

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

May 28, 2014

Via Email and U.S. Mail

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

Re: Revised Procedures in connection with NOA #s 2014-A001-00026, 2014-A001-00027,
2014-A001-00028
ICC 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 Notice of Amendments (NOA) to North Shore Gas Company (NSG). The NOAs resulted from a NSG records review conducted February 4-7, 2014.

The Reference identifies the following NOAs:

NOA # 2014-A001-00026

CFR §192.605 titled: **“Procedure 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 §192.613** titled: **“Continuing**

Surveillance" states in paragraph (a), "Each operator shall have a procedure for continuing surveillance of its facilities to determine and take appropriate action concerning changes in class location, failures, leakage history, corrosion, substantial changes in cathodic protection requirements, and other unusual operating and maintenance conditions."

Staff could not locate a procedure to review continuing surveillance records for class location changes, failures, leak history, corrosion, changes in cathodic protection and other unusual operating and maintenance conditions.

NOA # 2014-A001-00027

CFR §192.605 titled: "**Procedure Manual for Operations, Maintenance, and Emergencies**" states in paragraph (b), "Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(3) Making construction records, maps, and operating history available to appropriate operating personnel."

There were three instances where the delay in the As-Built process caused missed leak survey instances. As an example, facility# 30000011855, was coded as a Business Survey. The service was installed on 6/16/2011. The As-Built was posted to the FMDR system on 5/23/2013. The survey was completed on 10/18/2013. Two leak survey instances were missed as a result of the delay.

North Shore Gas must establish a procedure to require posting of as-built record updates in a timely manner to ensure that associated compliance inspection can be completed as required.

NOA # 2014-A001-00028

CFR §192.605 titled: "**Procedure Manual for Operations, Maintenance, and Emergencies**" states in paragraph (b), "Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and Subpart M of this part.

Staff was unable to locate a procedure for main cut-out and replacement on medium pressure pipelines.

In Reference 2, NSG responded to the ICC stating it did not contest the NOAs and acknowledging that the amended procedures will be provided to the ICC by May 28, 2014. The attachments to this letter contain the amended procedures.

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

Sincerely,

A handwritten signature in cursive script, appearing to read "Tom Webb".

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