

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

April 21, 2015

Via Email

Matthew T. Smith  
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  
Letter from TJ Webb (PGL) to DR Burk (ICC) dated February 18, 2015

Dear Mr. Smith:

In Reference 1, 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 NOA:

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.

In Reference 2, NSG responded to the ICC stating that it did not contest the NOA and will provide the amended procedure to the ICC by April 21, 2015.

Attachment 1 contains Administrative Directive 3.402 – Watch and Protect Critical Facilities.

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

Sincerely,

A handwritten signature in black ink, appearing to read "T. 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

## Nelson, Michelle

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**From:** Chan, Glannie A <GACHan@peoplesgasdelivery.com>  
**Sent:** Tuesday, April 21, 2015 1:11 PM  
**To:** Smith, Matt; McElravy, Aaron; Nelson, Michelle; Hecker, Kevin  
**Cc:** PGL Gas Compliance; Kleczynski, John D; Saigh, John R; Weber, Alan; Hinton, Torrence L; Kinzle, Mark W; Lazzaro, David J; Magnuson, Robert M; Carlson, Thomas D; Monnette, Justin M  
**Subject:** FW: ICC\_20150421\_TO\_NOA\_2014\_A001-00156 Excavation Damage NSG Procedure Submittal  
**Attachments:** ICC\_20150421\_TO\_NOA\_2014\_A001-00156 Excavation Damage NSG Procedure Submittal.pdf  
**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Dear Mr. Smith:

In a letter dated January 21, 2015, the Illinois Commerce Commission (ICC) issued a Notice of Amendment (NOA #2014-A001-00156) 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.

NSG responded in a letter dated February 18, 2015, committing to supply the ICC with the revised procedure no later than April 21, 2015. The attached letter provides the procedure.

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

Sincerely,

**Glannie Chan on behalf of Tom Webb**  
Supervisory Engineer | Gas Compliance | Peoples Gas

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