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Illinois Commerce Commission
GAS PIPELINE SAFETY

January 20, 2015

Via Email and U.S. Mail
Darin R. Burk
Manager – Pipeline Safety
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, Illinois 62701

Re: NOA #s 2014-A001-00115 and 2014-A001-00116
ICC Inspection # 2014-P-00425

Reference 1: Letter from DR Burk (ICC) to JD Kleczynski (PGL) dated October 31, 2014
Reference 2: Letter from TJ Webb (PGL) to DR Burk (ICC) dated December 1, 2014

Dear Mr. Burk:

In Reference 1, the Illinois Commerce Commission (ICC) issued Notice of Amendments (NOA) to The Peoples Gas Light and Coke Company (PGL). The NOA resulted from a review of PGL's Operations and Maintenance Manual (O&M) for the Manlove Storage facility on September 29-30 and October 1, 2014.

The Reference identifies the following NOAs:

NOA # 2014-A001-00116

CFR §192.605 titled: "Procedural manual for operations, maintenance, and emergencies" states in paragraph (b)(2), "Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations. Controlling corrosion in accordance with the operations and maintenance requirements of Subpart I of this part."

With reference to the requirements included in CFR §192.476 titled: "Internal corrosion control: Design and construction of transmission line." states in paragraph (a), "Design and construction. Except as provided in paragraph (b) of this section, each new transmission line and each replacement of line pipe, valve, fitting, or other line component in a transmission line must have features incorporated into its design and construction to reduce the risk of internal corrosion. At a minimum, unless it is impracticable or unnecessary to do so, each new transmission line or replacement of line pipe, valve, fitting, or other line component in a transmission line must:(1) Be configured to reduce the risk that liquids will collect in the line; (2) Have effective liquid removal features whenever the configuration would allow liquids to collect; and (3) Allow use of

devices for monitoring internal corrosion at locations with significant potential for internal corrosion."

The O&M does not contain design and construction requirements for addressing internal corrosion for new or replaced segments of transmission line pipe, valves, fittings or other components installed in the pipeline to reduce the risk of internal corrosion. Design requirements should be configured to reduce the liquid that is allowed to collect in the line, means for removing liquid, and monitoring identified locations based upon the highest potential for internal corrosion.

NOA # 2014-A001-00115

CFR §192.605 titled: "Procedural manual for operations, maintenance, and emergencies" states in paragraph (b)(2), "Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations. Controlling corrosion in accordance with the operations and maintenance requirements of Subpart I of this part."

With reference to the requirements included in CFR §192.476 titled: "Internal corrosion control: Design and construction of transmission line." states in paragraph (c), "Change to existing transmission line. When an operator changes the configuration of a transmission line, the operator must evaluate the impact of the change on internal corrosion risk to the downstream portion of an existing onshore transmission line and provide for removal of liquids and monitoring of internal corrosion as appropriate."

The O&M does not contain procedures for evaluating the impact of internal corrosion when changes are made to existing transmission pipelines. The procedures should include mitigating risk to downstream transmission pipelines by providing for removal of liquids and monitoring gas quality to ensure a corrosive environment does not exist.

In Reference 2, PGL responded to the ICC stating that it did not contest the NOA and that PGL would submit its amended procedures by January 29, 2015.

Attachment 1 contains Section 2.3.2 Corrosion Control of Exhibit XIV (Manlove Field) of the PGL Operating and Maintenance Manual. The revisions made to address the NOAs can be found on pages 2-29 and 2-30.

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

Nelson, Michelle

From: Webb, Thomas J <TJWebb@peoplesgasdelivery.com>
Sent: Tuesday, January 20, 2015 3:01 PM
To: Burk, Darin; Smith, Matt; McElravy, Aaron; Nelson, Michelle
Cc: Arroyo, Calixto; Carlson, Thomas D; @ Caro, Jodi; Doerk, Edward; Duffield, Todd L; Felicicchia, Joseph L; Findley, John M; Giesler, David D; Graham, Charles W; Hinton, Torrence L; Hurley, Sara; Jerome, Lauren A; Kleczynski, John D; Magnuson, Robert M; Mantilla, Wilson P; Maupin, Julie K; Millerick, Alison E; Morrow, William E; Mosar, Richard L; Neely, Dawn P; Puracchio, Thomas L; Roulo, Bradley W; Saigh, John R; Sandonato, Thomas P; Santiago, Juan F; Sikora, Charles R; Weber, Alan; Chan, Glannie A; Cuyler, Leah D; Kenny, Amy L; Mehta, Harsh B; Morrow, Eddie L; Smith, Kamara F; Aridas, Thomas; Eldringhoff, Polly M; Kinzle, Mark W; Lazzaro, David J
Subject: ICC_20150119_TO_NOA_2014-A001-00115 and 2014-A001-00116 Manlove Procedure Submittal
Attachments: ICC_20150120_TO_NOA_2014-A001-00115 and 2014-A001-00116 Manlove Procedure Submittal.pdf

Follow Up Flag: Follow up
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Dear Mr. Burk:

In a letter dated October 31,2014 the Illinois Commerce Commission (ICC) issued Notice of Amendments (NOAs) 2014-A001-00115 and 2014-A001-00116 to The Peoples Gas Light and Coke Company (PGL). PGL responded to the NOAs in a Letter dated December 1, 2014. In that letter PGL committed to providing the ICC the revised procedure no later than January 29, 2015. The attached letter provides the procedure.

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

Sincerely,

Tom Webb

Tom Webb
Compliance Manager
Peoples Gas Light and Coke Company
O: 312-240-4650
C: 920-246-2661