



ILLINOIS COMMERCE COMMISSION

October 31, 2014

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

Re: Notice of Amendments (NOA #'s 2014-A001-00113 & 2014-A001-00114)

Dear Mr. Kleczynski:

A representative of the Illinois Commerce Commission Pipeline Safety Program ("Staff") conducted a review of Peoples Gas Light and Coke Company's ("PGL") Operations and Maintenance Manual ("O&M") for the Transmission System located outside the City of Chicago on October 2 and October 6-7, 2014 (Inspection # 2014-P-00424). The audit has established that PGL's O&M 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-A001-00113

CFR §192.605 titled: **"Procedural 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 § 192.619** titled: **"Maximum allowable operating pressure - Steel or plastic pipelines"** states in paragraph (a)(3), "No person may operate a segment of steel or plastic pipeline at a pressure that exceeds a maximum allowable operating pressure determined under paragraph (c) or (d) of this section, or the lowest of the following: The highest actual operating pressure

to which the segment was subjected during the 5 years preceding the applicable date in the second column. This pressure restriction applies unless the segment was tested according to the requirements in paragraph (a) (2) of this section after the applicable date in the third column or the segment was updated according to the requirements in subpart K of this part.”

Pipeline Segment	Pressure date	Test date
-Onshore gathering line that first became subject to this part (other than §192.612) after April 13, 2006.	March 15, 2006, or date line becomes subject to this part whichever is later.	5 Years preceding applicable date in Second column.
-Onshore transmission line that was a gathering line not subject to this part before March 15, 2006.		
Offshore gathering lines.	July 1, 1976	July 1, 1971
All other pipelines.	July 1, 1970	July 1, 1965

The O&M does not contain procedures or clearly define the method used to determine the MAOP for transmission pipelines in existence prior to July 1, 1970. If the method outlined in 192.619(a) (3) was used to establish the MAOP of an existing transmission pipeline, procedures would need to be included outlining the process for MAOP determination.

NOA # 2014-A001-00114

CFR §192.605 titled: **“Procedural 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 § 192.619** titled: **“Maximum allowable operating pressure - Steel or plastic pipelines”** states in paragraph (a)(4), “The pressure determined by the operator to be the maximum safe pressure after considering the history of the segment, particularly known corrosion and the actual operating pressure.”

The O&M does not contain procedures that clearly define the method used to determine the MAOP for existing transmission pipelines. The procedures do not define

a process for establishing the MAOP based on the safe pressure determined by the operator after considering the operating history and known corrosion.

This letter serves as notice of inadequate procedures. A written response to this notice is requested by December 1, 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 January 29, 2015. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed. Any correspondence must include the Inspection Report Number as well as 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 Aaron McElravy at (217) 299-5671, or I may be contacted at (217) 785-1165.

Sincerely,



Darin R. Burk
Manager - Pipeline Safety

DRB/mn