



ILLINOIS COMMERCE COMMISSION

June 25, 2014

Mr. Willard Evans
President
Peoples Gas Light and Coke Company
200 E. Randolph Drive
Chicago, IL 60601

Re: Notice of Probable Violation (NOPV # 2014-V001-00037 – 2014-V016-00037)

Dear Mr. Evans:

A representative of the Illinois Commerce Commission Pipeline Safety Program ("Staff") conducted a record audit for the Peoples Gas Light and Coke Company ("Peoples Gas") on June 10 & 11, 2014 (Inspection # 2014-P-00275). During that audit, our Analyst observed the following probable violations with reference to Part 192 of the Federal Regulations for the transportation of Natural Gas. A Notice of Probable Violation ("NOPV") has been issued for the section of the Code of Federal Regulations ("CFR") cited, and were discussed with Charles Sikora on June 12, 2014.

Below is the applicable section of the CFR and the subsection language applicable to the violation. Following the CFR or subsection language is a description of the violation along with required corrective measures that must be taken to become compliant with the CFR.

CFR §192.465 titled: "**External corrosion control: Monitoring**" states in paragraph (a), "Each pipeline that is under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of §192.463. However, if tests at those intervals are impractical for separately protected short sections of mains or transmission line, not in excess of 100 feet (30 meters), or separately protected service line, these pipelines may be surveyed on a sampling basis. At least 10 percent of these protected structures, distributed over the entire system must be surveyed each calendar year, with a different 10 percent checked each subsequent year, so that the entire system is tested in each 10-year period."

Listed below are sixteen instances detailing the failure to meet the requirements as stipulated under 192.465 (a):

NOPV # 2014-V002-00037

A cathodic protection reading for the test station (SLOAN, W.E. #1) was obtained in July 2011 and July of 2013. During calendar year 2012 a reading was not obtained. Twenty-four months between obtaining cathodic protection readings exceeds the fifteen month requirement and the once per calendar year requirement.

NOPV # 2014-V003-00037

A cathodic protection reading for the test station (PRIMMER, R. #3) was obtained in July 2011 and July of 2013. During calendar year 2012 a reading was not obtained. Twenty-four months between obtaining cathodic protection readings exceeds the fifteen month requirement and the once per calendar year requirement.

NOPV # 2014-V004-00037

A cathodic protection reading for the test station (WEIHMEIR, C.G. #1) was obtained in July 2011 and July of 2013. During calendar year 2012 a reading was not obtained. Twenty-four months between obtaining cathodic protection readings exceeds the fifteen month requirement and the once per calendar year requirement.

NOPV # 2014-V005-00037

A cathodic protection reading for the test station (WISEGARVER, G. #3) was obtained in July 2011 and July of 2013. During calendar year 2012 a reading was not obtained. Twenty-four months between obtaining cathodic protection readings exceeds the fifteen month requirement and the once per calendar year requirement.

NOPV # 2014-V006-00037

A cathodic protection reading for the test station (STEDEM, F. #1) was obtained in July 2011 and July of 2013. During calendar year 2012 a reading was not obtained. Twenty-four months between obtaining cathodic protection readings exceeds the fifteen month requirement and the once per calendar year requirement.

NOPV # 2014-V007-00037

A cathodic protection reading for the test station (KRONER, L. #7) was obtained in July 2011 and July of 2013. During calendar year 2012 a reading was not obtained. Twenty-four months between obtaining cathodic protection readings exceeds the fifteen month requirement and the once per calendar year requirement.

NOPV # 2014-V008-00037

A cathodic protection reading for the test station (PONDER, V. #1) was obtained in July 2011 and July of 2013. During calendar year 2012 a reading was not obtained. Twenty-four months between obtaining cathodic protection readings exceeds the fifteen month requirement and the once per calendar year requirement.

NOPV # 2014-V009-00037

A cathodic protection reading for the test station (WILLIAMS, J. #1) was obtained in July 2011 and July of 2013. During calendar year 2012 a reading was not obtained. Twenty-four months between obtaining cathodic protection readings exceeds the fifteen month requirement and the once per calendar year requirement.

NOPV # 2014-V010-00037

A cathodic protection reading for the test station (JAMES, R. #2) was obtained in July 2011 and July of 2013. During calendar year 2012 a reading was not obtained. Twenty-four months between obtaining cathodic protection readings exceeds the fifteen month requirement and the once per calendar year requirement.

NOPV # 2014-V011-00037

A cathodic protection reading for the test station (JAMES, R. #1) was obtained in July 2011 and July of 2013. During calendar year 2012 a reading was not obtained. Twenty-four months between obtaining cathodic protection readings exceeds the fifteen month requirement and the once per calendar year requirement.

NOPV # 2014-V001-00037

A cathodic protection reading for the test station (FEE #1) was obtained in July 2011 and July of 2013. During calendar year 2012 a reading was not obtained. Twenty-four months between obtaining cathodic protection readings exceeds the fifteen month requirement and the once per calendar year requirement.

NOPV # 2014-V012-00037

A cathodic protection reading for the test station (ROHLFING, C. #1) was obtained in July 2011 and July of 2013. During calendar year 2012 a reading was not obtained. Twenty-four months between obtaining cathodic protection readings exceeds the fifteen month requirement and the once per calendar year requirement.

NOPV # 2014-V013-00037

A cathodic protection reading for the test station (HINTON, E. #1) was obtained in July 2011 and July of 2013. During calendar year 2012 a reading was not obtained. Twenty-four months between obtaining cathodic protection readings exceeds the fifteen month requirement and the once per calendar year requirement.

NOPV # 2014-V014-00037

A cathodic protection reading for the test station (HAZEN, F. #1) was obtained in July 2011 and July of 2013. During calendar year 2012 a reading was not obtained. Twenty-four months between obtaining cathodic protection readings exceeds the fifteen month requirement and the once per calendar year requirement.

NOPV # 2014-V015-00037

A cathodic protection reading for the test station (TURNER, D. #1) was obtained in July 2011 and July of 2013. During calendar year 2012 a reading was not obtained. Twenty-four months between obtaining cathodic protection readings exceeds the fifteen month requirement and the once per calendar year requirement.

NOPV # 2014-V016-00037

A cathodic protection reading for the test station (LYONS, B. #1) was obtained in July 2011 and July of 2013. During calendar year 2012 a reading was not obtained. Twenty-four months between obtaining cathodic protection readings exceeds the fifteen month requirement and the once per calendar year requirement.

To prevent a reoccurrence of failing to obtain cathodic protection readings once per calendar year not to exceed fifteen months, Peoples Gas must implement a tracking mechanism used to determine compliance related actions are completed within the specified timeframes. In addition, it is suggested that more than a single individual should be responsible for determining compliance action dates are met.

Upon receipt of the NOPV, Peoples Gas Light and Coke Company may submit to this office by July 25, 2014, in writing, evidence refuting the probable violation referenced in the NOPV. If evidence refuting the probable violation cannot be provided, you must submit a written plan of action outlining actions to be taken to correct the violation, including a schedule and the date when compliance is anticipated within 30 days from the date of this letter. The response should include the steps that Peoples Gas has taken, or expects to take to prevent a recurrence of this situation.

Once the inadequacies identified herein have been addressed, documentation confirming the corrective action must be forwarded to this office. Staff will review the documentation provided to determine compliance. Any correspondence must include the Inspection Report Number as well as the corresponding NOPV Number.

Failure to respond to this letter by the date specified above and take corrective actions will subject Peoples Gas to a penalty assessment as allowed under Section 7 of the Illinois Gas Pipeline Safety Act (220 ILCS 20/7).

Please be advised that pursuant to IL Adm. Code Part 596 of the Commission's Rules, all information regarding this inspection in possession of the Commission, including communications regarding this inspection will be made available to the public and posted on the Commission's website. Confidential and/or personal information including, but not limited to social security numbers, drivers license numbers, credit card numbers, debit card numbers, and medical records, etc. should be included in neither inspection documents nor correspondence with the Commission. Any person, as set forth in Section 596.20, who believes that any inspection information is confidential or proprietary shall request that the Commission enter an order to protect the confidential or proprietary information pursuant to 83 Ill. Adm. Code 200.430.

If you have any questions concerning this matter, please contact Matt Smith at (217) 720-0291, or I may be contacted at (217) 785-1165.

Sincerely,

A handwritten signature in black ink that reads "Darin R. Burk /mn". The signature is written in a cursive style with a large initial "D".

Darin R. Burk
Manager - Pipeline Safety

DRB/mn

Cc: Ms. Jodi Caro, VP Legal Services
Peoples Gas Light and Coke Company
200 E. Randolph Drive
Chicago, IL 60601