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**ILLINOIS COMMERCE COMMISSION**

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January 21, 2015

Mr. John Kleczynski  
President  
North Shore Gas Company  
200 E. Randolph St  
Chicago, IL, 60601

Re: Notice of Amendment (NOA # 2014-A001-00156)

Dear Mr. Kleczynski:

A representative of the Illinois Commerce Commission Pipeline Safety Program ("Staff") conducted a review of excavation damage sustained on September 23, 2014, by a third party contractor on what is considered a critical line of the North Shore Gas Company ("NSG"), near the intersection of Peterson and Harris Roads, in Libertyville, IL (Inspection # 2014-P-00492). As a result of the review, Staff has established that NSG's O&M plan is inadequate.

Below is the applicable section of the Code of Federal Regulations ("CFR") and the subsection language applicable to the violation. Following the CFR or subsection language is a description of each inadequacy.

**NOA # 2014-A001-00156**

**CFR §192.605** titled: "**Procedure manual for operations, maintenance, and emergencies**" states in paragraph (b) (1), 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. Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and subpart M of this part.

Staff requested NSG perform a root cause analysis, as it pertained to "Watch & Protect" activities near critical facilities as a result of the excavation damage caused on September 23, 2014, by a third party contractor. NSG provided the analysis. In the analysis it identified in their current process, the responsibility to inform the company of excavation near a critical facility was placed with the excavator performing the work. NSG has now revised this process to place this responsibility on the person performing the locating activities.

In addition, Staff reviewed NSG's General Order 2.070, titled "Procedures and Policies for the Prevention of Damage to Underground Gas Company Facilities." Staff is finding this procedure, under Section IV Damage Prevention, part D, Proposed Excavation Near Critical Facilities to be deficient. This section does not contain sufficient information to provide personnel with the basic information necessary to perform the task. NSG must review this procedure, and update the procedure to include the necessary information required to perform the tasks.

This letter serves as notice of inadequate procedures. A written response to this notice is requested by February 20, 2015. 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 April 21, 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 North Shore Gas 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 me at (217) 785-1165.

Sincerely,



Darin R. Burk  
Manager - Pipeline Safety

cc: Jodi Caro, VP Legal Services  
North Shore Gas Company  
200 E. Randolph Drive  
Chicago, Illinois 60601