

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-V001-00009
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 §192.603 titled: “**General Provisions**”, states in paragraph (b), Each operator shall keep records necessary to administer the procedures established under §192.605.

With reference to the requirements included in **CFR §192.743** titled: “**Pressure limiting and regulator stations: Capacity of relief**” states in paragraph (b), “If review and calculations are used to determine if a device has sufficient capacity, the calculated capacity must be compared with the rated or experimentally determined relieving capacity of the device for the conditions under which it operates. After the initial calculations, subsequent calculations need not be made if the annual review documents that parameters have not changed to cause the rated or experimentally determined relieving capacity to be insufficient.”

The Reference further states:

Records were not provided to indicate an annual review was conducted of the calculations to determine sufficient capacity for the relief devices.

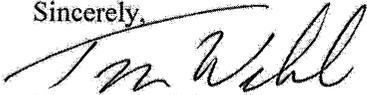
Staff is requiring North Shore Gas to perform and document the annual review of the calculations to determine sufficient capacity of the relief devices.

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

1. The calculation was reviewed as required by 49 CFR §192.743. The review found that existing settings of the relief device were adequate.
2. NSG "Safety Inspection Program" will be revised to clarify that the annual review of the calculation shall be performed. The "Safety Inspection Program will be revised by June 2, 2014
3. The requirement to perform the annual review was entered into a work management system to provide assurance the review will be performed annually.

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