



ILLINOIS COMMERCE COMMISSION

CERTIFIED MAIL

October 8, 2015

Mr. Ron Pate
Vice President Operations & Technical Services
Ameren Illinois
370 S. Main
Decatur, Illinois 62523

Re: Notice of Amendment (NOA # 2015-A001-00087)

Dear Mr. Pate:

A Representative of the Illinois Commerce Commission Pipeline Safety Program ("Staff") conducted a review of the Ameren Illinois ("Ameren") Operation and Maintenance Plan ("O&M") after conducting reviews of the occurrences that led up to and including the gas outage that occurred in Chatham, Illinois, on June 15, 2015. On June 16 and 23, 2015, Staff met with Ameren officials at the Ameren Training Center to determine the cause of the outage and to review Ameren's findings as of that date (Inspection # 2015-P-00345). The audit has established that Ameren'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. Following the CFR or subsection language is a description of the inadequacy.

NOA # 2015-A001-00087

CFR §192.605 titled: ***"Procedural 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 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."

On June 16th and the 23rd, Staff met with Ameren to review the findings of the natural gas outage ("Outage") that occurred in Chatham, Illinois ("Chatham") on June 15, 2015. In total, approximately 1,960 customers were affected due to the outage that

occurred after an Ameren crew cut off gas supply to the west side of Chatham. The outage occurred due to multiple cut offs that were completed after the recent coupled steel main replacement project on the west side of Chatham. Preliminary reviews indicate the cut off conducted on June 15, 2015, was the sole supply point for the west side of Chatham.

Due to the outage, Staff reviewed procedures currently in place at Ameren for conducting a squeeze off on plastic piping and the requirements for monitoring system pressure while conducting a cut off or squeeze off. Staff established, currently there is no requirement in the squeeze off section defined in POLY 2.02 that requires the use of gauges to monitor system pressure while conducting a squeeze off. Staff established there was no reference in POLY 2.02 to the applicable procedure located in PRES 2.03 "Pressure Monitoring for Potential Overpressure or Service Interruption" which requires personnel to monitor system pressure when conducting a squeeze off on systems that depend upon a two way feed to supply the system. It was established that Ameren Gas Engineering was not consulted prior to conducting the cut off on June 15th to determine how this system change may affect gas flows or to establish if a potential for loss of supply was possible. Currently, there is no requirement for Gas Engineering to be notified prior to a crew conducting a cut off or tie in after completion of the design phase of a project. When multiple cut offs are required in a system, Gas Engineering should be required to provide crews and or inspectors with a sequence for which the work should be conducted. Ameren is requested to establish a requirement indicating that Gas Engineering shall be consulted prior to conducting a squeeze off or cut off to ensure the action will not affect system supply.

Due to the events that appear to have resulted in the outage in Chatham, Staff requests that Ameren conduct a Root Cause Analysis of the actions leading up to and including the cut off that resulted in the outage and review the associated procedures that are currently in affect. The findings of the Root Cause Analysis shall be provided to the Pipeline Safety Program of the Illinois Commerce Commission upon completion of the review.

This letter serves as notice of an inadequate procedure. A written response to this notice is requested by November 9, 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 January 6, 2016. 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 Ameren Illinois 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, driver's license numbers, credit card numbers, debit card numbers, and medical records, etc. **should not** be included in any documents, reports or correspondence submitted to 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 James Watts at (217)-414-9609 or I may be contacted at (217) 785-1165.

Sincerely,

A handwritten signature in black ink that reads "Matthew T. Smith" followed by a stylized flourish that appears to be "fmn".

Matthew T. Smith
Interim Program Manager- Pipeline Safety

MTS/mn

