



ILLINOIS COMMERCE COMMISSION

January 23, 2015

Mr. Martin Daley
GASCO VP
Dynergy Kendall Energy, LLC
5115 Pottsville Pike
Reading, PA 19605

Re: Notice of Amendment (NOA # 2015-A001-00001)

Dear Mr. Daley:

A representative of the Illinois Commerce Commission Pipeline Safety Program ("Staff") conducted a review of the Dynergy Kendall Energy, LLC's ("Dynergy Kendall") Operations and Maintenance Manual ("O&M") on January 20, 2015 (Inspection # 2015-P-00012). The audit has established that Dynergy Kendall'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 # 2015-A001-00001

CFR §192.605 titled: ***"Procedural manual for operations, maintenance, and emergencies"*** states in paragraph (a), "Each operator shall include the following in its operating and maintenance plan: General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least one each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted."

With reference to the requirements included in **CFR §192.615** titled: ***"Emergency Plans"*** states in paragraph (b) (2), "Each operator shall: Train the appropriate operating personnel to assure that they are knowledgeable of the emergency procedures and verify that the training is effective."

A review of the Operations and Maintenance ("O&M") Manual for Dynegy Kendall did not indicate a time requirement for emergency training.

Additionally, the Pipeline and Hazardous Materials Safety Administration ("PHMSA") offers examples of probable violations or inadequate procedures in published guidance material instructing that a regulating agency, such as the ICC Pipeline Safety Program, may consider it a violation or an inadequate procedure if an operator has not established a written, continuing training program. PHMSA does not consider the emergency training a one-time program, but the operator must continue training their emergency personnel.

This letter serves as notice of an inadequate procedure. A written response to this notice is requested by February 23, 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 23, 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 Dynegy Kendall Energy, LLC 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 Matt Smith at (217) 720-0291 or I may be contacted at (217) 785-1165.

Sincerely,



Darin R. Burk
Manager- Pipeline Safety

DRB/mn