced with
9 what the city's water main replacement schedule is?

10 MR. HINTON: So I would say it might not always be
11 in sync; but to the extent we recognize there are
12 certain segments of raw pipe at the higher risk, we will
13 go ahead and engage in replacement activity not waiting
14 for coordinations based on those risk rankings. But,
15 again, as we coordinate -- and it's typically our gas
16 engineering department -- with the City on projects that
17 they have ongoing, we try to get those projects in sync.
18 And, certainly, over the last couple of years, there has
19 been a lot more discussion between our company and those
20 city agencies to try and do that.

21 But make no mistake. If there is a situation
22 where we determine there is a certain segment of our
23 facility that needs to be replaced, we will replace it
24 no matter whether that falls into some other coordinated

1 project or not.

2 COMMISSIONER DEL VALLE: And I appreciate that,
3 certainly. But people get frustrated when they see the
4 street torn up, it's restored, and then months later you
5 come in and you do the parkways, right?

6 MR. HINTON: Yeah. We do the parkways. In some
7 instances, we're also restoring the street.

8 COMMISSIONER DEL VALLE: And you're also restoring
9 the street. So that coordination, especially given the
10 city's time frames, is extremely important. And it's
11 also important, as you indicated, because you're
12 reducing costs if you're there.

13 My second question is, you have contractors
14 doing this work. And I've noticed that there isn't a
15 whole lot of Peoples Gas signage on these trucks. So
16 people don't know necessarily that it's your company
17 doing this. And so if they have complaints about the
18 length of time it's taking to do the job, they're not
19 always sure who to call.

20 MR. HINTON: Yeah. I've been -- we've been made
21 recently aware of that issue. And I know this year we
22 are placing signs on all of our jobs to clearly indicate
23 this is work being done on behalf of the gas company.
24 And, as I recall, I will confirm, Commissioner, our

1 number is there such that, if there are complaints,
2 folks can call that number and you can get those
3 complaints resolved as quickly as possible.

4 COMMISSIONER DEL VALLE: So you're aware of the
5 issue and you're addressing it?

6 MR. HINTON: Yes.

7 COMMISSIONER DEL VALLE: Okay. Thank you.

8 COMMISSIONER COLGAN: Yeah. I can certainly
9 appreciate the complexity that you have to face in terms
10 of this getting out there to do the work. You know, a
11 lot of clearances have to be made. I'm just wondering
12 how the coordination efforts go between the water,
13 streets, and sewer, if that could be done more
14 effectively?

15 I know, in any organization, and bureaucracies
16 are, really, probably, a good example of how the
17 directives have to come from the top down before you
18 actually get the kind of progress that you need. Do you
19 feel like you're having that kind of cooperation? Do
20 you feel like you could use more of that kind of
21 cooperation? Are there things that you think the
22 Commerce Commission could do to help in that effort?

23 MR. HINTON: You know, I never want to decline
24 assistance or help, but I will say that, you know, as

1 you indicated, there is always opportunities for
2 improvement. But I think both our company, and
3 certainly the City, are committed to making these
4 coordination efforts work. You know, for example, I
5 know the City is engaged in an effort right here in the
6 central business district on the BRT, the Bus Rapid
7 Transit Program, and we are engaged in that discussion
8 in how we can assure that our facilities are coordinated
9 in terms of replacement right along with what the City
10 wants to do.

11 So I would say that communication is good.
12 It's ongoing. You know, certainly, could it always
13 improve? Yes. But I think all parties are committed to
14 make sure that we're all on the same page in making
15 those efforts work, again, to minimize disruption to the
16 public and then operate more efficiently within the
17 city.

18 COMMISSIONER MCCABE: As I alluded to earlier,
19 Water Commissioner Powers is here and I think some of
20 the CDOT folks. And I apologize for my colleagues if we
21 haven't kept you in sufficient communication with regard
22 to the City. But the City is having weekly meetings to
23 coordinate between all of the utilities and departments
24 on what's going on, and there's actually penalties if

1 you have to go back into a street that's already been
2 rehabbed and opened up within the next three years, is
3 it? Five, five years. And, Commissioner, if you want
4 to add anything to this, but there is a lot of
5 coordination going on.

6 COMMISSIONER POWERS: Good afternoon.

7 CHAIRMAN SCOTT: Come on up to the mic.

8 COMMISSIONER POWERS: Good afternoon. Good
9 morning. It's all running together these days. Thank
10 you for the opportunity to have a few words. I
11 appreciate it. We work -- the City has, basically, a
12 clearinghouse for projects in the permit office, and the
13 City has, at its own expense, put together an office
14 within the permit office where all of the utilities in
15 all of the agencies have to send in their projects, and
16 those projects -- the limits of those projects and the
17 work that those projects are being -- that are doing are
18 sent to all of the utility companies. So everyone knows
19 what everybody is doing.

20 Furthermore, we also look at ways to become
21 more efficient because, just as Commissioner del Valle
22 said, there is nothing worse in the city of Chicago, and
23 I've been at the front line of this for a very long
24 time, is having a street paved and literally the minute

1 it's done somebody coming in and digging up the street.
2 It's a waste of money. It's a waste of taxpayer
3 resources. It's a waste of our customers' resources.

4 To that end, as I've said, we've put together,
5 the City has put together, a clearinghouse for all of
6 these projects. And at our weekly meetings that we've
7 had with all of the utility companies and all of the
8 agencies, we talk about restoration requirements. We
9 talk about restoration responsibilities, who is going
10 first, who is going second, and what are their
11 responsibilities and so forth.

12 On top of that, the Department of
13 Transportation has also augmented their rules and
14 regulations for openings in a public way. A couple of
15 the points you made today. Signage, one of the things
16 that they changed this year is any work being done is
17 required to have a sign to let people know who is
18 responsible for that work. They also have an
19 enforcement arm in the Department of Transportation of,
20 roughly, 25 inspectors who are out seven days a week
21 checking to make sure that people are working safely and
22 within the limits of their permit.

23 Now, in the Department of Water Management, I
24 have -- we've undertaken, under the Mayor's Building a

1 New Chicago Program, one of the largest capital
2 programs, I think, in the country. Over the next ten
3 years, we're going to be replacing 880 miles of water
4 main across the city of Chicago. We'll be replacing 250
5 miles of sewer across the city of Chicago and we'll be
6 lining almost 500 miles of mains across the city of
7 Chicago, on top of our standard number of repairs, meter
8 installs, and so forth.

9 And all of this is all coordinated, again,
10 through CDOT's permit office and through it's program
11 management office. That's the group that looks at who
12 is working and what the schedules are.

13 COMMISSIONER DEL VALLE: I thank you for that
14 information. And I realize that there is a lot of
15 coordination going on and in the past that was not the
16 case. So I commend you for that. Now, if you could
17 only deal with the length of time it takes to complete.
18 I mean, the folks on the 1600 block of north Avers have
19 had it.

20 COMMISSIONER POWERS: Understood.

21 COMMISSIONER DEL VALLE: Okay?

22 COMMISSIONER POWERS: Understood. And one thing,
23 when we do a water main replacement, what people don't
24 understand, when we replace a water main, we put a new

1 main next to the existing main. When we do so, we don't
2 disrupt service. There are very extrinsic requirements
3 set forth by the Illinois EPA. So we lay the new water
4 main next to the old one and we tie it into the grid
5 system.

6 Torrence talked a little bit about the grid
7 system for Peoples Gas. For the Department of Water
8 Management, just on the potable water side, we have
9 about 4400 miles of water main across the city of
10 Chicago. We have about 4600 miles of sewer main across
11 the city of Chicago. On the water side, about a
12 thousand miles of that pipe is older than 100 years old.
13 So it was put in at the turn of the last century. About
14 1500 miles of sewer are the original sewers put in over
15 100 years ago. So that's the work that we have embarked
16 on under Mayor Emanuel's Building a New Chicago Program.

17 So once we lay the new water main in and we
18 tie it in, we have to pressure test it to make sure that
19 there's no leaks. It's chlorinated to make sure that
20 it's safe to drink. And then, at this time, it's still
21 you come back and backfill all of it so that nobody
22 walking down the street is unsafe. And then we actually
23 go and expose all of the services and tie them into the
24 new water main.

1 So people see us out there. It's an arduous
2 process, but it's a process built around making sure
3 that we don't have open holes out across the city of
4 Chicago. So safety is one of the big things that we're
5 working towards. But I will get after Avers.

6 CHAIRMAN SCOTT: Thank you very much. I appreciate
7 your stepping up there.

8 COMMISSIONER POWERS: My pleasure.

9 CHAIRMAN SCOTT: Gentlemen, thank you. We'll move
10 next to Tom Kallay. And they're going to talk about the
11 public awareness campaigns now and the public outreach.
12 Mr. Webb will be back up in a moment. But, first, we
13 have Tom Kallay, who is the director of regional
14 community relations/economic development with Nicor.
15 Good morning.

16 MR. KALLAY: Good morning. It's a little bit off
17 the screen, but I hope it will be visible.

18 Mr. Chairman, Commissioners, thank you very
19 much for having me here today. Good morning. I'm very
20 pleased here to review our safety communications and our
21 public outreach program at Nicor Gas. A key component
22 of our commitment to operational safety and excellence
23 is a robust safety communications and outreach program
24 that targets key audiences and focuses on the safe use

1 of our product. And what this slide does is gives you a
2 snapshot of our key target audiences, obviously, our
3 employees, first responders, public officials,
4 excavators and contractors -- Mr. Burk spoke of those
5 constituents earlier today -- the general public, which
6 includes customers or people who are not Nicor Gas
7 customers, and then, naturally, our customers.

8 The topics that are covered include,
9 obviously, safety messaging, leak recognition, pipeline
10 safety, and damage prevention initiatives that they can
11 do, as well as sewer lateral safety information. We've
12 talked about that a couple of times this morning
13 already. Breaking our program down to external and
14 internal stakeholders, we use a myriad of vehicles to
15 communicate; bill inserts, our Web site, certainly, the
16 media is very effective, community events, mailers,
17 printouts, print ads in newspapers, as well as handouts.
18 And from an internal standpoint, we have a very robust
19 intranet system, as well as we hold employee meetings
20 and internal safety campaigns where we have regional
21 safety meetings with our employees. And we try to have
22 a little bit of fun as well where we have our employee
23 safety awareness contest, which we can talk about in a
24 little bit.

1 So the above is an example of some of the
2 communications that our customers receive throughout the
3 year. The example above focuses on the routine
4 maintenance we conduct on our system, information
5 regarding avoiding carbon monoxide poisoning, how to
6 recognize a leak, what to do in the event of a leak,
7 and, lastly, again, important information about the
8 sewer line blockages.

9 When customers join us as Nicor gas customers,
10 we include the following attachment, which welcomes our
11 customers to Nicor Gas, and then it also talks about
12 safe digging, again, leak recognition, understanding
13 about their gas bill and how customers are responsible
14 for the piping beyond their meter. It's an important
15 aspect for them to understand. This particular piece of
16 communication is in the process of being reformatted and
17 should be rolled out later on this year.

18 During the months of October through December,
19 certainly, messaging with regard to winter heating tips
20 is a primary focus. So winter safety tips, energy
21 assistance, what's out there to help people manage their
22 bills, as well as energy efficiency information is
23 provided. As with this, as well as all of our materials
24 are available both in Spanish and English by the way. I

1 did not mention that. So if language is an issue, we do
2 make that accommodation for our customers.

3 CHAIRMAN SCOTT: Any other languages other than
4 English and Spanish?

5 MR. KALLAY: Spanish and English are the primary at
6 this point.

7 To inform the general public -- again, general
8 public being those that are not Nicor Gas customers --
9 about natural gas pipeline safety, we mailed this notice
10 out and take out print ads in all of the major
11 newspapers within our service territory. So the public
12 within 650 feet of our pipes receive this from us, and
13 then, again, it is in the newspaper, which still,
14 despite a lot of electronic media out there right now,
15 there are many people that rely on newspapers, so that's
16 why we continue to put these ads in the paper.

17 To reach our public officials, our fire
18 departments, police departments, as well as emergency
19 medical personnel, we send out this particular annual
20 brochure, which reinforces the messaging about leak
21 recognition, damage prevention, and also talks about the
22 role of those emergency personnel in the event of an
23 incident. This would be the front of that particular
24 brochure and then the back. (Indicating.)

1 On the topic of damage prevention, we send
2 this particular flier to excavators who -- excavators
3 who have made contact with the one-call center, so the
4 811 or JULIE in the prior year. The letter and flier
5 explain the importance of calling and having underground
6 utility lines marked to avoid an incident. And, again,
7 Mr. Burk mentioned the third-party hits earlier in his
8 presentation.

9 Contractors and plumbers are certainly an
10 important constituency. And, again, I mentioned sewer
11 lateral safety. We have prepared this specific piece
12 for them, which explains in detail about directional
13 boring and the potential for cross bores. We also
14 include this information within our messaging to our
15 customers encouraging them to speak with their plumber
16 about any potential cross bores before any type of sewer
17 clearing project might be taken on by that particular
18 customer.

19 In this electronic age, it is important to
20 have a robust Web site. We have one. It will be redone
21 later on this next year. In 2015, it will be
22 redesigned, but Nicor Gas's Web site is a great source
23 for safety information for the general public and
24 customers. Each month we highlight different safety

1 messages on our home page. This, for example, was from
2 April, and it talks about the safe digging month. And
3 then you can click on it and then get additional
4 information with regard to safe digging and the
5 importance of calling ahead to identify where the
6 underground infrastructure might be.

7 Our Web site also features a kids area because
8 it's important to teach children at a younger age about
9 natural gas safety. So here is the screenshot where we
10 have kid-friendly natural gas safety tips, a coloring
11 page, an activity page with our safety mascot, Sniffy
12 the Skunk, and also some science experiments to better
13 understand the properties of natural gas. Everyone
14 needs to know Sniffy.

15 The cornerstone of our kids section is our
16 video and video game. Kids watch the video with Sniffy
17 and then there are questions and a game that reinforces
18 the messages that are provided to children in the video
19 game. We do take the video and the game from our Web
20 site on the road as it were. We participate in fire
21 department open houses throughout our territory, and
22 I'll touch on those in a moment.

23 I don't have to remind anyone about the brutal
24 winter that we just got through. But we took advantage

1 of the situation to remind customers about the
2 importance of winter safety tips, particularly, their
3 meters, that they need to be free of snow and ice, that
4 the vent pipes in their home need to be free and clear
5 as well. So we very often send out media advisories to
6 make sure that our customers are educated on the safety
7 tips.

8 I mentioned the fire department open houses a
9 moment ago. For the last eight years, we've
10 participated in about 400 fire department open houses
11 throughout our service territory, about 50 a year.
12 These open houses enable Nicor Gas employees to interact
13 with our customers and their children, and we share
14 important safety information with them, including giving
15 children an opportunity to play the video game that I
16 referred to a moment ago. We are currently working on
17 our Season 9 for these open houses. In addition, we
18 recently participated in careers in energy at the Museum
19 of Science and Industry. And in addition to promoting
20 the benefits of working in our industry, we, again, took
21 this opportunity to educate children about natural gas
22 safety.

23 Among the handouts provided to customers at
24 these community events is the scratch-and-sniff

1 information cards. While adults are pretty aware of
2 what natural gas smells like after mercaptan is added
3 into the natural gas, we want to make sure that the
4 children know as well and that they know that, if they
5 smell gas, they act fast, which is our little tagline,
6 and they go out and get an adult for help.

7 Lastly, internal communications is very
8 important. I want to take just a couple of minutes
9 about that. Our employees, we realize, are the most
10 valued ambassadors of our company and of our product.
11 In addition to providing general natural gas information
12 to our employees, we spend a considerable amount of time
13 throughout the year reminding and refreshing all
14 employees about natural gas safety. The concept is
15 quite simple. If we arm our employees with this
16 important information, they will perform their duties
17 much more safely. In addition, as they go to baseball
18 games and they go to the grocery store and friends of
19 theirs come and approach them and ask them questions
20 about natural gas, they will know how to respond or, at
21 least, they'll know how to get the answer to make sure
22 that that person has the information.

23 In addition, we provide them with printed
24 materials highlighting our messages and reminding

1 them -- them being the employees -- of the role that
2 they play in safety. Quite simply, we live the
3 commitment of the three Ps, which means people,
4 pipeline, and public. This is our commitment to these
5 three sectors, and we are also in the stages of rolling
6 out our Zero is Possible Campaign internally, which also
7 focuses on safety. Everyone -- safety is everyone's
8 business at Nicor Gas and it is totally embedded in our
9 culture.

10 I mentioned the intranet a moment ago. It is
11 a section that our employees can get information. The
12 mascot there is the pipe guy. So we have Sniffy the
13 Skunk and the pipe guy. He is used as a reminder of our
14 commitment to safety and provides a resource to our
15 employees should they have any questions.

16 I mentioned fun a little while ago, and what
17 we do is we have a photo bomb contest promoting 811.
18 April was national safe digging month, and for the
19 second year in a row we ran a photo bomb contest. We
20 challenged employees to take unique, imaginative photos
21 by either using their 811 photo bomb fan, which is a
22 cardboard cutout, or by creating the numbers 811 in a
23 unique way. The employees have uploaded their photos on
24 the intranet where fellow employees then vote for their

1 favorite. Employees really enjoyed this contest, and
2 it's a great way to remind employees to spread the word
3 about calling before you dig. And, additionally, it's a
4 great way to get our families engaged in the whole
5 concept of safety as well.

6 With that, I would like to thank you all,
7 again, very much for having us. I hope you all have a
8 better understanding of our commitment to educating our
9 customers and our employees about the importance of
10 natural gas safety. Thank you.

11 COMMISSIONER MCCABE: Did I also see in the
12 materials that were circulated to us that you recognize
13 excavators who have improved in terms of damages?

14 MR. KALLAY: Yes, we do that. And the whole thing
15 is to encourage attention to calling ahead and being
16 cautious and watching out for the infrastructure. So,
17 yes, we do recognize them with awards and certificates,
18 yes.

19 CHAIRMAN SCOTT: Commissioner del Valle.

20 COMMISSIONER DEL VALLE: I know the focus today is
21 on pipeline safety. But, after the meter, how many
22 accidents or what percentage of the accidents that your
23 company deals with occur?

24 MR. KALLAY: Beyond the meter?

1 COMMISSIONER DEL VALLE: Beyond the meter.

2 MR. KALLAY: That's a number I don't have right off
3 the bat, sir. I can find out for you.

4 COMMISSIONER DEL VALLE: Would it be the majority?
5 I don't mean to put you on the spot.

6 MR. KALLAY: Honestly, I don't know. I don't know
7 if I would be comfortable saying the majority of the
8 incidents are beyond the gas meter. I would say that
9 certainly third party might be the leader. I don't
10 know. Mr. Burk might know the answer. I don't know.

11 COMMISSIONER DEL VALLE: Because, at our last
12 meeting, Mr. Burk indicated that the figure was around
13 70 percent. Can Mr. Burk respond?

14 MR. BURK: Yes. I can comfortably say that, what
15 we define as a natural gas incident, a reportable
16 incident, Nicor would report many incidents that turn
17 out being the customer's piping rather than Nicor's
18 piping. They're very good about reporting everything to
19 us that we need to know about, and I would stand by that
20 70 percent figure. It's probably very close to that.
21 Each year the incidents that are reported where there
22 are injuries or fatalities or extensive property damage
23 the root cause results in being the customer piping
24 rather than the gas operator piping.

1 MR. KALLAY: My colleague just confirmed that in
2 the audience.

3 COMMISSIONER DEL VALLE: So 70 percent, which is
4 quite high.

5 MR. KALLAY: Quite high.

6 COMMISSIONER DEL VALLE: And so my question is,
7 well, I think Mr. Burk earlier indicated that in New
8 York only one person called in, and he indicated that
9 some folks don't call in or didn't call in because they
10 thought they would be charged; is that correct,
11 Mr. Burk?

12 MR. BURK: I'm not sure if that's the case in New
13 York. But I know that discussions in Illinois, when
14 we've been on incident sites, that's one of the things
15 that people pointed out to us, that they were concerned
16 that they would be charged if they called about the
17 leak.

18 COMMISSIONER DEL VALLE: Yes. Yes. And I've heard
19 that many, many times over the years. So as people move
20 from apartment to apartment and they have their
21 appliances or stove installed, they do it themselves and
22 they smell gas. Many times they just try to figure it
23 out themselves because they're thinking, "If I call the
24 gas company, they're going to charge me," or they'll

1 say, "If I call the gas company, it's going to take them
2 forever to get here." So I'm wondering what is the
3 procedure in Nicor for responding to that kind of
4 situation.

5 MR. KALLAY: In all of our material, we always
6 point out to our customers that, if they smell gas, call
7 us. We will be there. Smell gas, act fast. We even
8 target the children. And the response you mentioned,
9 we're typically there over 90 percent of the time within
10 one hour of getting a phone call.

11 COMMISSIONER DEL VALLE: Any day?

12 MR. KALLAY: Any day.

13 COMMISSIONER DEL VALLE: Any time?

14 MR. KALLAY: Correct. We are very proud of our
15 response time.

16 COMMISSIONER DEL VALLE: Now, is the customer
17 charged if it's a faulty connection with a stove, for
18 example.

19 MR. KALLAY: Well, if it's something that's beyond
20 the meter and they smell gas, we will be promptly there.
21 We will turn the appliance off and ensure life,
22 property. But then because it's beyond the meter, it
23 will be the customer's responsibility to get a plumber
24 or someone certified to make a repair, and then we're

1 happy to come back out and turn your service back on.

2 COMMISSIONER DEL VALLE: But are you charging the
3 customer for making the call?

4 MR. KALLAY: Absolutely not.

5 CHAIRMAN SCOTT: And you mentioned this about your
6 materials talking about the customer that plays -- the
7 parts the customer is responsible for in your materials.
8 Is there something different that you're talking to the
9 customers about there, or is it just the same message
10 throughout, which is, if you smell something, just call
11 us?

12 MR. KALLAY: The message is very consistent. If
13 you smell gas, call us. We'll be there to make the
14 repair or turn off the service and then the customers
15 would be the one charged with getting the repair taken
16 care of.

17 CHAIRMAN SCOTT: Is that part of the materials? I
18 should know this because I get them and I read them as a
19 customer. But is that part of the materials that people
20 receive, because I'm wondering if there is some, going
21 back to this --

22 MR. KALLAY: Sure.

23 CHAIRMAN SCOTT: -- discussion that we've all been
24 having if there is some kind of confusion there based on

1 what may be in printed materials where people are
2 picking up this idea that they would be charged?

3 MR. KALLAY: I'm not quite sure what would lead
4 them to believe that they're being charged. But the
5 messaging is very consistent, in all of the materials,
6 if you smell gas, call us. We'll respond. And, again,
7 life and property, that's our goal, to ensure safety.

8 CHAIRMAN SCOTT: It may be worthwhile, just as
9 you're looking at redoing the materials, to go on to
10 think about that particular message.

11 MR. KALLAY: Be more explicit in that.

12 CHAIRMAN SCOTT: Yeah.

13 MR. KALLAY: I kind of picked that up already in
14 the conversation this morning. Note to self. It's been
15 noted.

16 CHAIRMAN SCOTT: Thank you. Mr. Kallay.

17 MR. KALLAY: Thank you.

18 CHAIRMAN SCOTT: I'd ask Mr. Webb to come back up
19 and talk on behalf of the same issue on behalf of
20 Peoples. I'm not going to rely on my scorecard anymore.
21 Tell us who is doing what.

22 MS. BLOCK: Jennifer Block, Director of Media
23 Relations. Thank you for having me back. I was here
24 previously on the preparedness. And one thing that

1 we've learned as an industry is that we do a lot of the
2 same things. We do a lot of the same types of outreach
3 to customers. So we did try to coordinate before coming
4 in, and I'm going to try to touch on slightly different
5 aspects of our communications, otherwise you would be
6 hearing the same presentation three times.

7 So the reason for mentioning that is, just
8 because I don't talk about it, doesn't mean that we
9 don't do it as well. I just wanted to give you an
10 opportunity to see some of the different materials, and
11 there is a few that are going to be similar as well as
12 we go through. So please don't hesitate to ask if
13 you're wondering if we do some similar things.

14 I'm actually going to start out by saying, in
15 response to Commissioner del Valle's recommendation, I
16 was shuffling through some of my papers. I brought a
17 lot of copies with me, and we don't particularly point
18 out to our customers that there's no charge to call us
19 in certain circumstances. We did go to great lengths
20 with regards to sewer lateral calls, which we're trying
21 to encourage customers to contact us before they clear
22 their sewer mains because of potential cross-bore
23 issues. We went to great lengths to make sure that they
24 knew that there was no cost for that service. And so I

1 think it is absolutely something that we could do in
2 reviewing our materials. We don't take an annual
3 approach to reviewing our materials. We review our
4 materials as and when needed. You actually made a very
5 good point and my colleague has already indicated, in
6 the audience, for us to go ahead and review that and to
7 look at adding that language to make it clearer.

8 So you're going to -- some of the things are
9 going to be similar. When we talk about our safety
10 messages and who our audience is, a lot of these names
11 are going to be exactly the same. Obviously, we're
12 looking to reach our customers, but it's very important
13 to also make sure that we're reaching the general
14 public. There are areas that, obviously, our service
15 territory meets; and, in fact, when we talk about the
16 North Shore Gas territory and where there was a recent
17 incident, the neighborhood is split in half. Half is
18 supplied by North Shore Gas and half of it is supplied
19 by Nicor. So it's very important that, as we
20 communicate with our customers, that we're constantly
21 communicating with each other.

22 I think we've gotten very good at that. I
23 think these policy meetings have really made an
24 opportunity for us to regularly discuss the

1 communications that we're sending out. I can actually
2 say that I'm a Nicor customer. And very much like
3 Peoples Gas this month, we will be communicating with
4 our customers on pipeline safety. I received my
5 electronic bill the other day, because I don't get a
6 mail bill from Nicor. And in the electronic
7 communication, there was pipeline safety information as
8 well. So it's very important that, as an industry, we
9 work together to make sure that we learn from each other
10 and pick up best practice and utilize it when we can.

11 So although a lot of our audiences are going
12 to be the same and the safety messages are going to be
13 the same, we can always look at different ways and
14 different opportunities in getting those messages out
15 there. And I'm going to touch on some of the most
16 recent communication tools that we've been using at
17 Peoples Gas and at North Shore Gas. We use customer
18 newsletters, bill inserts, public announcements,
19 especially very closely with the City of Chicago.

20 We leave behind our Web site and very detailed
21 are safety messages in every category of our Web site.
22 We direct mail to consumers outside of their bill to
23 encourage them to open every piece of mail that we send
24 them, because there is probably something very important

1 in there about either the safety aspect of us needing to
2 inspect their meter or the safety aspect if they live
3 near a pipeline. So they may not be our customer, but
4 they may live near some of our pipeline.

5 Again, we use advertising as well. We try to
6 focus on cost-efficient advertising. We do use
7 community meetings, especially here in the city of
8 Chicago, as an opportunity to talk to community
9 representatives and citizens because where they may not
10 be interested in what's going on in the wire sense of
11 it, the city may be very interested in what pipe we're
12 laying down their street. And we do also use
13 sponsorships where it's effective to communicate with
14 our customers.

15 So the leave behind that we ensure that our
16 technicians carry with them. So, when they go on
17 service calls and they're face-to-face with our
18 customers, they're one of the most important ambassadors
19 for our company. And leaving a safety leave behind like
20 this, after we visit a customer, helps to point out all
21 of the different types of safety issues that a customer
22 can experience. And so it could be that they smell gas
23 outside or inside and they need to contact us. And the
24 brochure comes in English and in Spanish.

1 And, as I mentioned, any time our technician
2 visits for a service call, they leave this behind to
3 ensure that the customers understand that there are many
4 different ways they stay safe indoors and outdoors. It
5 also details all of the issues which I talked about
6 before. If they need to clear their sewer line and it's
7 locked, they should contact us. We will do that for
8 free to make sure that there is no interception with
9 their gas service.

10 We need to get inside -- obviously, we have
11 over 700,000 residents here in the city -- to inspect
12 our meters. So we make sure that customers understand
13 the needs for the inside safety inspection in this
14 brochure, as well as the other communications we send
15 out. And then, obviously, we use this as an opportunity
16 to talk to customers about why we're moving meters from
17 the inside to the outside, why it's very important that
18 they call in when they dig, especially because of all of
19 the close proximity of different services here in the
20 urban environment and why it's very important as well in
21 the wintertime to keep the gas meters clear.

22 So this is a very important document for our
23 customers. And, like I said, it's something that we can
24 actually hand them. It's a rare time where we can

1 actually hand them something other than just getting it
2 in the mail or in their bill.

3 You may recall earlier this year I talked
4 about our advertising campaign, and this is a campaign
5 that we have that we rolled out in 2013 that we're going
6 to continue in 2014. You met the nose earlier this
7 autumn. This is the protector, and it's one of our
8 employees actually. And it's specifically an
9 opportunity to explain, again, to customers what the
10 smell of natural gas is like and why you should call us
11 and we'll come out and investigate and make it safe.
12 Again, it doesn't point out that it's a free service we
13 offer, but it certainly is meant to encourage people to
14 call us and experts to come out and keep them safe by
15 investigating any smell of natural gas.

16 What's that smell? I've actually brought some
17 with. I'm going to ask you not to scratch these until
18 after the meeting, because the room will smell like
19 mercaptan. But, just so you can see, this is a brochure
20 that we use as a bill insert. But we also use it to
21 educate youngsters as we go out and talk to the schools.
22 And it does have quite a potent smell, so try not to
23 also touch it to your nose or else you'll be smelling
24 natural gas for the rest of the day.

1 COMMISSIONER MAYE: Oops.

2 MS. BLOCK: But it can be very effective. The
3 scratch-and-sniff can be very effective, especially when
4 we're educating youngsters and trying to explain the
5 uniqueness of the smell and, if they smell it, what they
6 should do.

7 So moving back to some of the issues that
8 Torrence Hinton was discussing earlier, we have a
9 really unique opportunity, in the Peoples Gas
10 territory, to talk about safety on two different levels
11 actually. And, that is, one on our accelerated
12 main replacement program. And as we're going in
13 neighborhood-by-neighborhood, we try to take a layered
14 approach to communicating with our customers.

15 So usually the first thing that we do, as a
16 company, is we reach out to our stakeholders. So we'll
17 reach out to the aldermen in the neighborhood, and
18 sometimes we do that in conjunction with the water
19 department if we have a coordinated project that we're
20 working on. And we try to let the Alderman know what
21 they should anticipate. So we do this late -- usually
22 late winter, as the projects are starting to solidify,
23 and that way we can make sure that the local elected
24 officials know what is likely to take place in their

1 constituency in the coming months.

2 We then start writing letters to our
3 customers, because part of the main replacement program,
4 obviously, is to move the meters from the indoors to the
5 outside. So we start to write letters to customers to
6 let them know what we'll be doing, why we're doing it,
7 and that we will need an appointment so that we can meet
8 with them to talk about the meter move from the inside
9 to the outside.

10 The third thing that we normally do, and that
11 is usually very close to our project setting up or even
12 after the first signage goes up or after the no-parking
13 signs go up, is we work with the newspaper to get the
14 message out about what we're doing in the neighborhood
15 and why. And here is a recent example from two weeks
16 ago. As Torrence mentioned, we were up in the Portage
17 Park area. We did Albany Park last summer. So some of
18 the people who read the same newspapers may have seen
19 what is going on in a neighboring community and now they
20 can find out that it's coming to theirs as well.

21 And usually I take the journalists out. We
22 walk the street. I show them where openings will be. I
23 talk about what's below the street. I talk about what
24 type of system is there. I try to give them a really

1 good picture to paint so they can help educate the
2 community about what we're doing and why. As you can
3 see here, the article that appeared two weeks ago now,
4 it started. You know, the focus was really on replacing
5 that older cast and ductile iron and higher risk
6 materials with plastic.

7 And usually journalists are quite receptive.
8 They're obviously a much more educated way of helping
9 them understand. As the commissioner from the water
10 department explained, there are a lot of steps that you
11 have to take. And once you open the street, you try to
12 do that in a very organized way. And, you know, what we
13 have to sometimes do is go back to the newspaper and
14 explain.

15 They might say, "Why is your project delayed.
16 You said you were going to be done in the middle of
17 July." And we'll have to explain that to them, "We
18 opened the street. But what everyone thought was below
19 that street is slightly different," and we may have to
20 redesign our plan to go around a sewer pipe, or we may
21 have to re-enter for a permit because we need to widen
22 the area in which we're working. So there are several
23 things.

24 Trees, obviously, we try to save as many trees

1 as possible. But if we see that roots have grown into
2 areas, we may have to remove a tree. And, obviously,
3 we're looking at factors that can mitigate that type of
4 environmental removal. But sometimes, you know, we have
5 to go back and explain to journalists why we're still in
6 the area. A couple of years ago we didn't have sod in
7 the middle of the summer here in Chicago. It was very
8 hot. The sod farms were burned out. There was not sod,
9 so we couldn't restore lawns right away. And we had to
10 go back and explain to residents, go back and explain to
11 our stakeholders and sometimes explain to the media.

12 Again, we can sometimes hit a -- get a double
13 bang for our buck and, when we're out at community
14 meetings, we often have the media there. So here is an
15 example of where we were with ComEd coordinating and
16 approaching the Garfield Ridge neighborhood where we
17 were going to be updating our system and ComEd was going
18 in at the same time. So we took that opportunity and
19 went in a coordinated fashion to speak to the Garfield
20 Ridge Neighborhood Watch meeting, and then the media
21 also reported on that.

22 This is an example of where we actually get to
23 talk to our customers, again, more frequently in the
24 Peoples Gas territory because our meters are inside of

1 buildings. Now, I put this in the presentation
2 deliberately because it was a very contentious posting.
3 In fact, it was just recently rewritten with the support
4 of staff, from the consumer area and from the pipeline
5 area, to help us get the customers' attention.

6 This is the final notice of seven letters and
7 notices that our customers get if we can't get inside to
8 inspect their meter for an inside safety inspection. We
9 have a very lengthy process. I have taken, I think, a
10 couple of commissioners through that process. But
11 people often don't want to let you into their home for
12 many different reasons. In fact, I'll share with you
13 that this morning, right before coming here, I had to
14 get in touch with the Secret Service because we could
15 not get on President Obama's block to inspect meters.
16 We had to make an appointment with the Secret Service
17 first to get into a neighboring property. So that's
18 just a very extreme example of what we face.

19 So this posting is, like I said, the final of
20 seven safety notices that we would write to customers
21 starting with the beginning, explaining what the
22 challenge is, and why we need to inspect the meter. And
23 what that also allows us to do is to define what is our
24 responsibility and what the customer needs to make sure

1 that they're responsible for as well.

2 We talk about a coordinated approach earlier
3 here, and I have a very strong relationship with the
4 City of Chicago's Emergency Management Communications
5 Office. We worked all winter long to make sure that we
6 could coordinate with the community in the extremely
7 cold winter we had. And this is an example of where the
8 flooding of the Chicago River, in the Albany Park
9 neighborhood, required us to have a coordinated
10 approach.

11 Peoples Gas had to shut off the natural gas
12 service for 300 residents in the Albany Park
13 neighborhood. We had to have technicians in trucks
14 standing by the entire weekend until the floodwaters
15 receded. Because although customers were saying,
16 "There's no flooding in my basement. I'm ready for you
17 to come back in," there might be damage to appliances
18 where a technician would have to go in, inspect
19 appliances, decide whether or not it was safe to turn
20 the gas back on and, if not, they would have to ask the
21 customer to get in touch with a qualified repairman or
22 contractor to make sure that it was safe before we did
23 turn the gas on.

24 It's an example of where we worked with the

1 city to do robocalls, with the Alderman's office, to get
2 the message out where we had a very visible presence in
3 the city that weekend to make sure that customers --
4 they didn't even have to call the call center at that
5 point. They just needed to put their head out the door
6 and look for the closest Peoples Gas van who were
7 waiting, ready to inspect and restore service.

8 Sometimes sponsorships can be cost effective
9 in a very encouraging way for us to work with third
10 parties. This is an example of where one of our
11 engineers is talking to excavators. So we sponsor the
12 annual DIGGER breakfast in the city of Chicago, which
13 brings contractors and excavators in and allows us to
14 explain to them the importance of calling before you
15 dig, the importance of hand digging when you get close
16 to some of our more important pipelines.

17 And that actually we -- this year we talked a
18 lot with excavators and contractors about how we were
19 increasing our watch and protect, which is where we
20 actually have experts from our company standing by our
21 pipelines where a construction company or excavator may
22 be digging to make sure that they are using all of the
23 proper procedures. So sometimes we can use sponsorships
24 in a way that we can get our customers or our excavators

1 or our other audiences to listen because we send
2 letters, we sent brochures, we do training. We do all
3 of those things. So sometimes bringing them in and
4 explaining to them at a breakfast where they can network
5 and also do other business can be very, very helpful.

6 We talk a lot about direct letters, and we do
7 a lot of letters, some of which are required under
8 regulatory requirements and others which we do because
9 it's the right thing to do. And this is an example of
10 letters that were sent out last week after the incident
11 in the North Shore Gas territory in the Royale Melbourne
12 neighborhood. We actually have been working with the
13 village manager and with a number of presidents of the
14 homeowner's association in the area, in the vicinity of
15 the incident.

16 It's really an opportunity. We have people
17 with a heightened awareness. They have a heightened
18 awareness of the smell of natural gas. They are
19 contacting us, which is great. We go out any time
20 someone contacts us. But it's an opportunity for us to
21 actually clarify, again, to customers what they should
22 be doing with regards to annual inspections to their own
23 home and their own use of natural gas appliances versus
24 what we do in our surveys. And so, in these particular

1 neighborhoods, we have larger homes. We have customers
2 who like to use their outdoor space, outdoor kitchens,
3 swimming pools, heated swimming pools, just a much
4 higher, more increased use of natural gas for other
5 areas where they may have their own buried piping as
6 well as their own inside housing piping.

7 So it's an opportunity. We have a number of
8 different vehicles in which we do talk to our customers
9 about that. And because there's a heightened awareness
10 there, we're using the opportunity to make sure
11 customers understand that they should be bringing in
12 service companies to inspect these sites. And, in fact,
13 one of the neighborhoods had gas lamps that the
14 homeowner's association wasn't aware they should be
15 doing leak surveys on. So it's given us an opportunity
16 to express to the homeowner's association presidents
17 that they need to be surveying those annually.

18 And, on that topic, I thought, you know, I
19 could outline to you some of the -- and this addresses
20 some of the questions you asked before, on the
21 importance of making sure that our customers know what
22 they are responsible for versus what the gas company is
23 there to keep safe. And this is an example of all of
24 the different materials that we use to explain that. So

1 our Web site has clear information for customers on it
2 in regards to customer-owned piping. We send a welcome
3 mailing. Every time we have a new customer, they get
4 information. Annually we also send out Q and A
5 regarding natural gas piping for customer-owned piping.
6 As I mentioned, that's going out, I believe, in May for
7 us, as well as our pipeline information.

8 We use our customers' newsletters, which are
9 sent out monthly in our bill and which we are starting
10 to send out for Peoples Gas customers electronically
11 this month for the first time. We've been sending
12 electronic North Shore for the last few months. We also
13 have a natural gas pipeline safety brochure. As Nicor
14 mentioned, we send that to all customers who live along
15 any of our pipelines, whether they're our customers or
16 outside of our customer area.

17 As I mentioned, our inside safety inspection
18 frequently asked question, because we have so many
19 inside safety -- or inside meters, we send that out to,
20 approximately, 250,000 customers a year, and that is
21 to -- they're within a three- to five-year cycle. So
22 every year we send out, at least, 250,000 of those, in
23 addition to it being posted on our Web site and the
24 safety brochure, which I mentioned earlier, which we

1 leave behind at all of our service calls.

2 I'll just pause for any questions and show you
3 one of our other adverts, which is about DIGGER. I
4 guess he had an interesting look on his face, but that's
5 certainly outside of the DIGGER territory here in
6 Chicago. We advertised with regards to calling 811 in
7 the North Shore territory.

8 CHAIRMAN SCOTT: Thank you, Ms. Block. I
9 appreciate it. Let's call Ameren now to come forward.
10 And, in the interest of time, rather than have people
11 come back up and leave and come back, why don't you go
12 ahead and discuss both the public awareness and general
13 public campaigns and then communication with emergency
14 responders and public officials, and we can finish off
15 one section and lead off the other.

16 Thanks very much for being here. Whenever
17 you're ready, go right ahead.

18 MS. VOILES: Good afternoon, Chairman and
19 Commissioners. Ameren Illinois is very pleased to be
20 before you today to talk about our public awareness
21 campaign as well as our communication with emergency
22 responders and public officials. We take natural gas
23 safety very seriously. We're going to -- I have several
24 people with me here today: Scott Glaeser, Vice

1 President of Gas Operations and Development; Natalie
2 Hemmer, Manager of Communication and Public Relations;
3 Gina Meehan, Supervisor, Public Awareness; and Rick
4 Ward, East Peoria Assistant Fire Chief and Training
5 Officer.

6 I'm going to turn it over to Scott Glaeser to
7 kick this off for us.

8 MR. GLAESER: Good afternoon, Chairman and
9 Commissioners. I just want to give some brief remarks
10 that kind of pull together all of our pipeline safety
11 programs that we do, in addition to first responder
12 training and public awareness, to show how kind of this
13 is the bigger picture.

14 Pipeline safety is more than just public
15 awareness. It's part of an overall bigger program in
16 Ameren Illinois. I want to give a high-level overview
17 of that; and the core is that pipeline safety and
18 safety, in general, really start at the top of the
19 company. Both our CEO, our officer group, management,
20 and all of our frontline coworkers are all fully
21 committed to pipeline safety for our system and for our
22 customers. As a matter of fact, we actually consider it
23 kind of our core mission as a gas utility. It actually
24 comes before a liability.

1 So if we get in a situation where there's a
2 decision to be made between keeping customers on or
3 safely responding to a gas situation or emergency, we
4 will take customers offline to promote safety first
5 before a liability. So that is a core message I wanted
6 to give to the Commission.

7 We're also focused on continuously improving
8 our gas safety and working with the ICC pipeline safety
9 staff to do so. Darin Burk and his staff play a
10 critical role in promoting pipeline safety and setting
11 the expectations for gas utilities throughout the state
12 of Illinois. And you can rest assured that Darin and
13 his group are a very diligent group indeed.

14 High-level view of our pipeline safety
15 programs. The cornerstone of our programs are really
16 around the DIMP and TIMP programs, and that's integrity
17 management programs from both the transmission and
18 distribution systems. On the transmission side, we do
19 basically direct assessment of our transmission
20 pipelines in high-consequence areas. On the
21 distribution side, we do the risk-based modeling and
22 analytics that really point to our greater areas of
23 threats so we can focus on our maintenance programs and
24 our capital replacement programs on these greater threat

1 areas.

2 Both of those programs then lead into the QIP
3 infrastructure rider. The QIP legislation just passed
4 last year. It's actually given us another regulatory
5 mechanism to accelerate a replacement of some of these
6 higher risk facilities and really making our system much
7 safer for the future and also modernizing our system for
8 long term as well. So the QIP is a very important
9 mechanism and we appreciate that.

10 This is just a sampling of some of our
11 pipeline safety programs on the operations side. I'm
12 just going to zoom in on one just to give you a flavor
13 for what is going on, and that is our watch and protect
14 program. This basically protects our transmission
15 system and our high-pressure distribution systems when
16 we've got third-party excavators excavating within about
17 15 feet of our pipeline facilities.

18 In that situation, we'll have one of our
19 Ameren Illinois representatives on site, while the
20 excavation is taking place, to make sure that those
21 excavators don't get too close or damage our facilities.
22 This has been a very successful program, and, in the
23 couple of years it's been in effect, we've seen more
24 than a 10 percent reduction in third-party damage to our

1 entire system. So this is one example of our pipeline
2 safety programs that we have in effect.

3 The next slide. Also, a key part of our
4 pipeline safety is collaboration with the American Gas
5 Association. Ameren Illinois, many of our management
6 employees or technical folks are deeply involved with
7 the AGA, as I am as well. We participate on many of the
8 key pipeline safety committees. We do this to share
9 information and learn the best practices from throughout
10 the country, from utilities all across the United
11 States, and bring that type of experience back to Ameren
12 Illinois and deploy that as part of our safety programs.

13 That gives you kind of a high-level flavor for
14 some of our overall pipeline safety programs. I'm going
15 to turn it over to Natalie now, so she can drill into
16 our public awareness programs, and then to Gina for our
17 first responder training. Thank you.

18 MS. HEMMER: Thank you, Scott. And thank you for
19 allowing us to be here today. I would like to first
20 start by saying that we really take a team approach in
21 terms of our staff's communication safety messaging, and
22 we have a diverse team. It consists of people from our
23 gas compliance, our damage prevention, integrity
24 management, quality assurance, and our communications

1 and public relations. And we meet quarterly. And I
2 think what's really important about those quarterly
3 meetings is we get a chance to evaluate quickly
4 materials that we currently put out there and then also
5 look at things that we need to change. And we are
6 continually changing our communications.

7 Our gas safety communications actually stems
8 from a variety of sources of which you know the Code of
9 Federal Regulations. There are some very specific
10 guidelines that are established by RP 1162. And RP 1162
11 allows us to address various elements of the programs,
12 including the intended audiences, the kinds of
13 communication to be communicated, and the frequency,
14 methodologies, and the information and the evaluation of
15 the programs.

16 In addition to the code, we also receive
17 several safety advisory bulletins throughout the years,
18 and these are the result of different conditions that
19 have been created that have required some more specific
20 messaging. As a result of some of this safety advisory
21 topic, such as gas flex connectors and weakened flair
22 copper fittings, it can result in gas leaks as well as
23 warning customers about the dangers and locating their
24 own underground buried pipeline.

1 With our communications department, we break
2 our stakeholders down into two primary categories. One
3 is public awareness, which includes the affected public
4 and customers; and, as you've heard earlier today, the
5 affected public are even those who are not customers of
6 ours and, also, our own customers -- residential,
7 commercial, and industrial. And then the other
8 component of our stakeholders is really targeted
9 awareness, and that's where we have more specific
10 messaging as well as the channels that we use to
11 communicate with them. And Gina Meehan will talk a
12 little bit more specifically about our targeted
13 awareness campaigns. And so I'll talk primarily about
14 the affected public and our customers.

15 And we break this down because the messaging
16 is for the affected public and our customers is very
17 similar in terms of recognizing gas leaks, the purpose
18 of pipelines, potential hazards, pipeline markers. So
19 much of the messaging within those two categories is
20 very similar. But when we get to the targeted
21 campaigns, then we have more actions and activities that
22 they need to do.

23 So within our public awareness campaign, we
24 had the communications to the customers and the affected

1 public and then we also create a separate campaign for
2 children and schools. And, primarily, I'll talk about
3 some of these other items, but they're very similar to
4 what the other utilities are also doing. But we do have
5 an annual mailing that goes to all of the affected
6 public that live within the corridor of the pipelines,
7 and that mailing went out in 2013 and it goes out in
8 every odd year for us.

9 In addition to that, we also have a natural
10 gas safety customer newsletter that is totally focused
11 on gas safety messaging only. That goes out every other
12 year. And then we also have a customer newsletter
13 that's called Facts on Energy, and it is sent to
14 customers on a monthly basis. And usually almost every
15 article or every edition will contain one to three
16 articles on gas safety. Some of which is a repeat of
17 the information that is sent out every other year, but
18 it still reinforces those messages. And last year we
19 did send to the affected public 62,000 mailers that went
20 out to those living along our pipelines.

21 At Ameren Illinois, we have a variety of
22 channels to communicate to our customers and
23 stakeholders. Some of the more traditional methods do
24 include the bill inserts, the bill messages, specific

1 topic, topic-specific bill inserts. One of the things
2 that we did differently over the last two years is we
3 create quarterly gas safety messages that goes on the
4 outside of our envelopes, and it's ranged from "Smell
5 Gas, Leave Fast," to "Call 811 Before Digging," those
6 kinds of things. So it's a pretty large, colorful
7 communication that we include on the outside of the
8 envelope. And we're also using social media much more
9 than in the past, and I'll talk about that in just a
10 moment.

11 As Scott mentioned earlier, we do do extensive
12 work on our pipelines, but the piping, on the customer
13 side of the meter, is also something that we take very
14 seriously. Our communications regularly covers the
15 specific topics to educate our customers that they need
16 to be aware that they have equipment that they need to
17 maintain. And these messages, these advisories, consist
18 of the flexible gas connectors keeping gas meters and
19 vents clear, plugging open gas lines, customer-owned
20 buried lines and gas lines through sewers.

21 I mentioned the social media previously. We
22 do schedule at least two to three posts per week on
23 natural gas safety messaging. And if you're a follower
24 or if you're on Twitter or Facebook, we welcome you to

1 join us. We currently have been involved with Twitter
2 since 2011 and we have about 3,000 followers. Our
3 Facebook actually just began in January of this year,
4 and currently we have been liked by 5,000 people. So
5 that is a channel that we are going to make some
6 extensive effort in growing our followers for both
7 Twitter and Facebook because it is such a popular
8 vehicle.

9 In this particular Facebook post, we have an
10 example of a gas flex connector. We try to use
11 pictures, and a variety of pictures as much as possible,
12 so that customers know what to look for. And when our
13 servicemen are out on a call, if they recognize that
14 there is a brass flex connector or a brass connector in
15 place, then we will replace it free of charge for that
16 customer if we find that, that particular type of
17 fitting.

18 This next page is an example of some of the
19 safety announcements that we have to customers
20 particularly when it comes to gas leaks. And while
21 prevention we recognize is the ultimate solution, we all
22 know that we're always going to have to communicate
23 about the importance of natural gas safety or smelling
24 gas and knowing what to do. We do emphasize, in our

1 materials, that we respond quickly, 24-7, and that there
2 is no charges for these services.

3 And I would like to add that, while we request
4 people to call us, we, too, recognize that people have
5 made the comments that they smell gas leaks, but no one
6 made that effort to make the call. So some of our
7 messaging has even recently changed to "Don't Stall.
8 Make the Call. Don't Wait. It Might Be Too Late," that
9 sort of thing. So we are trying to get some kind of
10 clever ways out there to let people know that, if you
11 smell it, then you need to call it in.

12 This is an example of our monthly newsletter,
13 Effects on Energy, and it regularly contains the gas
14 safety messaging. We regularly use pictures and we
15 compliment the news articles with a printed bill message
16 that's right there on their bill. And every issue
17 includes "Call JULIE" and "Call 811 Before You Dig."

18 And this particular picture is difficult to
19 see, but it is an example of a variety of outreach that
20 we do, particularly throughout our communities. We have
21 800 communities that we serve, and we really look for
22 ways to reach children and young adults. Sniffy
23 Sniffasaurus -- he's not a skunk. He is a dinosaur --
24 he is very popular. He's about 6 feet tall, and the

1 kids really love seeing him. And we bring to the events
2 scratch-and-sniffs, which are very popular. The kids do
3 scratch them and then run around and wave them in the
4 air. But before they do that, we do give them the
5 messaging and give them the verbal quizzes and so forth.

6 Last year we had about 80 presentations in
7 which we reached 15,000 youngsters, and that demand
8 continues to grow. This year, year-to-date, we have 76
9 presentations that have already been completed. So
10 we're doing even more community outreach and community
11 presentations.

12 I did mention a little bit earlier we have a
13 Kids Act on Energy Program, and this program is really
14 the name and umbrella name for our outreach to children,
15 whether it's gas safety, electric safety, or energy
16 efficiencies. But as a part of our fall -- a part of
17 our safety campaign, we wanted to -- even though we can
18 reach a lot of children through presentations, we wanted
19 to do something on a more regular, routine basis. And
20 so we send a mailer out to all of the teachers, K
21 through 8, in Downstate Illinois, and offer them to get
22 free materials on activity books that talk about
23 electric and gas safety. And last year we reached
24 52,000 students, and that program continues to grow and

1 is very much appreciated by our teachers.

2 And one last type of outreach that I wanted to
3 note, in particular, that's kind of worthy of special
4 mention, is a huge three-day agricultural event that's
5 held in Decatur every year. It's called the Farm
6 Progress Show -- or it's held every other year, excuse
7 me, during odd years. And that particular exhibit gets
8 over 200,000 visitors every other year, and most of
9 those are from the Midwest. Given that the event is
10 held in Decatur, Central Illinois, many of those are
11 from Downstate Illinois and are farmers and are
12 customers of ours and are families of ours.

13 And one particular item that we did in our
14 40-by-60 tent was create a Wheel of Misfortune, and this
15 was something that was designed by our gas department.
16 And rather than having prizes of cars, we would have
17 message reminders of calling JULIE and dig before -- or
18 "Call Before You Dig," that sort of thing. But the
19 wheel is spun and then it would land on different
20 accidents that can happen out there if a farmer is
21 fielding or if someone doesn't call, and also prizes for
22 when people do make the call. And that particular event
23 or exhibit really received a lot of attention throughout
24 the Farm Progress Show, and we had people lined up

1 outside waiting to come in to spin the wheel. And Gina
2 Meehan was our Vanna White for the event, so making sure
3 that everyone got the safety messages.

4 And so, in the beginning, I mentioned that we
5 have a team approach when it comes to gas safety
6 communications. We have a wide range of representatives
7 that are on our team to help develop our communications
8 and help make sure that it's purposeful and meaningful.
9 And even though we're in different departments, each
10 member brings a much needed perspective to do the most
11 that we can to educate all of our stakeholders about the
12 importance of natural gas safety. So I thank you for
13 giving us this opportunity.

14 MS. MEEHAN-TAYLOR: Okay. And I'm going to talk
15 about a couple of our other targeted awareness
16 campaigns. The first one is excavators and contractors.
17 Scott mentioned the Watch and Protect Program that we
18 have out there, and that has grown to ten employees.

19 And, basically, what that is, is that, if a
20 contractor calls in a JULIE ticket, we've sent our maps
21 to our one-call center and that is flagged, and so our
22 employees, those ten employees, know when someone is
23 going to be digging around critical facilities. And,
24 like Scott mentioned, not only the transmission lines

1 that are a requirement, but we've also included
2 high-pressure mains over 100 pounds or any steel mains
3 over 8 inches, and then, on the electric side, anything
4 over 34 KB. So that has drastically reduced our damages
5 over the past few years.

6 We also give face-to-face presentations to
7 contractors. We get requests every year for us to come
8 in and speak at annual safety meetings for different
9 contractors. Illinois American Water has had us at all
10 of their facilities except for the one up here in
11 Chicago. The Worker Beware Program that we have, we
12 have mailings that we send out to over 18,000
13 contractors. And not only does that provide them a lot
14 of safety information, but they have the opportunity to
15 request more materials. And to date, since the one we
16 sent out in January, we've had over 275 contractors
17 request over 5,000 pieces of material. So that's been
18 pretty good for us, too.

19 We also have breakfast in the wintertime for
20 contractors in January and February, and we have 15 of
21 those in Central and Northern Illinois and five of those
22 in Southern Illinois. And at those we have the JULIE
23 one-call damage prevention manager give the
24 presentation. We would have an informational booth with

1 one of our watch-and-protect people to talk to the
2 contractors as they come in. And then, after the
3 presentation, he'll go up and talk about our
4 watch-and-protect program and give more information and
5 be there for questions.

6 We have also decided to target our field
7 drainage tiling contractors. We know that farmers do
8 regular field cultivating and planting and plowing and
9 discing. So when they have somebody come in to do the
10 field tiling, they don't realize that maybe there could
11 be a transmission line or a high-pressure main
12 underneath their fields because now they're going
13 3-and-a-half to 4-and-a-half feet deep of this field
14 tile.

15 So we've targeted them. We're sending them
16 out a letter every year. We also have our field guys
17 driving around. If they see somebody tiling, they're
18 going to stop and talk to them. We've joined with the
19 Land Improvement Contractors Association of Illinois,
20 which a lot of those tilers belong to. So we speak at
21 their annual conference every year and we put a lot of
22 our information in their magazine, also.

23 And it's been mentioned several times about
24 the sewer contractors and plumbers, that we do similar

1 things as Nicor and Peoples do. Another thing we'll do,
2 if we have an extensive project in an area, we want to
3 remind those people that we are doing that in the
4 unlikely event there would be a cross bore. So we will
5 actually hang door hangers on the residence of the area
6 that we're doing the boring in, extensive boring, and
7 the businesses and send out an additional letter to the
8 sewer and plumber contractors in that area just as a
9 heads-up.

10 Okay. Then our mailings. We do an annual
11 mailing to the fire and police every year. Public
12 officials is every three years. We attend several
13 conferences related to emergency responders and public
14 officials. I'll talk about the emergency responder
15 conferences in a second.

16 But the Township Officials Conference is an
17 annual conference that we've attended now for probably
18 ten years. There is over a thousand people that attend
19 that conference, and there is also rogue commissioners
20 that attend that conference. So, from that conference,
21 we've then got into the different rogue commissioners
22 and talked to the people that actually do some of the
23 digging and stuff. So that's been a win-win for us.

24 At various intervals, we hand emergency

1 responders critical materials, contact materials. So
2 not only does this contact materials have the letter
3 that we send them annually, it also contains supervisor
4 information, contact information, cell phone
5 information, pictures of regulator stations, gas meters,
6 transmission maps, different things that they might find
7 very useful if they have to respond to any sort of gas
8 smell.

9 We also provide first-responder training. We
10 include that in the letter that we send out. So we go
11 to a lot of fire departments. Some of them are
12 volunteer. Some of them are full-time. So we go in the
13 evenings, weekends, several days in a row if they happen
14 to be full-time fire departments. We actually go to
15 them. We found that it's more -- we get a better
16 audience if we go to them, especially for the volunteer
17 people that actually have a meeting every month anyway.
18 So we try to attend those meetings.

19 We also belong to the Northern, Central, and
20 Southern Illinois Pipeline Associations. And in the
21 fall of the year, we have 19 meetings in Central and
22 Northern Illinois and four meetings in Southern
23 Illinois. And the people we invite to those are not
24 only emergency responders. We invite public officials.

1 We invite people that drive ambulances. We just invite
2 a lot of people to these meetings, and then a lot of
3 them also end up bringing their wives and kids, too. So
4 we've got a pretty good audience for those meetings.

5 The next slide, this is just a snapshot of
6 some of those meetings. Over on the right-hand side of
7 that, which is kind of blocked off there, but we have an
8 explosion box that we use at all of our meetings. And,
9 basically, for emergency responders, what we're going to
10 do with this is, we fill that full of natural gas above
11 the explosive levels. And we like to demonstrate, if a
12 house has 15, 20, 30 percent gas in it and, as an
13 emergency responder, you rush in there and start opening
14 windows thinking you're doing the right the thing, we
15 show how that can come down through that explosive
16 level. And then if they haven't eliminated the ignition
17 sources, how they can be right in the middle of that
18 explosion. So we think that's a really good way to
19 demonstrate that to them.

20 We also provide a number specifically for fire
21 and police. And so, when they call that number, they'll
22 get, "Hello, this is the Ameren police and fire
23 emergency line," and then, boom, they're going to get an
24 operator right away. So they're not waiting to get

1 someone to answer that phone.

2 And then another thing that we have developed
3 is what we call the emergency responder airplane card.
4 Based on one of the meetings that we had in Washington
5 with the fire chief from San Bruno, one of the things
6 that they mentioned, in our breakout sessions, was, "Why
7 do you make it so hard? Pipeline emergencies don't
8 happen very often. By the time you dig through all of
9 the words that you send us in these letters, we don't
10 know what to do. So why don't you make it easy as
11 getting on an airplane, you open the card, you have four
12 or five steps, you know exactly what to do."

13 So we developed our own little airplane card
14 for emergency responders and we made it out of material
15 that they can get wet or bend. So we wanted them to be
16 able to have this at their fingertips, and that's been
17 very well received.

18 Some of the other critical materials that
19 we're going to place that we send out at different
20 intervals, like I said, besides the letter that we send
21 out that's included in this, we have pictures of break
22 stations, pipeline facilities, and MSDS sheets. In case
23 they have to respond to an incident at one of our
24 storage fills or gate stations, if they've got to deal

1 with liquid odorant and different things, this is going
2 to give them the materials that they need to respond to
3 that, also.

4 Then we have them fill out an emergency
5 response capabilities report. We send that in the
6 letter annually. We also take it to all of our
7 meetings. We include it in this folder. And what that
8 is is a sheet of paper that has questions on there of
9 how they can help us respond to a major incident. So
10 it's going to have their name, their address, their
11 nonemergency phone number, how they can help us, and
12 what we'll do after we get these back from them. We
13 file them in separate folders, based on division, on a
14 SharePoint site so our supervisors can get to their
15 division and either download those on their hard drives
16 or print them off and have them in a file so they can
17 readily use them when they need them.

18 And this is just a snapshot of some of the
19 presentations that we do and the different audiences,
20 and we keep track of all of these. I've been to the
21 kitchen of the mayor talking to two city workers, down
22 to a garage for a plumber talking to six of his
23 employees, in the backyards of neighborhood watch
24 programs giving them presentations, to large fire

1 departments, small fire departments. So there is no
2 audience too large or small, and we never turn anybody
3 down. They call us. We go.

4 The conferences that I told you I'd talk
5 about, for emergency responders last year, we were asked
6 to speak as a pipeline group at the MABAS conference,
7 the annual MABAS conference, which that stands for
8 Mutual Aid Box Alarm Systems, in Springfield. And we
9 spoke at 9:00 o'clock in the morning.

10 There were a lot of people in that session,
11 and some of the facilitators for the whole event were
12 there. At 11:00 o'clock, they came back to us and said,
13 "We've got 911 operators down the way here and we'd like
14 to bring them in for a lunch session. Could you do your
15 presentation again?" So we did it at lunch. And after
16 that presentation, one of the ladies from the 911
17 association came to us and asked if we'd do a
18 presentation at their conference. After that one, one
19 of the managers from St. Clair County wanted us to come
20 down and do a presentation for them. Now, we've been
21 added to their 80-hour training three times a year and
22 we get a three-hour block for that.

23 Also, out of that MABAS conference, we were
24 asked to speak at the Illinois Association For Fire

1 Protection Districts conference. They gave us a
2 two-page article in the Fire Call Magazine and we had a
3 speaking event and an informational booth there. So
4 that was pretty exciting, and that all happened in one
5 year based off of one conference that we spoke at.

6 We also -- well, being in Downstate Illinois,
7 we don't have any big areas that have people that speak
8 a different language. We have identified, though, a
9 couple of areas where there are several. One is in
10 Beardstown, Illinois, at Cargill Meat Processing, where
11 they actually have French- and Spanish-speaking people
12 there. So we went into their annual safety fair and
13 they actually printed all of our gas safety stuff for us
14 in French and Spanish by one of their translators. So
15 that was exciting, to do that and get that information
16 out to them.

17 Fairmont City, in East St. Louis, they have a
18 small population of Spanish-speaking people. So the
19 fire department there had us come in and do a meeting
20 for the public, and they were passing out carbon
21 monoxide detectors. And I was able to get up there and
22 do a presentation with an interpreter. So I would say
23 something and he would repeat it. So that was exciting,
24 too.

1 As we leave, we like to leave them with
2 something they can take home. So we make sure we have
3 really good safety message reminders on them. Not only,
4 "Smell Gas. Leave Fast," we have the pipeline masking
5 system on some of our ink pens, the scratch-and-sniff
6 cards, bookmarks. And, also, at community fairs, we're
7 going to pass out these little thermometers to parents
8 and caregivers to show them, you know, they need to dip
9 this in the bathtub before they put their child in
10 there. And there's lots of other safety tips on the
11 back, but also check with your elbow. So we like to
12 spread the word as much as we can. Thank you.

13 MS. VOILES: Again, thank you for the opportunity
14 to present information to you on the gas pipeline safety
15 and what we're doing as a utility company. We're glad
16 to answer any questions; or, if you want to wait until
17 the roundtable, that's okay.

18 CHAIRMAN SCOTT: Chief, would you like to add
19 anything?

20 ASSISTANT FIRE CHIEF WARD: I would just like to
21 say that we appreciate Ameren's cooperation in coming in
22 and training our guys. To tell a little story, years
23 ago, when we'd get a gas leak, the fire truck would pull
24 up outside. The guys would walk up. If they didn't

1 smell any gas, they'd wait until Ameren got there,
2 because, really, there wasn't nothing for them to do.
3 And, now, since even with the last three years that Gina
4 has been coming and talking to us, we have bought
5 detectors, the same as Ameren has, that detect gas. And
6 they go around the house -- residential, commercial,
7 whatever -- and check it with those. They go to the
8 meter.

9 This winter -- of course, we all know what
10 kind of winter we had -- we wrote in our SOPs that they
11 make sure that the vent on the gas meter was clear, it
12 wasn't frozen over, the gas dials are turning at the
13 appropriate rate. And they've been doing a lot just
14 more extensive until an Ameren representative got there.
15 And we even go as far as check neighbors on each side of
16 the house to see if they're having a problem.

17 So it's been, you know, a valuable service.
18 I've seen the guys, in their reports, when they fill out
19 their firemen report that I read, how all of the steps
20 they took to, you know, to resolve the issue, and I
21 think it's really been important and a good value to the
22 fire service.

23 CHAIRMAN SCOTT: Are you on the department
24 full-time?

1 ASSISTANT FIRE CHIEF WARD: Yes.

2 CHAIRMAN SCOTT: Okay. Do you have interaction
3 with other departments then and compare notes?

4 ASSISTANT FIRE CHIEF WARD: Yeah. We train a lot
5 of the Peoria Fire Department across the river, and they
6 were basically doing the same thing as us, I mean. And
7 you learn that from, you know, when you start out as a
8 new fireman as what you're shown by your captains and
9 lieutenants and everything. So, you know, you never
10 really did do anything, I mean, because you were told
11 not to, don't touch anything.

12 So these new steps and things we've been
13 learning has, you know, probably helped a lot, good
14 communication with Ameren, of course, and I think it's,
15 hopefully, going to save property, lives, what we're in
16 the business for.

17 COMMISSIONER COLGAN: There's something that I
18 thought of. You know, I was just trying to imagine what
19 it would be like to be in the midst of a tragedy like
20 what happened in New York City. Are there standard
21 procedures that you have in place to check and double
22 check who is going to do what because you have police,
23 fire, you have the utility, you have all of these
24 different people that are trying to respond to the

1 incident? And, you know, I just -- you know, just in my
2 own mind, was walking through, like, what would you have
3 to do to make that a coordinated effort so that people
4 or everybody -- somebody has got to go in first and, you
5 know, that whole thing? Can you talk a little bit about
6 that?

7 ASSISTANT FIRE CHIEF WARD: Sure. Usually -- and
8 every fire department is going to do it differently. I
9 mean, their SOPs are going to vary, but they all have
10 the same goal as to go home. But, typically, in those
11 situations, we get the call from the resident or
12 somebody in the area that's reported the gas leak and
13 then respond. And then sometimes the police officer
14 arrives, sometimes they don't.

15 But, you know, it's important to, you know,
16 find the source. If there is a leak or whatever, get it
17 reported. In some cases, very few, do we actually, you
18 know, stop a leak. Only -- or if we have a gas leak
19 that we actually find, you know, our guys know what
20 their limits are. They're not doing Ameren's job. But
21 if we do find a leak, start evacuating houses. And the
22 perimeter and everything, we use the police to help do
23 that. And then, also, in our 911 dispatch, which pretty
24 much any 911 dispatch, you can contact dispatch and then

1 you can isolate an area with 911. And they do what they
2 call a recall, and they actually back call any house in
3 that area. When they pick up the phone, they give
4 recordings saying the fire department and the police
5 department is asking you to evacuate the area for a gas
6 leak. So that option is out there.

7 And, like I say, we just try to mitigate the
8 situation until Ameren gets there. And that's pretty
9 much with all fire departments. There's only a certain
10 line you can go point to where it's somebody else's job
11 to do.

12 CHAIRMAN SCOTT: For a really major incident, I
13 mean, you have incident demand protocols --

14 ASSISTANT FIRE CHIEF WARD: Absolutely. Yes.

15 CHAIRMAN SCOTT: -- if you have something that goes
16 larger than one house.

17 ASSISTANT FIRE CHIEF WARD: Yeah. When we had the
18 tornado go through Washington, Illinois, that was the
19 situation there. Everywhere you walked you could smell
20 gas. You know, and some of those meters were ripped out
21 of the ground. So it was, you know -- and those are, I
22 guess, were turned off at transmission lines, those
23 things.

24 CHAIRMAN SCOTT: Do you -- from the utility

1 standpoint, do you get involved in the incident command
2 training that different areas go through? Do they ask
3 you to take part in those as well?

4 MS. MEEHAN-TAYLOR: Well, I've never been involved
5 in any of the incident command training sessions. I
6 have watched a few videos and stuff to kind of know how
7 that goes. I actually used to work out on a gas truck,
8 so that kind of helped us do our presentations. We've
9 kind of been there in certain situations.

10 CHAIRMAN SCOTT: Okay.

11 COMMISSIONER COLGAN: So when Ameren would show up
12 at the scene of a full-blown incident that's
13 happening -- let's say, the tornado in Washington -- I'm
14 assuming that you have, like, maps of where all of the
15 different shutoffs are at and how it goes upstream so
16 you can keep walking through that until you get to the
17 point where you actually shut down an entire
18 neighborhood?

19 MR. GLAESER: That is correct. We basically have
20 maps of our systems. We have maps with where the
21 emergency shutoff valves are located and how we isolate
22 certain circuits in the system. And also the employees
23 that reach the operating centers that work with certain
24 areas, they are very, very familiar and know their

1 pipeline system. They've worked on the system for many
2 years. They know by memory where all of those key
3 valves are at, the transmission line. They can isolate
4 the system pretty quickly, even without the maps, but we
5 do have that backup as well.

6 CHAIRMAN SCOTT: Good. Well, thank you very much.
7 We really appreciate it. And one question.

8 COMMISSIONER DEL VALLE: For the Chief, your
9 firefighters are volunteers?

10 ASSISTANT FIRE CHIEF WARD: They're full-time.

11 COMMISSIONER DEL VALLE: Full-time. And you have
12 fire departments that have a heavy reliance on
13 volunteers, correct?

14 ASSISTANT FIRE CHIEF WARD: Yes. The surrounding
15 communities are volunteers, yeah.

16 COMMISSIONER DEL VALLE: They're volunteers. I was
17 a little surprised to hear that the training, the type
18 of training that you referred to, has really helped
19 quite a bit. It's not a requirement. And are the
20 requirements different for full-time versus volunteer
21 firefighters in terms of training?

22 ASSISTANT FIRE CHIEF WARD: Yeah, they are. The
23 state, you know, wants you to have all of this training,
24 but, financially, a lot of the volunteers can't afford

1 it.

2 COMMISSIONER DEL VALLE: And that's why the comment
3 Mr. Burk made earlier about the utilities covering the
4 cost of the training --

5 ASSISTANT FIRE CHIEF WARD: Yes. Mm-hmm.

6 COMMISSIONER DEL VALLE: -- makes a difference,
7 right?

8 ASSISTANT FIRE CHIEF WARD: Oh, yes. Tremendously.

9 COMMISSIONER DEL VALLE: You couldn't do it without
10 the utilities coming in and doing the work that needs to
11 be done.

12 ASSISTANT FIRE CHIEF WARD: Well, and just, like I
13 say, the full-time departments usually have, you know,
14 training budgets for that kind of thing. But for the
15 volunteers, which make up about 80 percent of the fire
16 departments in the state, a lot of them don't. You
17 know, so coming out and talking and everything is pretty
18 important to them, so...

19 COMMISSIONER DEL VALLE: But, again, there is no
20 requirement there for the volunteers?

21 ASSISTANT FIRE CHIEF WARD: No.

22 COMMISSIONER DEL VALLE: Okay. Thank you.

23 CHAIRMAN SCOTT: Thank you very much. We
24 appreciate all of you being here. Thank you.

1 MS. VOILES: Thank you, Chairman. I do want to
2 express our thanks for having Rick Ward with us today.
3 He took a full day out of his schedule and we really
4 appreciate that.

5 CHAIRMAN SCOTT: If we could ask Peoples and Nicor
6 to come back up and, in the interest of time, come back
7 up together. And we have pretty much a hard stop right
8 about at 1:00 or maybe five after. So if you could each
9 take, maybe, seven or eight minutes, instead of the 15,
10 and try to go through.

11 I apologize for that. But, obviously, we had
12 a lot of interesting information today. And since you
13 got a chance to present once before or twice before, in
14 one case, we'll ask you to be a little bit briefer, and
15 I apologize for that.

16 MR. WEBB: I can be brief. Peoples Gas's review of
17 communications with our emergency responders is a vital
18 part of our success and safety. At Peoples Gas, we have
19 opportunity. We interface with the City of Chicago Fire
20 Department, which is one of the largest fire departments
21 in the nation, and then also many smaller communities.
22 So our approach is one size doesn't fit all. We need to
23 customize our approach based on who we're approaching.

24 So with the City of Chicago, annually we meet

1 with the City of Chicago Fire Department trainer and go
2 through and update our procedures and other things
3 relevant to his -- to ensure the safety in Chicago, so
4 the location of transmission lines, potential impacts of
5 any gas explosion or any gas incident, and he then takes
6 that back to incorporate into his training so that he,
7 on an ongoing basis, when he's training his
8 firefighters, they have that information.

9 When we meet with the City of Chicago training
10 chief, we also then invite him to invite any battalion
11 chiefs to come to our training of our emergency
12 preparedness. So every year we have multiple sessions
13 where we sit down and we go through tabletop exercises
14 of events that lasted -- or events from the previous
15 year or previous years, and this now includes the City
16 of Chicago battalion chief.

17 So last year we trained about 42 members of
18 the battalion chiefs of the City of Chicago where they
19 came in and we went through actual events and talked
20 about what different aspects -- what they would do, what
21 we would do, as we walked through the event. And then
22 we held a post-exercise discussion of what could have
23 been done better. In talking about this with our
24 trainers, what has been the most important thing we've

1 learned out of these exercises and the critique.

2 It is, one, we've learned how to talk to
3 firefighters. So firefighters don't like you to say, "I
4 don't know." If they have a question, they don't like
5 you to say, "I don't know." They want you to say, "This
6 is what I can find out for you and this is how long it
7 will get me." They're very action-oriented. We need to
8 be sensitive to that. And, as a result, we've now
9 trained our people different on how to communicate to
10 firefighters.

11 The important thing that I think the fire
12 department has taken away is, just because they see a
13 valve in the vicinity of the incident, that doesn't mean
14 that's the valve that will solve the problem. They had
15 always assumed, if they can see a valve, "Oh, I just
16 closed that. That's going to shut it down," and that's
17 not necessarily the case. So that interface has really
18 improved our communication with the City and has really
19 improved our response.

20 Also, we have, outside of Chicago, we
21 interface with over 50 local community fire departments.
22 These are the smaller fire departments we talked about
23 previously. This is a much more one-on-one, hands-on.
24 Sometimes they're local fire departments or volunteer

1 fire departments. We're going out and talking to them
2 personally, going through the basics of gas, review of
3 the gas hazards, where the hazards are located in their
4 vicinity, and talk about protocols, who does what --
5 "here is what you do, here is what we'll do" -- to make
6 sure they understand that.

7 And there has been some reference to the Long
8 Grove incident. I did talk to our representatives from
9 North Shore Gas, "How did the interface go with the
10 local fire department?" They said it went very well.
11 Both teams were very pleased with the teamwork, but
12 they've both decided that they want to get together in
13 about a month or so to talk about lessons learned, how
14 can they improve that. So we're climbing that. And as
15 part of that, we'll look at, "Do we need to revise
16 training? Do we need to revise procedures?"

17 So, in summary, this is an important part of
18 our approach to safety and we work aggressively with our
19 partners to do that.

20 CHAIRMAN SCOTT: Last, but not least.

21 MR. WHYTE: My name is Craig Whyte. I'm with Nicor
22 Gas. I have a different perspective on this whole -- or
23 a unique perspective on this whole emergency response
24 and preparedness issue. I've done it with a company

1 that served in a capacity where we actually, in my media
2 and community relations role, I actually was the contact
3 person and went out and met with mayors, managers, fire
4 chiefs, elected officials, and helped educate them on
5 our issues. As well as my current position, I'm the
6 investigator now for Nicor Gas, and I do the
7 investigation of all of our natural-gas-related
8 incidents.

9 And then the last unique part is I've had the
10 privilege of serving on the Burlington Fire Department
11 for 20 years and I'm currently the Fire Chief and the
12 Fire Marshall for that area. So I can relate to the
13 fire side, as well as I will be in East Peoria next week
14 for the symposium and the Fire Chief of the Year
15 Presentation and so forth.

16 So having said all of that, I'm going to skip
17 through a lot of the information just because most of it
18 has already been covered. What we stress at Nicor Gas
19 is the time to build relationships with your emergency
20 officials, your mayors, your managers, your public works
21 directors is not on the scene of an incident. That's a
22 great time to develop that relationship, but certainly
23 not to create it. And we go to great lengths to see to
24 it that we meet face-to-face with each of these

1 individuals on an annual basis and go through just about
2 anything and everything that's a concern to them as well
3 as a concern to us. It puts a name to a face. We
4 discuss our projects. We discuss their projects. We
5 try to coordinate as much as possible. We have over 650
6 communities that we are in, and we try to coordinate our
7 efforts with their efforts so we're not tearing up
8 streets and roads and parkways more than once.

9 Additionally, what we try to do on those
10 face-to-face conversations is, we try to establish
11 expectations so, when we get there, they know what we're
12 going to be doing, they know what we're capable of
13 doing, and they know what they can expect from us when
14 we show up on the scene. And the same thing the other
15 way is, what we can expect from them as far as
16 protection, and we let them know what we're going to
17 need from them depending on the severity of the
18 situation.

19 So starting those relationships early is key.
20 And I have a handful of foundations, memberships that I
21 wanted to go through. One of the biggest assets we have
22 is our diversity out in the group. We have member
23 employees of our organization that are members of a
24 tremendous amount of associations out there. For

1 example, the Illinois Fire Chiefs Association Foundation
2 Board, we have a member that sits, an employee that
3 sits. The fire chief that happens to be here sits on
4 that foundation board. And to have a utility sitting on
5 the Illinois Association Fire Chiefs Foundation Board is
6 tremendous. International Association of fire
7 investigators we belong to. International Association
8 of Arson Investigators, that's an international program.
9 We have an employee that's an actual board of directors
10 member on that program.

11 And the list goes on to task force. I'm
12 listed on a number of task forces as a special service
13 where any calls that happen within DuPage County or Kane
14 County, they phone me out and I will go out as a special
15 resource. If there's anything I can offer them or help
16 them with, I will then go out. It doesn't have to be
17 natural gas. Sometimes I'm the only investigator that
18 shows up and helps them with their fire. But that's the
19 purpose of us being there as a special resource.

20 Training, one of the biggest things we do in
21 training is our -- in fact, this week we have an
22 employee out in Emmitsburg, Maryland, who is
23 participating in a regional disaster tabletop exercise
24 in Emmitsburg, Maryland, at the National Fire Academy.

1 And this is a Rockford region project that we're flowing
2 out there, and they're going to do a bunch of tabletop
3 exercises on major disasters in their region and how we
4 would all work together and how the gas company fits in
5 our portion and how we would deal with those types of
6 incidents.

7 The next largest thing we have is our natural
8 gas fire school. This is a fire school that we do once
9 a year down in the town of Troy Grove. And we invite up
10 to 100 firefighters every year. It's a week-long
11 training, but they come for one day at a time. Since
12 its inception, we have put over 4,000 firefighters
13 through this program. And it's a morning session, which
14 is basic Natural Gas 101 in responding to fires, "What
15 do you do when you get there, what's your
16 responsibility, what's our responsibility?"

17 And then, in the afternoon, we have,
18 approximately, 30 props out there where we'll light on
19 fire their natural gas props, their propane props, their
20 gasoline props. We'll light them and give them a hose
21 and have them try to put them out and realize they
22 can't. And then we give them a fire extinguisher, and
23 then they realize just how quickly you put a natural gas
24 fire out. But then we talk about the counter-effects of

1 putting a gas fire out is, once you put that fire out,
2 you've now got gas being exposed and you need to know
3 where that gas is going because it can create a whole
4 another set of issues.

5 Now, that may be 4,000 firefighters, but we
6 also can't accommodate every single firefighter out
7 there that wants to go. So what we do is we have a
8 portable trailer. And we will go to any of the 656
9 communities that we service. If they choose, we will go
10 out and we will do the exact same training we do in Troy
11 Grove just scaled out where we don't have the ten or 12
12 props we use out there. We have a couple of props in a
13 trailer that we will bring out to their fire department
14 and then we will perform the same type of classroom
15 training and then we'll go into the actual hands-on
16 props training for virtually any department that is
17 interested.

18 Another aspect on the training part is the
19 College of DuPage. We're working very heavily to try to
20 get ourselves into alignment with the college. At the
21 College of DuPage, we're going to do this exact kind of
22 training next -- I believe it's in July. At the College
23 of DuPage, we're going to do -- the whole county is
24 invited. All of the firefighters in DuPage County have

1 been invited to come to the College of DuPage for a
2 one-day training. That is exactly like what happens
3 down in Troy Grove, but they just couldn't make it to
4 it.

5 In addition, in order to become a certified
6 fire investigator, the program that I actually went
7 through, the College of DuPage offers this program.
8 It's a three-week program. Nicor Gas has now been
9 given, and I actually do the training, it's a four-hour
10 block in this State-Fire-Marshall-certified training
11 program where we teach Natural Gas 101 and then
12 responding to emergencies, "What do you do when you get
13 to the emergency? How do you interact with the
14 investigators." And then we'll go into some
15 investigation techniques that would benefit them for the
16 natural gas industry. So it's a permanent part of that
17 investigation certification program, which is
18 phenomenal.

19 And one thing that was brought up earlier that
20 we do, in fact, do is, we train our supervisors and
21 managers and our employees that respond to these
22 emergency situations with the incident command
23 structure. As a fire chief, you need to go through a
24 whole range of NIMS certifications. We actually take

1 the two basic training programs and we teach those to
2 our employees that are responding to situations so they
3 can interact more effectively with the people on the
4 scene and know what they're looking for and blend in
5 with different scenarios they may or may not have.

6 Responding to scenes, this will be the last
7 thing I'll touch on. I'll make this very brief. We
8 actually have three separate levels of deployment when
9 we respond to an emergency; Class A, B or C. C being
10 the least deployed. This could be a simple service
11 that's on fire that we deploy immediately and one of our
12 personnel is out there. And in over 90 percent of the
13 time, they can make that repair without calling in
14 additional support teams.

15 Now, the partial deployment, this is a little
16 bit more complicated when we have a main hit, where
17 someone, a third-party might hit a main on the street.
18 One person is not going to be able to fix that, but we
19 will get somebody out there immediately so the fire
20 department has someone to talk to, someone from the gas
21 company to say, "Hey, this is my issue. This is what
22 we've got, and we now need to deploy more resources to
23 make that happen."

24 And then the last one is the highest response

1 level or full deployment. Thank you for the slide. The
2 highest level of deployment, this is where we will get
3 our incident support team involved and get all the way
4 from our officer level on down involved in an incident
5 command. And we will take care of the problem at hand.
6 This could be a tornado. This could be a flood. This
7 could be a massive outage. Anything that's going to
8 require a tremendous amount of support, that would be
9 our Level A. That's when we would go to that particular
10 level.

11 Other than that, that's a very abbreviated
12 version of a whole lot of information. But I'd be happy
13 to take questions if you have them or let you go to
14 lunch.

15 CHAIRMAN SCOTT: If you had to say what the
16 greatest need -- you're doing a tremendous amount of
17 training, which is fantastic. But if you had to say
18 what the greatest need is in fire departments or fire
19 protection districts, throughout the state, what would
20 it be? Is there anything that kind of jumps out?

21 MR. WHYTE: Well, a couple of things. Fire
22 extinguisher training, you may think that's a relatively
23 simple concept; but if you consider a fire truck going
24 to an incident, you've got a large amount of water,

1 large hoses, large diameter hoses, a lot of water is
2 going to be flowing. They train once a year on using
3 fire extinguishers.

4 But a natural gas fire, the best way to put
5 that out is with natural -- with a dry chemical. And
6 they just don't get an opportunity to use that. And the
7 Troy Grove school that we use gives them that
8 opportunity to say, "Oh, yeah, that's dry chemical. Oh,
9 yeah, that's how you operate it. Oh, yeah, you have to
10 shake it because it sits on the bottom and settles. Oh,
11 yeah, that's how you empty it."

12 Just using that type of training is something
13 they don't do but once a year. And I don't know if it's
14 any different in East Peoria, but most fire departments
15 will train once a year on fire extinguishers, but they
16 very seldom ever get a chance to use it. And this is a
17 great opportunity to refresh and say natural gas really
18 needs to be done with a dry chemical extinguisher, and
19 this is a great avenue for them to use it or learn how
20 to use it.

21 CHAIRMAN SCOTT: In some of the smaller
22 departments, too, not just in training. But from a
23 material standpoint, too, and dry chemicals, is there an
24 issue with that being as readily available?

1 MR. WHYTE: Oh, that's -- that's not an issue at
2 all. It's readily available. It's just the type of
3 chemicals you choose to use. We have a couple of
4 different types we use and what we recommend. One is
5 more expensive than the other, but they certainly can
6 choose whichever they prefer.

7 And we'll use both, put them side-to-side so
8 they can see the difference between using a Purple K
9 versus a 50/50 mix. They'll be able to see the
10 difference in what -- the rapid -- the quickness on how
11 a fire can be put out with the more expensive one versus
12 the other.

13 CHAIRMAN SCOTT: In all of the training that you
14 do, this issue has come up a couple of times. How is
15 that -- within the company, how is that funded and, you
16 know, what are you asking from the departments?

17 MR. WHYTE: Yeah. The nice thing about all of our
18 training is it's free. We don't charge for any of our
19 training. The Troy Grove facility is free. When we
20 take our trailer out, we ask that, instead of doing a
21 department with, maybe, 10, 15, 20 people, we'll ask
22 that we put three or four departments together.

23 At the College of DuPage, we're doing a
24 regional county thing. So we're going to have 50 people

1 there. What we just ask is that you try to use as many
2 people as you can. We'll teach as many as you have, but
3 there is no charge for any of that training.

4 COMMISSIONER DEL VALLE: With the College of
5 DuPage --

6 MR. WHYTE: Yes.

7 COMMISSIONER DEL VALLE: -- there is the
8 investigator certification?

9 MR. WHYTE: Correct.

10 COMMISSIONER DEL VALLE: There is a fee, right?
11 They pay tuition?

12 MR. WHYTE: They pay the college tuition, but I
13 donate my time when I speak.

14 COMMISSIONER DEL VALLE: But the individuals pay
15 the tuition?

16 MR. WHYTE: They have to pay the college for the
17 tuition, correct. It's part of a much larger program.

18 COMMISSIONER MAYE: I think the best part of the
19 policy forum is that it definitely allows the Commission
20 to get information from each of our respective
21 utilities. But, most importantly, it allows the public
22 to hear the information as well.

23 I'm curious to know, because I think one of
24 the main -- actually, these policy forums are the best

1 practices. So outside of this type of forum, how often
2 are each of the utilities getting together to discuss
3 best practices?

4 For example, I heard some great things that
5 Nicor is doing that Peoples is not. I've heard some
6 great things that Peoples is doing that Nicor and Ameren
7 may not be. So how often are you getting together to
8 talk about pipeline safety, and, more importantly,
9 public awareness and how to go about distributing that
10 information to our consumers?

11 MR. WEBB: So quarterly, or about three times a
12 year, I should say, I get together with my peers and the
13 pipeline safety branch and we share best practices of
14 what's going on in the industry. Independent of me, our
15 organization is reaching out, on a routine basis, to
16 different utilities. So next week, for example, we have
17 a couple of our people from damage prevention going out
18 to New York to talk to them about how they do it, what
19 does their one-call system look like, how are they
20 preventing future damages. So we are reaching out and
21 looking for that.

22 CHAIRMAN SCOTT: Thank you very much. We really
23 appreciate your being here. And I apologize for the
24 last bit and then we're lopping off the last roundtable

1 piece of this. Obviously, you've raised a lot of great
2 issues for us and answered a lot of questions and
3 provided some great information, and we'll probably be
4 revisiting this issue at some time in the future. So
5 thank you.

6 Is there anybody here or in Springfield from
7 the Fire Marshall's office?

8 MR. BURK: There is no one in Springfield.

9 CHAIRMAN SCOTT: I think Chief Ward was our
10 cooperating fire official. As it turns out, Craig Whyte
11 was, too. So thank you very much for that.

12 With nothing else coming before us today, the
13 meeting stands adjourned. Thanks again, everyone.

14 (Meeting adjourned.)

15

16

17

18

19

20

21

22

23

24

1 STATE OF ILLINOIS)
2 COUNTY OF COOK) SS.

3

4 Jennifer L. Bernier, being first duly sworn,
5 on oath says that she is a Certified Shorthand Reporter,
6 Registered Professional Reporter, Certified LiveNote
7 Reporter doing business in the City of Chicago, County
8 of Cook and the State of Illinois;

9 That she reported in shorthand the proceedings
10 had at the foregoing Meeting;

11 And that the foregoing is a true and correct
12 transcript of her shorthand notes so taken as aforesaid
13 and contains all the proceedings had at the said
14 Meeting.

15

16

17

JENNIFER L. BERNIER, CSR, RPR, CLR

18

19 CSR No. 084-004190

20

21 SUBSCRIBED AND SWORN TO
22 before me this 16th day of
23 May, A.D., 2014.

24
