

ILLINOIS COMMERCE COMMISSION

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October 29, 2014

Mr. Martin Daley  
GASCO VP  
Dynegy Kendall Energy, LLC  
5115 Pottsville Pike  
Reading, PA 19605

Re: Notice of Probable Violations (NOPV #'s 2014-V001-00057, 2014-V002-00057, 2014-V003-00057, 2014-V001-00058, 2014-V002-00058, and 2014-V003-00058)

Dear Mr. Daley:

A representative of the Illinois Commerce Commission Pipeline Safety Program ("Staff") conducted a record audit for the Dynegy Kendall Energy, LLC ("Dynegy Kendall") on September 24, 2014 (Inspection # 2014-P-00406). 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 sections of the Code of Federal Regulations ("CFR") cited, and were discussed with Todd Benninghoff on October 2, 2014.

Below is the applicable section of the 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 violation along with required corrective measures that must be taken to become compliant with the CFR.

**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 §192.615** titled: "**Emergency plans**" states in paragraph (b) (2), "Each operator shall: Train the appropriate operating personnel to assure that they are knowledgeable of the emergency procedures and verify that the training is effective."

Listed below are three instances detailing the failure to meet the requirements as stipulated under 192.615 (b) (2):

**NOPV # 2014-V001-00057**

Documentation was not provided that Dynegy Kendall Energy employees who are responsible for responding to an emergency were trained in 2011 to assure they are knowledgeable of the emergency procedures.

**NOPV # 2014-V002-00057**

Documentation was not provided that Dynegy Kendall Energy employees who are responsible for responding to an emergency were trained in 2012 to assure they are knowledgeable of the emergency procedures.

**NOPV # 2014-V003-00057**

Documentation was not provided that Dynegy Kendall Energy employees who are responsible for responding to an emergency were trained in 2013 to assure they are knowledgeable of the emergency procedures.

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 §192.615 titled: "*Emergency plans*" states in paragraph (c) (1)-(4), "Each operator shall establish and maintain liaison with appropriate fire, police, and other public officials to: Learn the responsibility and resources of each government organization that may respond to a gas pipeline emergency; Acquaint the officials with the operator's ability in responding to a gas pipeline emergency; Identify the types of gas pipeline emergencies of which the operator notifies the officials; and, Plan how the operator and officials can engage in mutual assistance to minimize hazards to life or property."

Listed below are three instances detailing the failure to meet the requirements as stipulated under 192.615 (c) (1)-(4):

**NOPV # 2014-V001-00058**

Documentation was not provided that liaison was established and maintained in 2011 with appropriate fire, police, and other public officials.

**NOPV # 2014-V003-00058**

Documentation was not provided that liaison was established and maintained in 2012 with appropriate fire, police, and other public officials.

Documentation was not provided that liaison was established and maintained in 2013 with appropriate fire, police, and other public officials.

Liaison meetings with appropriate fire, police, and other public officials must be conducted annually. The meetings must be documented and retained.

Upon receipt of the NOPV, Dynegy Kendall Energy, LLC may submit to this office by November 28, 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 by November 28, 2014. The response should include the steps that Dynegy Kendall 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 Dynegy Kendall 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,



Darin R. Burk  
Manager - Pipeline Safety

DRB/mn