

Provided Pursuant to Sections 4-404 and 5-108 of the Public Utilities Act

February 18, 2015

Via Email and U.S. Mail

Darin R. Burk
Manager – Pipeline Safety
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, Illinois 62701

Re: Response to NOA # 2014-A001-00156
ICC Inspection # 2014-P-00492

Reference: Letter from DR Burk (ICC) to JD Kleczynski (NSG) dated January 21, 2015

Dear Mr. Burk:

In the Reference, the Illinois Commerce Commission (ICC) issued a Notice of Amendment (NOA) to North Shore Gas Company (NSG). The NOA resulted from a review of excavation damage sustained on September 23, 2014, by a third party contractor on what is considered a critical line of NSG, near the intersection of Peterson and Harris Roads in Libertyville, Illinois.

The Reference identifies the following NOAs:

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.

The Reference further states:

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.

NSG is not contesting the NOA and will provide the amended procedure to the ICC by April 21, 2015.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Tom Webb', written over a horizontal line.

Thomas J. Webb
Compliance Manager
The Peoples Gas Light and Coke Company
North Shore Gas Company
312-240-4650