



ILLINOIS COMMERCE COMMISSION

November 18, 2014

Mr. Donald Claybaugh
Vice President, Midwest
NRG Wholesale Generation LP
235 Remington Blvd., Suite A
Bolingbrook, IL 60440

Re: Notice of Amendments (NOA #'s 2014-A001-00128 through 2014-A001-00132)

Dear Mr. Claybaugh:

A representative of the Illinois Commerce Commission Pipeline Safety Program ("Staff") conducted a review of the NRG Wholesale Generation LP ("NRG") Operation and Maintenance Manual ("O&M") on October 28-30, 2014 (Inspection # 2014-P-00456). The audit has established that NRG'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-A001-00129

CFR §192.13 titled: **"What general requirements apply to pipelines regulated under this part?"** states in paragraph (c), "Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part."

With reference to the requirements included in **CFR §192.325** titled: **"Underground clearance."** states in paragraph (a), "Each transmission line must be installed with at least 12 inches (305 millimeters) of clearance from any other underground structure not associated with the transmission line. If this clearance cannot be attained, the transmission line must be protected from damage that might result from the proximity of the other structure."

The O&M does not contain procedures for addressing underground clearance requirements associated with other underground structures in proximity of the pipeline. Sufficient clearance of underground structures must be maintained to allow for

maintenance on the pipeline. If clearance requirements cannot be met additional measures must be taken to protect the pipeline.

NOA # 2014-A001-00132

CFR §192.13 titled: **“What general requirements apply to pipelines regulated under this part?”** states in paragraph (c), “Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part.”

With reference to the requirements included in **CFR §192.327** titled: **“Cover.”** states in paragraph (a), “Except as provided in paragraphs (c), (e), (f), and (g) of this section, each buried transmission line must be installed with a minimum cover as follows:”

Location	Normal soil	Consolidated rock
	Inches (Millimeters)	
Class 1 locations	30 (762)	18 (457)
Class 2, 3, and 4 locations	36 (914)	24 (610)
Drainage ditches of public roads and railroad crossings	36 (914)	24 (610)

The O&M does not contain procedures detailing the minimum cover requirements for transmission pipelines in accordance with 192.327(a). Procedures must include the minimum cover requirements by location and soil conditions.

NOA # 2014-A001-00128

CFR §192.13 titled: **“What general requirements apply to pipelines regulated under this part?”** states in paragraph (c), “Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part.”

With reference to the requirements included in **CFR §192.505** titled: **“Strength test requirements for steel pipeline to operate at a hoop stress of 30 percent or more of SMYS.”** states in paragraph (c), “Except as provided in paragraph (e) of this section, the strength test must be conducted by maintaining the pressure at or above the test pressure for at least 8 hours.”

The O&M does not contain the minimum 8 hour strength test duration for pipelines operating above 30% SMYS.

CFR §192.13 titled: **“What general requirements apply to pipelines regulated under this part?”** states in paragraph (c), “Each operator shall maintain, modify as appropriate, and follow the plans, procedures, and programs that it is required to establish under this part.”

With reference to the requirements included in **CFR §192.505** titled: **“Strength test requirements for steel pipeline to operate at a hoop stress of 30 percent or more of SMYS.”** states in paragraph (e), “For fabricated units and short sections of pipe, for which a post installation test is impractical, a pre-installation strength test must be conducted by maintaining the pressure for at least 4 hours.”

The O&M does not contain the minimum 4 hour strength test for fabricated units or short sections of pipe in which post installation tests are impractical. This exception is allowed under 192.505(c), if this minimum requirements is not used, procedures would need to detail the minimum requirements for testing of these facilities.

NOA # 2014-A001-00130

IL ADM. CODE. Title 83: Part 265, Subpart B, Section 265.100 “Reporting of Suspected Violations” states in paragraph (b), “Except for suspected violations that occur within the boundaries of a municipality of at least one million persons that operates its own underground facility notice system, facilities operators shall report suspected violations of the Act in the following circumstances: (1) An underground natural gas utility facilities operator shall report suspected violations when any gas main is damaged causing a gas leak; (2) An underground telecommunications utility facilities operator shall report suspected violations if the damage causes an outage to a provider of an emergency telephone system (i.e., a 9-1-1 system); (3) An underground utility facilities operator shall report a suspected violation if the occurrence results in a fatality or in personal injuries requiring hospitalization.”

The O&M does not contain procedures for reporting third party damage to the transmission main if a release occurs to ICC JULIE Enforcement. Additional information regarding how to report a violation of the Underground Utility Facilities Damage Prevention Act can be obtained at www.icc.illinois.gov/julie/. The website includes the report forms, contact information and on-line submission instructions.

This letter serves as notice of inadequate procedures. A written response to this notice is requested by December 18, 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 February 16, 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 NRG Wholesale Generation LP 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