

transmission and distribution operations, as well as certain facilities at our on-system gas storage operations. In this regard, the Company regularly interacts with the ICC and its Staff, which retains oversight authority over pipeline operations. These regulations have evolved over time to adopt industry best-practices, as well as apply lessons learned from unfortunate events such as those in San Bruno, California in 2010, and Merrimack Valley, Massachusetts in 2018. Commitment to meeting these regulations, necessitates not only ongoing training, but also the ongoing need to invest in our system to safely and reliably serve our customers and community into the future.

In late 2014, following the passage of Section 9-220.3 of the Public Utilities Act, Nicor Gas embarked upon its Investing in Illinois program for the purpose of expediting the modernization of the system. 220 ILCS 5/9-220.3. Working with our union partners, including Local 19 of the International Brotherhood of Electrical Workers and the Chicago Laborers District Counsel, Nicor Gas has undertaken a systematic program that has replaced all of its known cast-iron main (as of October 2018) and copper services (as of 2019), continues to replace aged mains, and is replacing facilities at its on-system storage fields. These investments have benefitted customers through improved service quality, safety, and reliability, as well as reduced methane emissions. Because of the strength of Nicor Gas' system, the Company safely and reliably met an all-time record demand by delivering more than 4.8 billion cubic feet of gas to customers in a single day during the "polar vortex" in January 2019. Equally important, during the two days of extreme sub-zero weather in that period, there were no major outages on the system. Thus, these investments in system modernization benefit both customers and economic development in Northern Illinois, as future economic development relies on, in part, a reliable source of energy.

In closing, Nicor Gas takes seriously its responsibility to deliver natural gas safely and reliably to its customers. The Company appreciates the opportunity to participate in this NOI and looks forward to further discussions with the ICC and Staff.

II. NICOR GAS' COMMENTS IN RESPONSE TO THE ICC'S QUESTIONS

- A. Please explain the process you use to inspect your utility plant, equipment, and property in order to ensure that utility service is provided in a safe and/or reliable manner. Please include detail on the types and quantities of plant, equipment and property inspected, and how and how frequently such plant, equipment, and property is examined.**

Nicor Gas Response:

Nicor Gas has a long history of providing safe and reliable gas distribution service to its customers, and the communities it serves, in Northern Illinois. Nicor Gas' operations are subject to the U.S. Department of Transportation ("USDOT") Pipeline and Hazardous Material Safety Administration ("PHMSA") – Office of Pipeline Safety and the ICC's Pipeline Safety Program.

PHMSA's Office of Pipeline Safety is responsible for carrying out a national program to ensure the safe and reliable operation of the nation's natural gas and hazardous liquid

pipeline transportation system. To that end, PHMSA has promulgated an extensive list of regulations applicable to Nicor Gas’ operations.

Applicable federal law allows for States to assume safety authority over intrastate gas pipelines, hazardous liquid pipelines, and underground natural gas storage through Certifications and Agreements with PHMSA under 49 U.S.C. §§ 60105- 60106. In this regard, the ICC has jurisdiction to ensure compliance with federal law and promulgate rules consistent with that law.

Nicor Gas has, and continues, to design, construct and maintain its natural gas system in a manner that meets or exceeds applicable State and Federal regulations, and the referenced operating and safety standards, listed in Table 1 below.

Table 1

US DOT Pipeline Safety Regulations	Illinois Pipeline Safety Regulations
<ul style="list-style-type: none"> • 49 USC 60101 • 49 CFR Part 40 • 49 CFR Part 191 • 49 CFR Part 192 • 49 CFR Part 193 • 49 CFR Part 199 	<ul style="list-style-type: none"> • 220 ILCS 5/ - Public Utilities Act • 220 ILCS 15/ - Gas Storage Act • 220 ILCS 20/ - Illinois Gas Pipeline Safety Act • 220 ILCS 25/ - Gas Transmission Facilities Act • 83 ILL. ADM. CODE <ul style="list-style-type: none"> ○ PART 501 - STANDARDS OF SERVICE FOR GAS UTILITIES AND ALTERNATIVE GAS SUPPLIERS ○ PART 520 - TRAINING PROGRAMS FOR NATURAL GAS SYSTEM OPERATING PERSONNEL (GENERAL ORDER 204) ○ PART 556 - QUALIFYING INFRASTRUCTURE PLANT SURCHARGE ○ PART 590 - MINIMUM SAFETY STANDARDS FOR TRANSPORTATION OF GAS AND FOR GAS PIPELINE FACILITIES ○ PART 595 - REPORTS OF ACCIDENTS OR INCIDENTS BY PERSONS ENGAGED IN THE TRANSPORTATION OF GAS, OR WHO OWN OR OPERATE GAS PIPELINE FACILITIES ○ PART 596 - PUBLIC AVAILABILITY OF INSPECTION INFORMATION • 415 ILCS 160/ - Illinois Underground Natural Gas Storage Safety Act

The Company’s Attachment A submitted with these Initial Comments lists the types of plant and property inspected and how frequently such plant is inspected.

- B. Please explain how many workers currently perform such inspections, the average time spent in the field by each worker examining equipment and facilities, an estimate of the amount of utility plant, equipment, and property inspected annually by each worker, the qualifications of the workers performed such inspections, how workers are trained, how workers training is update(d) to include changes in requirements, and how the work performed by the workers is supervised.**

Nicor Gas Response:

The Company's Attachment A submitted with these Initial Comments contains the list of inspections, frequency, number of personnel and time spent.

Nicor Gas utilizes the programs and processes below to ensure employees are trained and qualified to perform the assigned work, as well as to ensure supervision and quality assurance/quality control processes are in place.

Training Plan – Section 520.10 of the ICC's regulations require Illinois natural gas system operators to develop training procedures to ensure that field employees engaged in construction, operation, inspection, and maintenance of the gas system are properly trained. 83 Ill. Adm. Code § 520.10. Accordingly, Nicor Gas has developed and implemented a Field Operation Training Plan ("FOTP"). Elements of the FOTP include:

- Descriptions of the types of training each job classification requires, including course code, title, and length.
- Instruction method for each course, such as verbal instruction and/or on-the-job training for each job classification.
- Assessment method for each course to evaluate employee knowledge and ability to recognize potential hazards, and actions to be taken toward prevention of accidents.

Nicor Gas' records and field implementation of the FOTP is subject to periodic audits by ICC Pipeline Safety Staff.

Operator Qualification (OQ) Plan – Pursuant to Federal Regulations, Nicor Gas has developed and implemented an OQ program to ensure that employees performing tasks subject to pipeline safety regulations have been adequately trained to recognize and react to abnormal operating conditions that may occur while performing those specific tasks. The OQ Plan also establishes a list of tasks subject to specific training and qualification requirements that an employee must meet before working on such tasks. Meanwhile, contractors must demonstrate to the Company that they have a compliant OQ Plan applicable to its employees before Nicor Gas will allow a contractor to perform work on its facilities. Nicor Gas' records regarding the implementation of the OQ Plan are subject to periodic audits by ICC Pipeline Safety Staff.

Quality Assurance/Quality Control ("QA/QC") – The Company has a QA/QC program in place, which audits the work of employees and Company representatives to

determine the effectiveness and adequacy of the procedures used in normal construction, operations, and maintenance activities. Nicor Gas accomplishes its QA/QC program through various complementing levels of inspection and auditing, which include QA/QC, operations inspections, material inspections and incident review.

The quality assurance (QA) program serves to confirm that the internal processes (including the Quality Control/Inspection process) are adequate, effective, and ensure safe, reliable, and uninterrupted gas delivery. QA activities are focused on process conformance with regulations, internal procedures and standards, and on detecting and correcting process nonconformities. The Company's QA activities also serve as the foundation to develop process improvement initiatives, which aim to prevent construction, maintenance, or repair defects in the field. The QA program involves audits and reporting, tracking and analyzing the audit findings, and ensuring that the Company takes corrective actions, when necessary. The Company uses its Compliance Assurance team to perform QA audits, using business unit independent personnel outside of the operating area.

The Company's approach to quality control ("QC") includes: (1) trained and qualified personnel to perform the work; (2) written procedures addressing how the work should be performed; and (3) inspecting work performed to confirm conformance with drawings, specifications, and technical regulations. This process serves to identify and correct manufacturing, construction, maintenance, and/or repair defects. Examples of where the Company applies its QC approach include: inspections required by federal regulations on pipe and components, plastic pipe joints, welds, and steel pipe coatings before a pipeline is put into service. The Company's QC program also includes performing inspections and tests of purchased materials to verify that they meet design and purchase specifications. Under this approach, detecting and addressing manufacturing, construction, maintenance, or repair defects prior to placing facilities in-service, and before turning the gas on, serves to ensure a safe and secure infrastructure to transport our product. Personnel within the operating area (*i.e.*, supervisor/project coordinator/contractor or other Company employee) perform the inspections.

C. Please explain whether your utility uses third parties to verify that inspections are performed timely and accurately and, if so, how such verifications are conducted.

Nicor Gas Response:

Nicor Gas does not use third parties to verify that inspections are performed timely and accurately. Instead, the Company uses trained personnel, including Nicor Gas supervisors, utility inspectors, project management personnel, and QA personnel, to verify the performance of inspections in a timely and accurate manner.

- D. Please explain whether your utility uses third parties to perform inspections and, if so, how your utility ensures that inspections are performed timely and accurately.**

Nicor Gas Response:

Nicor Gas utilizes third parties to perform certain inspections, such as Leakage Surveys, Welding Inspection for large diameter mains, and Coating Inspection for large diameter mains.

Nicor Gas supervisors, utility inspectors, project management personnel, and QA personnel collectively ensure that third party inspections meet the Company's requirements and are completed in a timely and accurate manner.

- E. Please explain how issues identified through inspections are addressed including how issues are prioritized and how potentially systematic issues are addressed.**

Nicor Gas Response:

Nicor Gas trains its employees, as part of their OQ, to recognize and react to abnormal operating conditions ("AOC"). Similarly, the Company requires that contractor personnel have the necessary OQ training before working on Nicor Gas facilities. Pursuant to OQ protocol, when an employee or contractor identifies an AOC, they can stop the job and correct the issue, or contact their supervisor for additional assistance to address the issue.

One element of an effective QA/QC program is a Corrective Action Preventive Action ("CAPA") process. The CAPA process investigates and solves problems, identifies causes, takes corrective action, and prevents recurrence of the root causes. CAPA's goal is to ensure that the problem will not occur again. Company personnel assign a priority level to issues identified during QA/QC and then enter the CAPA program. A Notice of Exception ("NOE") is issued for assessment/audit findings that are not consistent with Company policies and procedures. The NOE report is sent via email to the responsible leadership along with the assessment report. The responsible business unit must then develop a written corrective action plan to address the issue and submit to the QA team. The QA team requires a timely response to the NOE and reviews the corrective action plan to ensure it adequately addresses the problem. Upon successful completion of the corrective action, business unit leaders receive email notification that the NOE is closed.

QA and CAPA metrics are published monthly and are shared with internal business leaders along with our contract partner leaders. The Continuous Improvement Council, made up of representatives from QA, Safety, Operations, Training, and Pipeline Safety Management, are charged with reviewing and analyzing the findings and trends, and determining if issues are localized or systemic. Action plans are put in place to address both local and systemic issues. For significant events, an event learning review takes place and lessons learned are shared with affected stakeholders.

- F. Please explain whether your utility provides safety awareness training or education to contractors and/or the public and, if so, please explain how this training or education is conducted.**

Nicor Gas Response:

Federal pipeline safety regulations require pipeline operators to develop and implement public awareness programs that follow the guidance provided by the American Petroleum Institute (“API”) Recommended Practice (“RP”) 1162, “Public Awareness Programs for Pipeline Operators”. 49 CFR § 192.616.

Nicor Gas has developed and implemented a Public Awareness Program (“PAP”). The Company’s PAP is subject to audit by ICC Pipeline Safety Staff, which measures actual performance against the PAP. The PAP is subject to review for effectiveness and to refine it as necessary. The stakeholder audiences are the affected public, emergency officials, local public officials, and excavators.

Under the PAP, Nicor Gas provides the affected public with information about how to recognize, respond to, and report pipeline emergencies. The importance of using the Joint Utility Locating Information for Excavators (“JULIE”) one-call notification system (referred to as 8-1-1) prior to excavation is emphasized for all stakeholders.

Emergency officials and local public officials are provided information about the location of transmission pipelines to enhance emergency response and community growth planning. Affected municipalities, school districts, businesses, and residents also are advised of pipeline locations.

The delivery method varies with the type of message and the intended audience. Delivery methods include personal contact, targeted print materials, group meetings, telephone calls, facility tours, emergency tabletop exercises, open houses, bill inserts, newspaper, TV ads, local city and county websites, and the Company’s website.

The frequency of messaging depends on the target audience and the message. Frequencies vary from quarterly to every 3 years.

- G. Please explain what processes you have in place to permit the public to report utility plant, equipment, and property that may pose a safety risk to the public, what formats are used (e.g. phone calls, text messages, e-mails, website reports, etc.), what information is accepted through these processes (e.g. written reports, verbal reports, photographs, etc.) and the processes and procedures you have in place to act upon such reports.**

Nicor Gas Response:

Nicor Gas is committed to protecting its customers’ health and safety while ensuring the safe and reliable delivery of natural gas. The following processes are in place to allow a customer and/or the public to report safety concerns:

- Phone calls through **888.Nicor4U (642.6748)** – This is the most preferred method to report an emergency that has an immediate response. Call Center Representatives (“CCR”) are provided with an emergency call script, which includes questions to determine whether the caller is reporting a gas leak or gas outage and to ensure the caller is in a safe and secure location. Additionally, the CCR tries to determine the location of the leak (internal or external) and if the smell of gas is present. CCRs also have a step-by-step guide when a customer is being investigated for service tampering including gas diversion, stolen meters, and meter tampering.
- Dedicated Fire Department Phone Line – Fire departments use a special toll-free number to contact Nicor Gas to report emergencies and request assistance. This toll-free number is directed to the Nicor Gas Call Center where the customer service representative is notified that the call is from the fire department line. The customer service representative issues the appropriate emergency order and answers fire department questions about Nicor Gas emergency responder estimated time of arrival (ETA).
- Email – via the Contact Us link on the nicorgas.com web site. Emails come to the Customer Care Center and representatives assigned to emails will address the incident by following the emergency call script. Written reports are accepted and the customer also has the option to upload photos, if available.
- Website CHAT – via My Account on the nicorgas.com web site. Information comes to the Customer Care Center and representatives assigned to CHAT will address the incident by following the emergency call script. Written reports are accepted.

The following Nicor Gas safety materials are available to help educate customers and the public:

- Call Before You Dig (8-1-1) – for residential customers and municipalities
- Severe Weather Safety
- Carbon Monoxide and Your Home
- Flooding
- Scam Awareness
- Appliance and Equipment Safety

III. CONCLUSION

Northern Illinois Gas Company d/b/a Nicor Gas Company appreciates the opportunity to provide these Initial Comments in response to the Commission's Notice of Inquiry and looks forward to continued dialogue regarding the issues addressed herein.

Dated: September 14, 2020

Respectfully submitted,

NORTHERN ILLINOIS GAS COMPANY
D/B/A NICOR GAS COMPANY

By: /s/ John E. Rooney

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Category	Description	Frequency	# Personnel	Time Spent Total (Hours)
Odorization of Gas	Periodic Sampling throughout of the system	5 days/week	17 Odorometers active 5 days/week in the field and rotated periodically among all FOS Mechanics.	1,275 minutes or 21.25 hours spent on average per week
Transmission lines: Patrolling	Note: Class Location relates to population density around the pipeline. Specific locations are not tracked so responses are aggregated.			
	Pipelines in Class 1, 2 location - at Highway and Railroad Crossings	Weekly	3	832 hrs. annually
	Pipelines in Class 1, 2 location - at all other Locations	Weekly	3	832 hrs. annually
	Pipelines in Class 3 location - at Highway and Railroad Crossings	Weekly	3	832 hrs. annually
	Pipelines in Class 3 location - at all other Locations	Weekly	3	832 hrs. annually
	Pipelines in Class 4 location - at Highway and Railroad Crossings	Weekly	3	832 hrs. annually
	Pipelines in Class 4 location - at all other Locations	Weekly	3	832 hrs. annually
Distribution systems: Patrolling	Exposed Main	4x per Year	5 Leak Survey Technicians qualified	200 hours/year
	Cased Crossing	4x per Year	5 Leak Survey Technicians qualified	200 hours/year
Transmission lines: Leakage surveys	Transmission System Leak Survey	1 Year	25 Leak Survey Technicians qualified	500 hours/year
Distribution systems: Leakage surveys	Leakage Survey – business District	1 Year	25 Leak Survey Technicians qualified, or any FOS Mechanic for CGI scenarios.	4,000 hours/year
	Leakage Survey - Outside Business District	5 Years	25 Leak Survey Technicians qualified, or any FOS Mechanic for CGI scenarios.	12,800 hours/year
	Leakage Survey - Cathodically unprotected distribution lines	3 Years	25 Leak Survey Technicians qualified, or any FOS Mechanic for CGI scenarios.	1,700 hours/year
Pressure Limiting and Regulating Stations	Pressure Limiting and Regulating Stations	1 Year	81	18402 hours
Valve Maintenance - Transmission Lines	Valve Maintenance	1 Year	20	3327 hours
Valve Maintenance - Distribution Systems	Valve Maintenance Distribution Lines	1 Year	61	5500 hours
External Corrosion Monitoring	Examination of Buried Pipe when Exposed	When Exposed		
	Pipe-to-soil Monitoring (cathodic protection level)	1 Year	17	30695 hrs
	Rectifier Monitoring	6x per Year	15	7178 hrs
	Interference Bond Monitoring – Critical	6x per Year	15	473 hrs
	Interference Bond Monitoring – Non-critical	1 Year	15	235 hrs
Internal Corrosion Monitoring	Internal Corrosion Control Coupon Monitoring	2x per Year	1	82 hours
Atmospheric Corrosion Monitoring	Atmospheric Corrosion Control Monitoring	3 Years	25 Leak Survey Technicians qualified, or any Company Field Employee OQ'd.	2,880 hours
Commercial/Industrial Meter Set Inspections	Industrial Meter/Equipment Inspections	2x-4x annually	8	530 hours
	Electronic Volume Correction Inspections	3 Years	8	1,800 hours
Meter Accuracy	Statistical Sampling of meters Installed in Same Year	Annual	6	17,400 hours
	Rotary Meter Pressure Differentials	5 years	61	4500 hours
Compressor Stations	Well integrity assessments	7 years	6	16800 hours
	Well Site Inspections	weekly	8	3328 hours
	Well equipment overhaul and maintenance	annually	8	41856 hours
	Reboiler inspection/maintenance	annually and as needed	22	37547 hours
	Panel inspections/Safety device calibrations	annually	6	1728 hours
	Emergency Disaster System Test	annually	76	608 hours
	Compressor inspections/maintenance	annually and as needed	14	20160 hours
	Generator inspections/maintenance	1200 hours	14	3136 hours
	Valve Inspections/Maintenance - Transmission	annually	12	3282 hours
	Pressure Limiting Regulators and Relief Valves	annually	12	672 hours
	Well equipment overhaul and maintenance	annually	12	10464 hours
	Leak Survey - Station	2 X per year	2	224 hours
	Leak Survey - Field	annually	2	640 hours

Category	Description	Frequency	# Personnel	Time Spent Total (Hours)
Transmission Integrity Management Assessments	ILI Assessments Qualifications & Training: A qualified Service Provider performs in-line inspection. The Service Provider is a reputable in-line inspection vendor and meets the requirements found in Section 04A – In-Line Inspection (ILI).	Average 2 per yr	2 FTE	600 hours
Transmission Integrity Management Assessments	Direct Assessments Qualifications & Training: A qualified Service Provider performs External Corrosion Direct Assessment (ECDA), Dry Gas – Internal Corrosion Direct Assessment (DG-ICDA) or Stress Corrosion Cracking Direct Assessment (SCCDA). Qualifications for ECDA, DG-ICDA, and SCCDA Service Providers are included in their respective plan documents (Sections 4B-4D). The Company also requires the Service Provider to document the process and quality controls of indirect inspection techniques.	Average 10 per yr	1 FTE	2040 hours
Transmission Integrity Management Assessments	HCA / Class Location Analysis Qualifications & Training: Supervisory and technical personnel involved in the Integrity Management activities possess the necessary qualifications to perform the required duties of the Integrity Management Program. Company personnel have a statement of qualifications (IMF-12-01) on file. The form details the education, training and experience of the individual, which in turn demonstrates why he or she is qualified for his or her role in the Integrity Management Program and is updated annually. All personnel within the Integrity Management Department have the following knowledge or skill sets: <ul style="list-style-type: none"> • Project Management proficiency • Strong analytical, communication, technical writing and presentation skills • Possess knowledge in the following codes and protocols: <ul style="list-style-type: none"> o ASME B31.8S – Managing System Integrity of Gas Pipelines o CFR 49 Part 192 Subpart O o Company Operations and Procedure Manual (OPM) / Operations and Maintenance (O&M) Manual o API 1163 – In-Line Inspection Systems Qualification Standard o NACE SP0102 – In-Line Inspection o NACE SP0502 – External Corrosion Direct Assessment o NACE SP0206 – Dry Gas – Internal Gas Direct Assessment o NACE RP0204 – Stress Corrosion Cracking Direct Assessment 	Annual	1 FTE	662 hours
Transmission Integrity Management Assessments	Risk Analysis / Threat Assessment Qualifications & Training: Supervisory and technical personnel involved in the Integrity Management activities possess the necessary qualifications to perform the required duties of the Integrity Management Program. Company personnel have a statement of qualifications (IMF-12-01) on file. The form details the education, training and experience of the individual, which in turn demonstrates why he or she is qualified for his or her role in the Integrity Management Program and is updated annually. All personnel within the Integrity Management Department have the following knowledge or skill sets: <ul style="list-style-type: none"> • Project Management proficiency • Strong analytical, communication, technical writing and presentation skills • Possess knowledge in the following codes and protocols: <ul style="list-style-type: none"> o ASME B31.8S – Managing System Integrity of Gas Pipelines o CFR 49 Part 192 Subpart O o Company Operations and Procedure Manual (OPM) / Operations and Maintenance (O&M) Manual o API 1163 – In-Line Inspection Systems Qualification Standard o NACE SP0102 – In-Line Inspection o NACE SP0502 – External Corrosion Direct Assessment o NACE SP0206 – Dry Gas – Internal Gas Direct Assessment o NACE RP0204 – Stress Corrosion Cracking Direct Assessment 	Annual	1 FTE	200 hours

Category	Description	Frequency	# Personnel	Time Spent Total (Hours)
Transmission Integrity Management Assessments	Direct Examination (Field Activity) Qualifications & Training: When performing Direct Examination as a part of Integrity Management activities and processes, the Company will ensure the individuals performing the Direct Examination are properly qualified, pursuant to Appendix 0406 "OQ Requirements". Additionally, the Company will consider additional qualifications, such as NACE certificates and ASNT NDT qualifications, when appropriate for the Direct Examination. The responsible Integrity Engineer, Analyst, Project Administrator, Program Manager, or other appropriate Company designee will ensure that individual(s) performing the Direct Examination are properly qualified and conduct a review of the information collected.	Average 8 per project	1 FTE, 4 Contracted Resources	2432 hours