STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

Issued and Deposited in U.S. Mail on April 21, 2015

Notice of Probable Violation of Gas Pipeline Safety Act
NOPV # 2015-V001-00003

Ms. Carolyne Wass
Vice President
University Park Energy, LLC
1700 Broadway, 35th Floor
New York, NY 10019

Re: Notice of Probable Violation (NOPV # 2015-V001-00003)

Dear Ms. Wass:

The Illinois Commerce Commission ("Commission") Pipeline Safety Program is charged by law with enforcing the Illinois Gas Pipeline Safety Act (220 ILCS 20/1, *et seq.*) ("Gas Act") and associated federal and state safety regulations. The Commission is also authorized to impose monetary penalties on gas pipeline operators which fail to comply with the Act and implementing regulations. (220 ILCS 20/7). The Pipeline Safety Program is authorized to issue Notices of Probable Violation ("NOPVs") in such cases and also to recommend a penalty based on the NOPV. Based upon the results of a Record Audit on March 11 & 12, 2015 (Inspection # 2015-P-00074), conducted by a Commission Gas Pipeline Safety Analyst, the Pipeline Safety Program has determined that a NOPV should be issued against University Park Energy, LLC ("University Park"), as more fully set forth below.

Description of violation alleged

49 CFR §192.615 (c) titled: "Emergency Plans" states in paragraph (c),

"Each operator shall establish and maintain liaison with appropriate fire, police, and other public officials to: Learn the responsibility and resources of each government organization that may respond to a gas pipeline emergency; Acquaint the officials with the operator's ability in responding to a gas pipeline emergency; Identify the types of gas pipeline emergencies of which the operator notifies the officials; and, Plan how the operator and officials can engage in mutual assistance to minimize hazards to life or property."

Description of the circumstances that supported the determination of the proposed violation

On May 8, 2013, Staff conducted an audit of University Park's Public Awareness program and records, including 2012 compliance records, to determine compliance with applicable Ill. Adm. Codes and the Code of Federal Regulations adopted via Ill. Adm. Part 590. Staff issued a NOPV (2013-V1-00016) for failing to provide documentation indicating that the liaison meetings were conducted in 2012.

On June 10, 2013, Staff received a NOPV response letter from University Park indicating that University Park would conduct the liaison meetings with the following representatives: University Park Police Department, University Park Fire Department, Will County Sheriff's Office, Will County Emergency Response Agency, and the Illinois State Police. The response further stated that the liaison meetings will be conducted annually and to prevent a recurrence, Mr. Jack Jackson, University Park's Compliance Manager, had been assigned the responsibility to hold the meetings. In addition, an entry corresponding to these meetings will be included in University Park's Maintenance Management system.

On March 11 & 12, 2015, Pipeline Safety Staff conducted a Record Audit of University Park's compliance records to determine compliance with applicable Ill. Adm. Codes and the Code of Federal Regulations adopted via Ill. Adm. Part 590. University Park failed to provide documentation that liaison meetings were conducted with the appropriate fire, police, and other public officials in 2014, in accordance with 49 CFR 192.615 (c) and University Park's Operations and Maintenance Manual ("O&M") Section 9, titled "Emergency Plan", subsection 9.16 titled "Liaison with Public Officials". A NOPV was issued for failure to conduct a liaison meeting for 2014.

Based on the inspection history noted above, Staff has determined that University Park failed to conduct and properly document a liaison meeting with the appropriate officials in 2012. In 2013, a liaison meeting was documented as conducted, but in 2014, a liaison meeting was not conducted and documented.

Description of the corrective action required with respect to each proposed violation

University Park must:

- Ensure that liaison meetings occur with all appropriate officials as determined by University Park within the required time limitations as defined in University Park's O&M.
- Each meeting must be documented as defined in the O&M and the records must be retained for auditing purposes by the Pipeline Safety Program.

Amount of penalty recommended

I am recommending that University Park **pay a civil penalty of $1,500.00**. University Park has the option to agree to the proposed penalty, propose an alternative penalty, or reject the recommended penalty. University Park's decision regarding the proposed penalty must be communicated in the response letter as noted below.

Applicable deadline for payment of each proposed penalty and for completion of each proposed corrective action

University Park must, if it elects to accept the recommended penalty, make payment by May 21, 2015. This recommended deadline may be extended by mutual agreement of the parties for the purpose of facilitating settlement or compromise. If University Park elects to pay the penalty, it must also submit by May 21, 2015, a written plan outlining actions to be taken to correct the violation, including a schedule and the date by when compliance is anticipated. The written plan must identify the steps that University Park has taken, or expects to take, to prevent a recurrence of this situation.

Once the violation identified herein has been addressed as described above, documentation confirming the corrective action must be forwarded to this office. Staff will review the documentation provided to determine compliance. Any correspondence must include the Inspection Report Number as well as the corresponding NOPV Number.

Procedures by which any recommended penalty or proposed corrective action may be challenged

Upon receipt of this NOPV, University Park may by May 21, 2015, elect to respond in the manner described above, may propose an alternative penalty or may submit to this office in writing, evidence refuting the probable violation referenced in the NOPV.

Procedures by which any proposed or modified penalty or proposed or modified corrective action may be approved by the Commission

University Park's response to this NOPV will determine the next course of action. If University Park agrees to the proposed penalty and provides an adequate plan to correct the violation and preclude future occurrences, a report shall be submitted by the Pipeline Safety Program to the Commission to obtain Commission approval of the penalty as required by Section 7 of the Gas Act (220 ILCS 20/7).

If University Park proposes an alternative penalty, written correspondence will be provided to University Park either: accepting the alternative penalty, proposing an alternative penalty, or informing University Park that an agreement cannot be reached. If the alternative penalty is accepted, a report shall be submitted by the Pipeline Safety

Program to the Commission to determine the adequacy of the penalty and to obtain a Commission ruling as allowed under Section 7 of the Gas Act.

If University Park refutes the violation in part, and proposes an alternative violation and penalty, or refutes the violation entirely, the Pipeline Safety Program may engage in written negotiation with University Park to reach an agreement which is satisfactory to both the Pipeline Safety Program and University Park regarding the penalty and the violation.

If agreement regarding the proposed penalty or corrective actions cannot be reached, a report shall be submitted to the Commission recommending a citation proceeding be initiated, resulting in show cause hearings and possible penalty assessment determined by a Commission ruling as allowed under Section 7 of the Gas Act.

Failure to respond to this letter by the date specified above accepting the penalty and taking corrective actions, proposing an alternative penalty or refuting the violation either in whole or in part, will result in a report being submitted to the Commission recommending a citation proceeding be initiated, resulting in show cause hearings and possible penalty assessment determined by a Commission ruling as allowed under Section 7 of the Gas Act.

Please be advised that pursuant to 83 Ill. Adm. Code Part 596, 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, driver's 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 confidential or proprietary information pursuant to 83 Ill. Adm. Code 200.430.

If you have any questions concerning this matter, I may be contacted at (217) 785-1165.

Sincerely,

Matthew T. Smith

Matthew T. Smith
Interim Program Manager - Pipeline Safety

April 21, 2015
April 21, 2015

MTS/mn