

Provided Pursuant to Sections 4-404 and 5-108 of the Public Utilities Act

March 24, 2014

Via Email and U.S. Mail

Darin R. Burk
Manager – Pipeline Safety
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, Illinois 62701

Re: Response to NOA #s 2014-A001-00024 and 2014-A001-00025
ICC Inspection # 2014-P-00033

Reference: Letter from DR Burk (ICC) to WS Evans (PGL) dated February 24, 2014

Dear Mr. Burk:

In the Reference, the Illinois Commerce Commission (ICC) issued Notice of Amendments (NOA) to The Peoples Gas Light and Coke Company (PGL). The NOAs resulted from an inspection conducted January 29-31, 2014 of the PGL Operations and Maintenance Manual.

The Reference identifies the following NOAs:

NOA # 2014-A001-00024

CFR §192.605 titled: **“Procedural manual for operations, maintenance, and emergencies”**, states in paragraph (a) **“General”**. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least one each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

With reference to the requirements included in **CFR §192.619** titled: **“Maximum allowable operating pressure- Steel or plastic pipelines”** states in paragraph (a) (3) No person may

operate a segment of steel or plastic pipeline at a pressure that exceeds a maximum allowable operating pressure determined under paragraph (c) or (d) of this section, or the lowest of the following: The highest actual operating pressure to which the segment was subjected during the 5 years preceding the applicable date in the second column. This pressure restriction applies unless the segment was tested according to the requirements in paragraph (a) (2) of this section after the applicable date in the third column or the segment was updated according to the requirements in subpart K of this part:

Pipeline Segment	Pressure date	Test date
-Onshore gathering line that first became subject to this part (other than §192.612) after April 13, 2006.	March 15, 2006, or date line becomes subject to this part whichever is later.	5 Years preceding applicable date in Second column.
-Onshore transmission line that was a gathering line not subject to this part before March 15, 2006.	July 1, 1976 July 1, 1970	July 1, 1971 July 1, 1965
Offshore gathering lines.		
All other pipelines.		

The O&M does not contain procedures or clearly define the method used to determine the MAOP for pipeline segments in existence prior to July 1, 1970. If the method outlined in 192.619(a)(3) was used to establish the MAOP of an existing pipeline segment, procedures would need to be included outlining that process for determination.

NOA # 2014-A001-00025

CFR §192.605 titled: “**Procedural manual for operations, maintenance, and emergencies**”, states in paragraph (a) "General". Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least one each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

With reference to the requirements included in **CFR §192.619** titled: “**Maximum allowable operating pressure- Steel or plastic pipelines**” states in paragraph (a) (4) No person may operate a segment of steel or plastic pipeline at a pressure that exceeds a maximum allowable operating pressure determined under paragraph (c) or (d) of this section, or the lowest of the following: The pressure determined by the operator to be the maximum safe pressure after considering the history of the segment, particularly known corrosion and the actual operating pressure.

The O&M does not contain procedures that clearly define the method used to determine the MAOP for existing pipeline segments. The procedures do not define a process for establishing the MAOP based on a safe pressure determined by the operator after considering the operating history and known corrosion.

The Reference further states:

A response to this notice is requested by March 26, 2014. If you are contesting this Notice, include a detailed written explanation and any necessary supporting documents with your response.

If you are not contesting this Notice, the written response must acknowledge that amended procedures will be provided to this office by May 26, 2014.

PGL is not contesting the NOAs and will submit its amended procedures by May 26, 2014.

Please contact me at your convenience if you have any questions regarding this matter.

Sincerely,



Thomas J. Webb
Compliance Manager
The Peoples Gas Light and Coke Company
North Shore Gas Company
312-240-4650