



ILLINOIS COMMERCE COMMISSION

September 22, 2014

Mr. John D. Kleczynski
President
Peoples Gas Light and Coke Company
200 E. Randolph St
Chicago, IL 60601

Re: Notice of Amendment (NOA # 2014-A001-00081)

Dear Mr. Kleczynski:

A representative of the Illinois Commerce Commission Pipeline Safety Program ("Staff") conducted a field inspection of the Peoples Gas Light and Coke Company ("PGL") on August 26, 2014, through August 28, 2014 (Inspection # 2014-P-000382). During the field inspection, Staff has established that a PGL's Procedure is inadequate.

Below is the applicable section of the Code of Federal Regulations ("CFR") and the subsection language applicable to the violation. In some instances, additional sections of the CFR are referenced to clarify the inadequacy identified. Following the CFR or subsection language is a description of each inadequacy.

NOA # 2014-A001-00081

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.

A Peoples Gas Distribution crew was performing a tie-in to an existing 2" black plastic main to a newly installed 2" PE main at the corner of Major and Higgins. The crew performed the shutdown of the existing pipeline with the use of two (2) PE squeeze tools. The end sections from both ends of the mains were then cut. Staff

questioned the crew regarding the procedure to ensure 100% shut off of the supply of gas prior to performing additional work. The crew stated they cover the end of the open section of main with their hand. If there is pressure against their hand when they remove their hand, there is not 100% shutoff. Staff asked if any leak detection instruments or other means are used, and the response was "No". Per Peoples Gas Distribution Department Order 0.120, Section III, Procedure, item 3, "Testing for Gas to Assure the Isolating Device is Functioning Before Work Begins", it states the responsible authorized employee shall test to assure the device(s) used to prevent the flow of gas into the work area is functioning properly.

After discussion with the Technical Training Center, personnel are not trained to use leak detection equipment, rather to use sight, sound, soap bubbles etc., to verify if gas has been shut off 100%. Staff interviewed the employee who was involved with the tie-in the following morning. When asked for clarification regarding the proper procedure, the employee stated they do use their sense of hearing along with the "glove test".

Staff is recommending the procedure be modified to clarify the correct methods to use to ensure when gas has been turned off, a 100% shut off can be verified.

This letter serves as notice of inadequate procedure. A written response to this notice is requested by October 22, 2014. If you are contesting this Notice, include a detailed written explanation and any necessary supporting documents with your response.

If you are not contesting this Notice, the written response must acknowledge that amended procedures will be provided to this office by December 22, 2014. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed. Each response must stipulate the corresponding NOA number.

Failure to respond to this Notice and take corrective action will result in the issuance of a Notice of Probable Violation and initiation of a Citation Order that will subject Peoples Gas Light and Coke Company 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 Steve Canestrini at (217) 299-7810, 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 slanted baseline.

Darin R. Burk
Manager- Pipeline Safety

DRB/mn

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