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Illinois Commerce Commission
SAFETY & RELIABILITY DIVISION

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-A001-00121, 2014-A001-00122, 2014-A001-00123
ICC Inspection # 2014-P-00429

Reference 1: Letter from DR Burk (ICC) to JD Kleczynski (NSG) dated November 3, 2014
Reference 2: Letter from TJ Webb (NSG) to DR Burk (ICC) dated December 3, 2014

Dear Mr. Burk:

In Reference 1, the Illinois Commerce Commission (ICC) issued three Notice of Amendments (NOA) to North Shore Gas Company (NSG). The NOAs resulted from a review of NSG's Transmission Integrity Management Plan (TIMP) on October 6-8 and 27-28, 2014.

The Reference identifies the following NOAs:

NOA # 2014-A001-00121

> CFR §192.927 titled: "What are the requirements for using Internal Corrosion Direct Assessment (ICDA)?" states in paragraph (c) (5) (ii), "The ICDA plan. An operator must develop and follow an ICDA plan that provides for pre- assessment, identification of ICDA regions and excavation locations, detailed examination of pipe at excavation locations, and post-assessment evaluation and monitoring. Other requirements. The ICDA plan must also include-- Provisions for applying more restrictive criteria when conducting ICDA for the first time on a covered segment and that become less stringent as the operator gains experience;"
>
> The Transmission Integrity Management Plan does not contain provisions for applying more restrictive criteria for pre-assessment and region identification when conducting ICDA for the first time on a covered segment.

NOA # 2014-A001-00122

CFR §192.911 titled: "What are the elements of an integrity management program?" states in paragraph (k), "An operator's initial integrity management program begins with a framework (see § 192.907) and evolves into a more detailed and comprehensive integrity management program, as information is gained and incorporated into the program. An operator must make continual improvements to its program. The initial program framework and subsequent program must, at minimum, contain the following elements. (When indicated, refer to ASME/ANSI B31.8S (incorporated by reference, see § 192.7) for more detailed information on the listed element.) A management of change process as outlined in ASME/ANSI B31.8S, section 11."

The Transmission Integrity Management Plan Section 16.3.5 states only "significant" changes affecting the written program will be maintained. ASME B31.8S-2004, Section 11 (a) specifically requires major or minor changes to be documented. Significant changes do not encompass minor changes that is required by the federal regulation.

NOA # 2014-A001-00123

CFR §192.921 titled: "How is the baseline assessment to be conducted?" states in paragraph (a) (4), "Assessment methods. An operator must assess the integrity of the line pipe in each covered segment by applying one or more of the following methods depending on the threats to which the covered segment is susceptible. An operator must select the method or methods best suited to address the threats identified to the covered segment (See§ 192.917). Other technology that an operator demonstrates can provide an equivalent understanding of the condition of the line pipe. An operator choosing this option must notify the Office of Pipeline Safety (OPS) 180 days before conducting the assessment, in accordance with §192.949. An operator must also notify a State or local pipeline safety authority when either a covered segment is located in a State where OPS has an interstate agent agreement, or an intrastate covered segment is regulated by that State."

Section 9.1.4 of the Integrys Pipeline Integrity Program for Gas Transmission Pipelines contains the requirement to notify PHMSA if "other technology" is used, but fails to mention that notification will be provided to the Illinois Commerce Commission.

In Reference 2, NSG responded to the ICC stating that it did not contest the NOAs and that NSG would submit its amended procedures by February 2, 2015.

Attachment 1 contains Section 10.4, Internal Corrosion Direct Assessment (ICDA), of the Gas Transmission Integrity Program, which addresses NOA #2014-A001-00121.

Attachment 2 contains Section 16.3.5, Documentation, of the Gas Transmission Integrity Program, which addresses NOA #2014-A001-00122.

Attachment 3 contains Section 9.1.4, Other Technology, of the Gas Transmission Integrity Program, which addresses NOA #2014-A001-00123.

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 3:13 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_20150120_TO_NOA_2014-A001-00121 - 2014-A001-00123 TIMP Plan Submittal NSG
Attachments: ICC_20150120_TO_NOA_2014-A001-00121 - 2014-A001-00123 TIMP Plan Submittal NSG.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Mr. Burk:

In a letter dated November 3, 2014 the Illinois Commerce Commission (ICC) issued three Notice of Amendments (NOA) to North Shore Gas (NSG). The NOAs resulted from a review of NSG's Transmission Integrity Management Plan (TIMP) on October 6-8 and 27-28, 2014. The attached letter provides the revised section of the TIMP as committed to in NSG's letter dated December 3, 2014.

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

From: Kenny, Amy L
Sent: Tuesday, January 20, 2015 2:23 PM
To: Webb, Thomas J
Subject: ICC_20150120_TO_NOA_2014-A001-00121 - 2014-A001-00123 TIMP Plan Submittal NSG

Amy Kenny
Operations Specialist | Compliance | Peoples Gas
312-240-4593