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October 20, 2014

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Illinois Commerce Commission
GAS PIPELINE SAFETY

Via Email and U.S. Mail

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

Re: NOA # 2014-A001-00081
ICC Inspection # 2014-P-000382

Reference: Letter from DR Burk (ICC) to JD Kleczynski (PGL) dated September 22, 2014

Dear Mr. Burk:

In Reference 1, the Illinois Commerce Commission (ICC) issued a Notice of Amendment (NOA) to The Peoples Gas Light and Coke Company (PGL). The NOA resulted from a field inspection conducted August 26-28, 2014.

The Reference identifies the following NOA:

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 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.

The Reference further states:

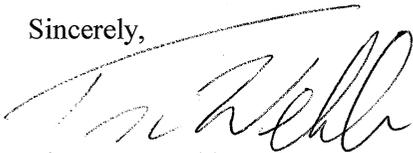
A written response to this notice is requested by October 22, 2014. If you are contesting this Notice, include a detailed written explanation and any necessary supporting documents with your response.

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.

PGL is not contesting the NOAs and will submit its amended procedures by December 22, 2014.

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

Sincerely,



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