STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission On Its Own Motion Notice of Inquiry Regarding Electric and Natural Gas Service Safety and Reliability	))))))	20-NOI-02

NORTH SHORE GAS COMPANY AND THE PEOPLES GAS LIGHT AND COKE COMPANY'S INITIAL COMMENTS TO NOTICE OF INQUIRY

North Shore Gas Company ("NSG") and The Peoples Gas Light and Coke Company ("PGL") (collectively, "NSG-PGL") appreciate the opportunity to respond to the Notice of Inquiry ("NOI") regarding electric and natural gas service safety and reliability issued by the Illinois Commerce Commission's ("ICC" or "Commission") on August 12, 2020. The NOI provides a forum to collect and share information that could result in safety and process improvements benefitting individual customers and the overall integrity of utility distribution systems. NSG-PGL appreciate the Commission's leadership in convening the NOI.

I. INTRODUCTION

Safety and reliability are the principal priorities that permeate every facet of NSG-PGL's natural gas distribution operations. That is why safety and reliability are core values of the companies' overall mission statement:

> **Safety**: NSG-PGL are committed to keeping employees and the public safe. We target zero incidents, accidents, and injuries every day. We promote employee health and wellness.
>
> **Reliability**: NSG-PGL work every day to maintain our status as one of the nation's most reliable energy companies.

To implement those core values, NSG-PGL devote significant efforts and resources -- both human and financial -- to institute a company culture that embodies safety and reliability. We know that achieving safety and reliability is about more than just complying with technical standards. It is about fostering an individual and institutional commitment to exceeding those standards in everything we do to serve our customers.

PGL-NSG recognize that safety and reliability efforts are particularly important now, as our customers and our communities face the ongoing COVID-19 health crisis. Charles Matthews, president and CEO of NSG-PGL, recognized this in comments in July of this year when PGL received a "most trusted brand"[1] ranking in a national customer survey: "We are more focused than ever in our commitment to provide safe and reliable service to our customers during these unprecedented times. We will continue to work hard every day to serve our communities. Our high marks in this survey show that our efforts make a difference, and we thank our customers for their trust."

PGL-NSG's responses to the specific NOI information requests provide technical and statistical information about the companies' safety and reliability protocols and controls. But, the technical and statistical information only tells part of the story. As the Commission is aware, Chicago has one of the oldest gas delivery systems in the United States, with portions of its system having actual working pipes dating back to 1861, the year candidate Lincoln was inaugurated. To address this issue, PGL is implementing a comprehensive System Modernization Program ("SMP") to enhance the safety and improve the delivery of natural gas service in all of Chicago's neighborhoods by

[1] *See,* Peoples Gas News Release, July 2, 2020: https://accel.peoplesgasdelivery.com/news/view_article.aspx?id=02979.

replacing its aging and corroding cast and ductile iron gas pipe with modern and safer equipment.

PGL started this effort in 2011 and has completed more than one quarter of the work to date. Most recently, a study performed by Kiefner Engineering at the Commission's direction assessed factors such as corrosion, materials, structural analysis, and risk, in order to further inform PGL and the Commission about how to improve the safety and effectiveness of the accelerated SMP efforts. The Kiefner study resulted in several advanced tools that PGL is using to further assess SMP safety, including a predictive corrosion model, finite element analysis model for remaining cast iron pipe, and a risk model. The Kiefner study also confirmed that implementation of the SMP remains critical: for example, the study found that 83% of PGL's remaining cast iron and ductile iron pipes have an average remaining life of less than fifteen years. This demonstrates the importance of SMP's goal of replacing those pipes to reduce the risks and consequences associated with pipeline cracks, breaks, leaks, or ruptures. PGL is fully committed to efforts such as the SMP not only to modernize Chicago's gas distribution system, but also -- and most importantly -- to increase safety and reliability for all of our customers.

Again, NSG-PGL commend the Commission for initiating this NOI. We look forward not only to participating in the NOI to provide the Commission with requested information, but also to learning from other stakeholders as we collectively strive to maximize safety and reliability for all Illinois consumers.

II. NSG-PGL'S RESPONSE TO QUESTIONS FOR PUBLIC UTILITIES

A. Please explain the processes 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.

NSG-PGL RESPONSE:

The Pipeline and Hazardous Materials Safety Administration ("PHMSA") is primarily responsible for regulating pipeline safety and setting national safety standards under CFR 192, Subparts A-P (the "PHMSA rules"). Illinois regulates intrastate natural gas pipeline systems, like NSG's and PGL's, through the Pipeline Safety Section of the Illinois Commerce Commission. Illinois's pipeline safety regulations include the Illinois Pipeline Safety Act (220 ILCS 20/1 *et seq*.) and the Illinois Underground Utility Facilities Damage Prevention Act (220 ILCS 50/1 *et seq*.) along with local regulation of underground safety issues. The Commission has implemented PHMSA rules through its own administrative code, Part 590. 83 Ill. Admn. Code 590 *et seq*.

The Pipeline Safety Section of the Commission works closely which each natural gas utility in the state in enforcing the requirements of the PHMSA rules and Part 590. The Pipeline Safety Section performs inspections, consultations and reviews of each gas utility's pipeline operations.

NSG-PGL personnel undertake investigations of reported leaks and conduct surveys and tests on a daily basis in the regular course of business. NSG-PGL conduct inspections of utility plant, equipment and property through qualified individuals

in accordance with the respective safety inspection manuals of NSG-PGL (See Table A – Inspections for a description of inspections and timing). NSG-PGL's safety inspection programs are implemented pursuant to PHMSA and the standards required under Part 590. The inspections described in Table A are in addition to the usual and customary investigations of reported leaks, surveys and tests which are made daily in the course of business.

In addition to inspection specifically required by PHMSA, NSG-PGL implement a Distribution Integrity Management Program ("DIMP") in accordance with 49 CFR 192, Subpart P. In accordance with the requirements for DIMP, NSG-PGL rank the specific threats to the distribution system and develop mitigating actions. In the case of PGL, the complications from an older, cast iron/ductile iron, and low pressure system are risk drivers that are being addressed by the SMP. NSG's risk profile is different, as its system is mainly modern plastic or corrosion protected steel.

As of the end 2019, the PGL system serves approximately 867,000 customers and is comprised of:

PGL Total Miles of Main: 4,572

- Miles of Cast Iron: 1,108
- Ductile Iron: 195
- Miles of Plastic: 2,094
- Miles of steel: 1,175
- Miles of Low Pressure:1,566

PGL Number of Services Pipes: 506,913

Of the 978,475 meters in the PGL System:

- Number of Inside Meters: 612,826
- Number of Outside Meters: 365,649

PGL Miles of Transmission: 341.96

As of end of 2019, the NSG system serves approximately 163,000 customers and is comprised of:

NSG Total miles of Main - 2,308

- NSG miles of steel - 1,221
- NSG Miles of Plastic – 1,087

NSG Number of Services Pipes: 144,304

Of the 165,307 meters in the NSG System:

- Number of Inside Meters: 10,898
- Number of Outside Meters: 154,409

NSG Miles of Transmission: 97

Table A - Inspections

PGL Inspections Requirements

Leakage Survey – Transmission			
Facility	PGL/Contractor	Minimum Required Frequency	Frequency PGL Objective
OUTSIDE CITY LIMITS	PGL	Annually, not to exceed 15 months	Annually, not to exceed 15 months
INSIDE CITY LIMITS	Contractor	Annually, not to exceed 15 months	4 times a year

Line Valve Inspections – Transmission			
Facility	PGL/Contractor	Minimum Required Frequency	Frequency PGL Objective
OUTSIDE CITY LIMITS			
Manlove	PGL	Annually, not to exceed 15 months	Annually, not to exceed 15 months
Mahomet, ANR, Elwood	PGL	Annually, not to exceed 15 months	2 times a year, not to exceed 15 months
INSIDE CITY LIMITS			
Mahomet, Interstation, Calumet, Crawford	PGL	Annually, not to exceed 15 months	Annually, not to exceed 15 months

Transmission System Patrolling

Maximum Intervals Between Patrols

Class Location	PGL/Contractor	Highway and Railroad Crossings	All Other Places
1, 2	Contractor	7-1/2 months; but at least twice each calendar year	15 months; but at least once each calendar year
3	Contractor	4-1/2 months; but at least four times each calendar year	7-1/2 months; but at least twice each calendar year
4	Contractor	4-1/2 months; but at least four times each calendar year	4-1/2 months; but at least four times each calendar year

Patrolling Responsibilities and Frequency of Patrols

Facility	PGL/Contractor	Minimum Required Frequency	Frequency PGL Objective
OUTSIDE CITY LIMITS			
Manlove Field Supply	PGL	1 or 2 times/year	26 times a year
Manlove Storage Field	PGL	1 or 2 times/year	2 times a year
Mahomet Pipeline System Manlove Field to 95th St.	PGL	1 or 2 times/year	26 times a year
95th St. to City Limits	PGL	1 or 2 times/year	52 times a year

Regulator Station Inspections			
Facility	PGL/Contractor	Minimum Required Frequency	Frequency PGL Objective
OUTSIDE CITY LIMITS			
Manlove Field	PGL	Annually, not to exceed 15 months	Annually, not to exceed 15 months
Midwestern Station			
Manhattan, ANR Joliet, ANR Sharp Road, Oakton, NBPL, Sharp Road Odorizing, Guardian, Alliance	PGL	Annually, not to exceed 15 months	2 times/year, not to exceed 15 months
INSIDE CITY LIMITS			
Crawford, 73rd Street, Medium Pressure, Calumet, O'Hare, 126th & Saginaw, 122nd & Hoxie, 112th & Avenue "F", 134th & Avenue "F", 138th & Brainard, 139th& Torrence	PGL	Annually, not exceeding 15 months	Annually, not exceeding 15 months

Vault Maintenance			
Facility	PGL/Contractor	Minimum Required Frequency	Frequency PGL Objective
Medium Pressure Regulator Vaults	PGL/Contractor	Annually, not to exceed 15 months	Annually, not to exceed 15 months

Odorization of Gas			
Location	PGL/Contractor	Minimum Required Frequency	Frequency PGL Objective
ANR East Joliet, Manhattan, Sharp Road, New Lenox	PGL	Periodic	Weekly

Distribution System

Leakage Survey Survey Group	PGL/Contractor	Minimum Required Frequency	Frequency PGL Objective
High Pressure	PGL	Not exceeding 15 months, but at least once each calendar year	Four times per year
Medium Pressure Outside of Loop	Contractor	Not exceeding 15 months, but at least once each calendar year	Not exceeding 15 months, but at least once each calendar year
Medium Pressure in Loop	Contractor	Not exceeding 15 months, but at least once each calendar year	3 times a year
Low Pressure Outside of Loop	Contractor	Not exceeding 15 months, but at least once each calendar year	Not exceeding 15 months, but at least once each calendar year
Low Pressure In Loop	Contractor	Not exceeding 15 months, but at least once each calendar year	3 times a year
Medium Pressure	Contractor	Not exceeding 15 months, but at least once each calendar year	Not exceeding 15 months, but at least once each calendar year

Distribution Mains in Residential Areas			
Survey Group	PGL/Contractor	Minimum Required Frequency	Frequency PGL Objective
High Pressure	PGL	Not exceeding 63 months, but at least every 5 calendar years	Four times per year
Medium Pressure	Contractor	Not exceeding 63 months, but at least every 5 calendar years	Annually for Cast & Ductile Iron Mains Not exceeding 63 months, but at least every 5 calendar years for Steel and Plastic Mains
Low Pressure	Contractor	Not exceeding 63 months, but at least every 5 calendar years	Not exceeding 63 months, but at least every 5 calendar years
Medium Pressure Station Piping		Not exceeding 63 months, but at least every 5 calendar years	Annually
Non-corrosion Protected Steel Main (per 192.465e)	Contractor	Not exceeding 39 months, but at least every 3 years	Annually

Service Lines Survey Group	PGL/Contractor	Minimum Required Frequency	Frequency PGL Objective
High Pressure >= 12" Outside	PGL	Not exceeding 15 months, but at least once each calendar year.	4 times per year.
Loop (Outside)	PGL	Not exceeding 15 months, but at least once each calendar year.	3 times a year
Loop (Inside)	PGL	Not exceeding 15 months, but at least once each calendar year.	Every 3 years, but not to exceed 51 months*
Cast and Ductile Iron Medium Pressure	Contractor	Not exceeding 15 months, but at least once each calendar year in Business Districts. Not exceeding 63 months, but at least every 5 calendar years in Residential.	Not exceeding 15 months, but at least once each calendar year in Business Districts. Annually in Residential
Business District			
Inside	PGL	Not exceeding 15 months, but at least once each calendar year.	Every 3 years, but not to exceed 51 months
Outside	Contractor	Not exceeding 15 months, but at least once each calendar year	Not exceeding 15 months, but at least once each calendar year.
Residential			
Inside	PGL	Not exceeding 63 months, but at least every 5 calendar years	Every 3 years, but not to exceed 51 months
Outside	Contractor	Not exceeding 63 months, but at least every 5 calendar years	Not exceeding 63 months, but at least every 5 calendar years
Noncorrosion protected metallic service pipe (in any survey group) (outside only)	Contractor	Not exceeding 39 months, but at least every 3 years	Not exceeding 39 months, but at least every 3 years

Distribution and Network Valve Inspections			
Valve	PGL	Minimum Required Frequency	Frequency PGL Objective
Distribution	PGL	Not exceeding 15 months, but at least once each calendar year.	15 months, but at least once each calendar year.
Network	PGL	Not exceeding 15 months, but at least once each calendar year.	Not exceeding 15 months, but at least once each calendar year.
Distribution System Patrolling			
Patrol		Minimum Required Frequency	Frequency PGL Objective
Routine	PGL	Operator Judgment	Daily in conjunction with "one call" activities and routine company construction and maintenance activities.
Tunnels[2]	PGL	Operator Judgment	See below
Bridges	PGL	4 times/year – not exceeding 4-1/2 months between patrols	4 times/year – not exceeding 4-1/2 months between patrols
Special locations	PGL	Operator Judgment	4 times/year

[2] **Every three years**: The internal exposed portion of the tunnel shaft, cover, exposed gas piping, and pipe coating will be visually inspected. The wall thickness of the gas main will be measured if accessible. Ladders, pumps, associated pump piping, and other pump related appurtenances will also be inspected.

Four times per year: The atmosphere will be tested to ensure that it is free of gas. The external tunnel cover and entry hatch will also be visually inspected to determine that it is adequately sealed, and that cover(s) and/or concrete pad is not hazardous. The water level is measured and recorded.

Service Regulator Inspections			
Service Regulator Class		Minimum Required Frequency	Frequency PGL Objective
Class I	PGL	Not covered	Leakage, operation & general condition once each year.
Class II	PGL	Not covered	Leakage, operation & general condition every fifth year.
Class III	PGL	Not covered	Leakage, operation & general condition whenever the meter is changed.

North Shore Gas (NSG) Inspections

Transmission Leakage Survey			
Facility	NSG/Contractor	Min Required Frequency	Required Frequency NSG Objectives
Grayslake Station By-Pass	NSG	7 1/2 months	4 times yearly
24" Buffalo Grove Pipeline	NSG	7 1/2 months	4 times yearly
10” ANR Pressure	NSG	7 1/2months	4 times yearly
Peterson Road Plant Piping	NSG	7 1/2months	4 times yearly
16" thru 30" High Pressure Distribution Mains	NSG	7 1/2 months	4 times yearly

Transmission Leak Survey	NSG/Contractor	Min Required Frequency	Frequency NSG Objectives
Facilities	NSG	7 1/2 months	4 times yearly
Class 3 Locations	Contractor	Not to exceed 7 1/2 months, twice per calendar year	Not to exceed 7 1/2 months, twice per calendar year
Class 4 Locations	Contractor	Not to exceed 4 1/2 months, four times per calendar year	Not to exceed 4 1/2 months, four times per calendar year
Transmission Line Valves	NSG/Contractor	Min Required Frequency	Frequency NSG Objectives
Facilities	NSG	15 months	Annually

Transmission Patrolling			
Location	NSG/Contractor	Railroad Crossings	Places
1, 2	Contractor	7-1/2 months; but at least twice each calendar year	15 months; but at least once each calendar year
3	Contractor	4-1/2 months; but at least four times each calendar year	7-1/2 months; but at least twice each calendar year
4	Contractor	4-1/2 months; but at least four times each calendar year	4-1/2 months; but at least four times calendar year
Facilities	Contractor	7 ½ months	4 times a year

Transmission Regulator Station			
Facility	NSG/Contractor	Min Required Frequency	Frequency NSG Objectives
Grayslake Station By-Pass	NSG	Annually	Annually
Buffalo Grove Station	NSG	Annually	Annually
Edwards Road Station	NSG	Annually	Annually
16" thru 30" High Pressure Main System	NSG	Annually	Annually
Vault Maintenance - 16" thru 30" High Pressure Main System	NSG	Annually	Annually

Transmission Vault Maintenance		
	NSG/Contractor	Occurrences
All	NSG	Vault housing regulating equipment having a volumetric internal content of 200 cubic feet or more must be inspected at intervals not exceeding 15 months but at least once each calendar year

Transmission Odorization of Gas		
	NSG/Contractor	Occurrences
Daily	NSG	Odorator tests are made daily during normal work days at North Shore Gas Company's Waukegan facility. Test results are logged and records retained.
Monthly	NSG	Every 4 weeks, 12 odorator tests are performed at specified field locations at the outer extremities of the territory. Three tests per week are taken at these locations over a 4 week period. Every 4 weeks the cycle repeats itself. Results are recorded and records retained.
Continuously	NSG	There is a sulfur chromatograph unit located at Natural Gas Pipeline's Tonne Road metering station, at North Shore Gas' Busse Road metering station and at its main office located in Waukegan. This chromatograph unit takes hourly samples to determine total organic sulfur. Results re-recorded hourly and monitored 24 hours a day by Gas Control.

Leakage Survey Distribution Mains In Business Districts			
Facility	NSG/Contractor	Minimum Req'd Frequency Per DOT	Frequency NSG Objectives
High Pressure	NSG	Annually	4 times Yr.
Intermediate Pressure	NSG	Annually	4 times Yr.
Medium Pressure	NSG	Annually	Annually
Peterson Road Plant Piping	NSG	Annually	4 times Yr.

Leakage Survey Distribution Mains In Residential Areas			
Facility	NSG/Contractor	Minimum Req'd Frequency Per DOT	Frequency NSG Objectives
High Pressure	NSG	Not exceeding 5 years	4 times Yr.
Intermediate Pressure	NSG	Not exceeding 5 years	4 times Yr.
Medium Pressure	NSG	Not exceeding 5 years	Not exceeding 5 years
Bare Steel Main	NSG	Not exceeding 5 years	Not exceeding 3 years

Leakage Survey Service Lines			
Facility	NSG/Contractor	Minimum Req'd Frequency Per DOT	Frequency NSG Objectives
Business District	NSG	Not exceeding	Not exceeding
Inside	NSG	15 months, but at least once each calendar year	15 months, but at least once each calendar year
Outside	NSG	Not exceeding 15 months, but at least once each calendar year	Not exceeding 15 months, but at least once each calendar year
Residential Outside	NSG	Not exceeding 5 years	Every 3 years
Non corrosion protected	NSG	Not exceeding 3 years	Not exceeding 3 years
Atmospheric Corrosion Control	NSG	Not exceeding 3 years	Not exceeding 3 years

Emergency Operating Valves			
Facility	NSG/Contractor	Minimum Req'd Frequency Per DOT	Frequency NSG Objectives
Emergency Operating Valves	NSG	Not exceeding 15 months but at least once each calendar year	Once each calendar year

Distribution System Patrolling			
Facility	NSG/Contractor	Minimum Req'd Frequency Per DOT	Frequency NSG Objectives
Routine	NSG	Operator Judgment	Daily in conjunction with "one call" activities and routine company construction and maintenance activities
Bridges	NSG	4 1/2 months	4 times per year

Regulator Station		
	NSG/Contractor	Occurrences
All	NSG	Each pressure limiting station, relief devices (except rupture discs) and pressure regulating station must be subjected at intervals not exceeding 15 months, but at least once each calendar year

Vault Maintenance		
	NSG/Contractor	Occurrences
All	NSG	Each vault housing regulating equipment having a volumetric internal content of 200 cubic feet or more must be inspected at intervals not exceeding 15 months but at least once each calendar year

High Pressure Distribution Service Regulator		
	NSG/Contractor	Occurrences
All	NSG	Each pressure regulating or limiting device, relief device (except rupture discs), automatic shutoff device, and associated equipment for individual service lines connected to the high pressure distribution system must be inspected must be inspected and tested at least once every 10 calendar years

Service Regulator Facility	NSG/Contractor	Per DOT	Objectives
Class I	NSG	Not Covered	Leakage, operation and general condition annually.
Class II	NSG	Not Covered	Leakage, operation and general every 5 years.
Class III	NSG	Not Covered	Leakage, operation and general condition whenever a meter is set or changed for age, cause or other reasons

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 performing such inspections, how workers are trained, how workers training is update to include changes in requirements, and how the work performed by the workers is supervised.

NSG-PGL Response:

The following represents the total number of qualified individuals in the covered tasks identified as of August 21, 2020:

Task	**PGL**	**NSG**
Abnormal Operating Conditions	875	87
Inside Safety Inspections (ISI)	854	87
Outside Leak Investigation/Classification	145	40
Inside/Outside Leak Investigation/Classification	171	53
Valve Inspection	171	47
Pressure Regulating & Relief Devices: Small/Residential	649	80

Individuals are trained via classroom/hands-on instruction and then must complete and successfully pass a written evaluation and practical evaluation(s) (where

applicable) on the above tasks to demonstrate and ensure their knowledge, skills and abilities for each task.

For the approved set of inspections tasks, North Shore and Peoples Gas spend approximately 130,000 hours per year.

Training content and testing materials are reviewed to ensure that they reflect changes to federal regulations, procedural changes, review of industry best practices, benchmarking, review of individual performances in the field, and program effectiveness. This review can lead to a change in training material, written evaluations and/or performance evaluations. Based on the level of impact, supervisors may be tasked with reviewing the changes with qualified individuals or individuals who potentially need additional formal education based on the changes identified.

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.

NSG-PGL Response:

The Compliance Monitoring Group ("CMG") is an internal auditing group for NSG-PGL. CMG is comprised of internal employees (5 employees) and contractors (currently 10 individuals). CMG conducts audits by direct observations while work is being conducted, and through field verifications after the completion of work, to determine if the results meet NSG-PGL's standards and procedures. CMG audits both employee activities and contractor activities. In 2019, 4,590 audits were performed at PGL and 409 at NSG. At PGL, there were 1,443 audits of contractors and 3,147 internal audits. At NSG, there were 89 audits of contractors and 320 internal audits.

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.

NSG-PGL Response:

NSG-PGL has third parties perform inspections on third party work. However, NSG-PGL audits, reviews and tracks third party performance and inspections.

The CMG described in the response to Information Request C uses a database to document and track all audits and inspections. The database uses checklists based on specific steps from PGL and NSG procedures. CMG audits a sample of various activities (see Table B for a description). Audit frequency of specific tasks is modified to reflect the risk of the task and to reflect recent deficiencies. In 2019, 4,590 audits were performed at PGL and 409 at NSG. At PGL, there were 1,443 audits of contractors and 3,147 internal audits. At NSG, there were 89 audits of contractors and 320 internal audits.

Timeliness of key field activities are monitored as part of PGL's and NSG's Pipeline Safety Management System ("PSMS"). The PSMS has identified standard metrics to monitor the timeliness of key field surveillance activities. These metrics are gathered and reviewed monthly, and non-compliances are reported to the ICC on a quarterly basis.

Table B – CMG Auditing Task

Field Services Activities

#	Job Task
1	Activate Gas Service
2	Cut-Off & Disconnect Gas Service
3	Changing Meters
4	Setting Meters
5	Removing Meters
6	Outside Leak Investigation
7	Inside Leak Investigation
8	Class I, II, and III Regulator Inspection
9	No Gas Poor Supply Investigation
10	Rotary Meter Inspection
11	Inside Safety Inspection

Distribution Activities

#	Job Task
1	Main & Service Installation
2	Excavation Activities
3	Gassing Mains, Gas Shutdown, Tapping Gas Main
4	Maintenance Work
5	Damage Prevention
6	Leak Survey & Patrolling
7	Valve Inspection
8	Leak Investigation
9	Main & Service Retirement

Corrosion Activities

#	Job Task
1	General Corrosion Control Activities – Distribution Department
2	MPCI (Measurement Procedure For Corrosion Inspection)
3	Thermite Weld Anode Install
4	Drive In Anode Install

Gas Operations Activities

#	Job Task
1	Vault Inspection
2	Pipeline Patrol
3	Pressure Regulator Inspection
4	Valve Inspection
5	Security Valve Inspection
6	Medium Pressure Regulator Inspection
7	Remote Operated Valve (ROV) Inspection

Meter Activities

#	Job Task
1	ERT Device Installation
2	Meter Reading

Field Verifications Activities

#	Job Task
1	Meter installation
2	Service Installation
	Main Installation
3	Valve Inspection
4	Facility Locating
5	Exposed Pipe Survey
6	Disconnect Non-Payment

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

NSG-PGL Response:

NSG-PGL's CMG uses an online records system to document and notify stakeholders of deficiencies observed during an audit. Deficiencies are prioritized as non-severe or severe, where severe requires immediate attention. Deficiencies are not considered resolved until reviewed by CMG. Deficiencies are not closed until corrective actions to address the immediate issue and actions to prevent recurrence (when required) are verified to be complete.

If a deficiency is determined to be systematic in nature, it is the responsibility of a Quality Assurance/Quality Control process leader to analyze any failed barriers, which include, but are not limited to, training methods, rules and procedures, or alarms and warnings to assist in identifying the root cause. Any significant gaps that are identified in this analysis should be communicated to the stakeholders or reported through the Pipeline Safety Near Miss and Unsafe ("NMUC") system.

The NMUC process allows any individual (contractor or employee) to identify a concern with pipeline safety or pipeline compliance. These reports can be made through multiple means, including email, website, or telephone and can be anonymous. All reports are investigated. Non-compliance identified through the NMUC process is reported to the ICC as part of the utilities' quarterly reporting.

In addition to the audits performed by the CMG and the NMUC process, non-compliance conditions are identified during a review of a variety of Key Performance Indicators ("KPIs"). These KPIs include approximately 17 standard indicators including,

for example: timeliness of in-service inspections, leak rechecks, leak surveys, and vault maintenance, among others.

As part of PGL's and NSG's PSMS, standard metrics have been developed to monitor the timeliness of field surveillance. These metrics are gathered and reviewed monthly and non-compliances are reported to the ICC on a quarterly basis. PGL and NSG's Pipeline Safety NMUC processes are also part of the PSMS.

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.

NSG-PGL Response:

NSG-PGL provides awareness education to contractors and the general public through the use of:

- Direct mail to
  - Contractors and excavators
  - Customers/affected public living in the area or along the transmission route
  - Teachers/students
- Corporate website
- Email newsletter
- Bill inserts
- Customer newsletter inserted into bills
- Social media posts
- Paid advertising; and
- Sponsorship of events with related themes

Further, NSG-PGL participate in community outreach events, workshops and provide sponsorships to improve public and customer awareness regarding natural gas safety.

In addition, NSG-PGL have regular communications with their contractors regarding safety awareness, NSG-PGL processes and procedures and expectations.

Attached as Exhibit 1 are examples of the types of communications sent to customers, the public and contractors.

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 uses (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.

NSG-PGL Response:

NSG-PGL recognize that third party hits and damage to the utilities' facilities or potential sewer cross bore issues (where there may be a hit of a sewer line by natural gas facilities) can create significant risk to customers, the public and utility workers. NSG-PGL maintain an Emergency Dispatch group to provide for rapid response to these incidents.

NSG-PGL maintain an Emergency Dispatch group to provide for rapid response to these incidents. If damage to utility facilities is suspected or occurs, customers and the public have the ability to call in these hits to utility facilities and possible sewer cross bores hits. For third party hits to utility facilities, NSG or PGL are contacted via telephone at via 811 or, 911 if the hit has created a life-threating emergency.

NSG-PGL provides ongoing education to their customers to call these numbers via our public education efforts as directed by our policies and procedures. As for

possible cross-bores events, customers are directed to call the Sewer Cross Bore hotline number, which goes directly into our Emergency Dispatch group. Our cross bore notification procedure is part of our policies and procedures. Our customers are educated about this number via monthly bill inserts and other targeted public outreach efforts.

For suspected natural gas leaks, customers are instructed to contract NSG and PGL by phone from a safe place, away from premise where the natural gas smell is occurring. This messaging occurs on NSG and PGL websites, bill messaging, period inserts and general advertising.

III. NSG-PGL'S RESPONSE TO QUESTIONS FOR ALL INTERESTED PARTIES

A. Please explain any changes that can be made to the Commission's rules and regulations to better ensure that electric and natural gas utility service is provided in a safe and/or reliable manner.

NSG-PGL Response:

NSG-PGL believe that the current structure of the Commission's oversight of NSG-PGL's safety programs are sufficient.

IV. CONCLUSION

NSG-PGL appreciate the opportunity provide Initial Comments in response to the Commission's NOI regarding electric and natural gas service safety and reliability. NSG-PGL look forward to continuing the discussion regarding these important issues.

Dated: September 15, 2020

Respectfully submitted,

NORTH SHORE GAS COMPANY
THE PEOPLES GAS LIGHT AND COKE COMPANY

By: /s/ Koby Bailey
An attorney for North Shore Gas and The Peoples Gas Light and Coke Company

Koby Bailey
Attorney - State Regulatory
North Shore Gas Company
The Peoples Gas Light and Coke Company 200 East Randolph Street
Chicago, Illinois 60601
Phone: (312) 240-4081
koby.bailey@wecenergygroup.com

Joe Wilson
Chris Skey
Anne McKeon
QUARLES & BRADY LLP
300 N. LaSalle Street, Suite 4000
Chicago, Illinois 60654
Phone: (312) 715-5000
joe.wilson@quarles.com
chris.skey@quarles.com
anne.mckeon@quarles.com