

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

March 31, 2014

Via Email and U.S. Mail

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

Re: Response to NOPV #2014-V001-00007
Inspection #2014-P-00040

Reference: Letter from DR Burk (ICC) to WS Evans (NSG) dated February 27, 2014

Dear Mr. Burk:

In the Reference, 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 §192.517 titled: “Records”, states in paragraph (b), Each operator must maintain a record of each test required by §§192.509, 192.511, and 192.513 for at least 5 years

With reference to the requirements included in **CFR §192.509** titled: “Test requirements for pipelines to operate below 100 psig” states, “Except for service lines and plastic pipelines, each segment of a pipeline that is to be operated below 100 psi (680 kPa) gage must be leak tested in accordance with the following:

- (a) The test procedure used must ensure discovery of all potentially hazardous leaks in the segment being tested.
- (b) Each main that is to be operated at less than 1 psi (6.9 kPa) gage must be tested to at least 10 psi (69 kPa) gage and each main to be operated at or above 1 psig must be tested to at least 90 psi (621 kPa) gage.”

The Reference further states:

At 3713 Atlantic Ave, Gurnee, Work Request 1231443- On 7/15/2013, a North Shore crew replaced a 2" valve on a 2 inch steel main. The crew installed (2) 1 1/8 service tees to use

as a bypass. They also installed a 2" S.A.V. valve, 2" valve, and a 2" weld insulator. Pressure test documentation only indicated a soap test was performed.

Staff is requiring North Shore Gas to review all locations where testing of pipe occurred in 2013, and report back to Staff their findings, along with corrective action(s).

To address this issue, the following actions have or will be taken.

1. An extent of condition review is in progress to determine if other pressure tests were not documented during the calendar year of 2013. NSG estimates this review will be completed by June 2, 2014.
2. NSG will submit to the ICC the results of the extent of condition review and a schedule to resolve the missing documented pressure tests no later than June 30, 2014.
3. The need to document pressure tests has been emphasized with employees at shop meetings.
4. A tailgate will be held with all personnel associated with the performance or review of activities that could require a pressure test. This tailgate will be completed by May 31, 2014.

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