

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

June 30, 2014

*Via Email and U.S. Mail*

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

Re: Result of the extent of condition review of missing documentation on the condition of pipe  
NOPV #2014-V001-00010  
Inspection #2014-P-00040

Reference: 1. Letter from DR Burk (ICC) to WS Evans (NSG) dated February 27, 2014  
2. Letter from TJ Webb (NSG) to DR Burk (ICC) dated March 31, 2014

Dear Mr. Burk:

In Reference 1, the Illinois Commerce Commission (ICC) issued a Notice of Probable Violation (NOPV) to North Shore Gas Company (NSG). The Reference states:

During that audit, our Analysts observed the following probable violations with reference to Part 192 of the Federal Regulations for the transportation of Natural Gas.

**CFR §192.459** titled: **“External corrosion control: Examination of buried pipelines when exposed”**, “Whenever an operator has knowledge that any portion of a buried pipeline is exposed, the exposed portion must be examined for evidence of external corrosion if the pipe is bare, or if the coating is deteriorated. If external corrosion requiring remedial action under Sees. 192.483 through 192.489 is found, the operator shall investigate circumferentially and longitudinally beyond the exposed portion (by visual examination, indirect method, or both) to determine whether additional corrosion requiring remedial action exists in the vicinity of the exposed portion.”

Reference 1 further states:

On 7/22/2013, a Meade crew was abandoning a main on Cambridge Ct., in Highland Park, (W.R. 1204077). The crew did not document the condition or coating on the exposed portion of the main.

It is Staff's expectation when a buried pipe is exposed, the exposed portion will be examined for evidence of external corrosion if the pipe is bare, or if the coating is deteriorated, and this examination will be documented.

In Reference 2, NSG responded to this violation in part by stating:

An extent of condition review is in progress to determine if there were other occasions during calendar year of 2013 when NSG or contact personnel failed to document the condition of a line. NSG will submit to the ICC the result of the extent of condition review and additional corrective actions if required.

The following table summarized the results of the review.

	No of Condition of pipe not documented on the work ticket
Services	22
Mains	12

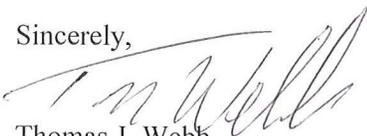
To assure that the condition of pipe is documented on the work ticket NSG has implemented the following actions:

1. Discussions were held with all personnel responsible for documenting the condition of mains and services and reviewing work orders. These discussions emphasized to the need to document the condition of exposed pipe.
2. Tailgates were held with all personnel responsible for documenting the condition of an exposed pipe or that review completed works orders on the procedural requirements to document the condition of the main.
3. Additional management personnel have been assigned to review all work tickets prior to as-building.

The NSG system is comprised of plastic and coated steel. Any damage, corrosion, graphitization or disbonded coating found while a line was exposed would have been repaired or corrosion control employee would have been notified. Therefore this non-compliance with procedures has minimal safety significance. Since any damage would have been replaced, recoated or rewrapped; re-examination of these lines would not provide any pertinent information.

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

Sincerely,



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