



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue SE
Washington DC 20590

2022 Gas State Program Evaluation

for

ILLINOIS COMMERCE COMMISSION

Document Legend

PART:

- O -- Representative, Dates and Title Information
- A -- Progress Report and Program Documentation Review
- B -- Program Inspection Procedures
- C -- State Qualifications
- D -- Program Performance
- E -- Field Inspections
- F -- Damage prevention and Annual report analysis
- G -- Interstate Agent/Agreement States



2022 Gas State Program Evaluation -- CY 2022

Gas

State Agency: Illinois

Agency Status:

Date of Visit: 07/26/2023 - 07/30/2023

Agency Representative: Matthew T. Smith, Assistant Director, Safety & Reliability Division, Illinois Commerce Commission

PHMSA Representative: Agustin Lopez, State Evaluator, PHMSA

Commission Chairman to whom follow up letter is to be sent:

Name/Title: Doug P. Scott, Chairman

Agency: Illinois Commerce Commission

Address: 527 East Capitol Avenue

City/State/Zip: Springfield, IL 62701

Rating:

60105(a): Yes **60106(a):** No **Interstate Agent:** No

INSTRUCTIONS:

Complete this evaluation in accordance with the Evaluator Guidance for conducting state pipeline safety program evaluations. The evaluation should generally reflect state program performance during CY 2022 (not the status of performance at the time of the evaluation). A deficiency in any one part of a multiple-part question should be scored as "Needs Improvement." Determine the answer to the question then select the appropriate point value. If a state receives less than the maximum points, include a brief explanation in the appropriate notes/comments section. If a question is not applicable to a state, select NA. Please ensure all responses are COMPLETE and ACCURATE, and they OBJECTIVELY reflect the state's program performance for the question being evaluated. Increasing emphasis is being placed on how the state pipeline safety programs conduct and execute their pipeline safety responsibilities (their performance). This evaluation, together with selected factors reported in the state's annual progress report attachments, provide the basis for determining the state's pipeline safety grant allocation.

Scoring Summary

PARTS

Possible Points Points Scored

- A Progress Report and Program Documentation Review
- B Program Inspection Procedures
- C State Qualifications
- D Program Performance
- E Field Inspections
- F Damage prevention and Annual report analysis
- G Interstate Agent/Agreement States

0
15
10
50
15
10
0

0
15
10
45
15
10
0

TOTALS

100 95

State Rating **95.0**

PART A - Progress Report and Program Documentation Review

Points(MAX) Score

- 1 Were the following Progress Report Items accurate? (*items not scored on progress report) Info Only Info Only
- Info Only = No Points
- a. Stats On Operators Data - Progress Report Attachment 1
 - b. State Inspection Activity Data - Progress Report Attachment 2
 - c. List of Operators Data - Progress Report Attachment 3*
 - d. Incidents/Accidents Data - Progress Report Attachment 4*
 - e. Stats of Compliance Actions Data - Progress Report Attachment 5*
 - f. List of Records Kept Data - Progress Report Attachment 6 *
 - g. Staff and TQ Training Data - Progress Report Attachment 7
 - h. Compliance with Federal Regulations Data - Progress Report Attachment 8
 - i. Performance and Damage Prevention Question Data - Progress Report Attachment 10*

Evaluator Notes:

- a. Verified operators with PDM and ICC data. Although the ICC reports LNG days in Attachment 2, Attachment 1 does not show LNG inspections due to not being a full inspection. Since only field and records were reviewed in 2022 it is not considered a complete inspection.
- b. Verified inspections days with ICC data. Only issue was not meeting 20% of construction time requirement.
- c. Verified operators with PDM and annual reports.
- d. Had one reportable incident which was investigated.
- e. Compliance actions were verified. Carry over cases has gone down which is very good.
- f. ICC keeps records electronically.
- g. Verified qualifications with TQ Blackboard.
- h. ICC has adopted all required regulations within 2 years.
- i. ICC has their planned performance and accomplishments summarized in attachment 10.

Total points scored for this section: 0
Total possible points for this section: 0



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|---|---|---|---|
| 1 | Do written procedures address pre-inspection, inspection and post inspection activities for each of the following inspection types: Chapter 5.1
Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
| | <ul style="list-style-type: none"> a. Standard Inspections, which include Drug/Alcohol, CRM and Public Awareness Effectiveness Inspections b. TIMP and DIMP Inspections (reviewing largest operator(s) plans annually) c. OQ Inspections d. Damage Prevention Inspections e. On-Site Operator Training f. Construction Inspections (annual efforts) g. LNG Inspections | | |

Evaluator Notes:

The ICC has the "Pipeline Safety Program Standard Operating, Enforcement and Incident Investigation Procedures" which include detailed inspection procedures to give the inspectors guidance to perform inspections which include; Standard, IMP, OQ, Damage Prevention, training, construction and LNG. Recommend to add the requirement of 20% of SICT inspections days should be construction.

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| 2 | Do written procedures address inspection priorities of each operator, and if necessary each unit, based on the following elements and time frames established in its procedures? Chapter 5.1
Yes = 4 No = 0 Needs Improvement = 1-3 | 4 | 4 |
| | <ul style="list-style-type: none"> a. Length of time since last inspection b. Operating history of operator/unit and/or location (includes leakage, incident and compliance activities) c. Type of activity being undertaken by operators (i.e. construction) d. Locations of operator's inspection units being inspected - (HCA's, Geographic area, Population Centers, etc.) e. Process to identify high-risk inspection units that includes all threats - (Excavation Damage, Corrosion, Natural Forces, Outside Forces, Material and Welds, Equipment, Operators and any Other Factors) f. Are inspection units broken down appropriately? | | |

Evaluator Notes:

Part IV section B of the Pipeline Safety Program Standard Operating, Enforcement and Incident Investigation Procedures has inspection priority methods which ranks inspections utilizing risk factors. Part IV section C has established inspection intervals of 5 years for NG operators and 3 years for LNG operators.

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| 3 | (Compliance Procedures) Does the state have written procedures to identify steps to be taken from the discovery to resolution of a probable violation? Chapter 5.1
Yes = 3 No = 0 Needs Improvement = 1-2 | 3 | 3 |
| | <ul style="list-style-type: none"> a. Procedures to notify an operator (company officer) when a noncompliance is identified b. Procedures to routinely review progress of compliance actions to prevent delays or breakdowns c. Procedures regarding closing outstanding probable violations | | |

Evaluator Notes:

Part V Section S,T,U,V,W and X address compliance activities.

a. Section S states that compliance letters will be sent to company officers.

b. Section V addresses the tracking of compliance actions to prevent delays or breakdowns. Operators are given 30 days to respond and if no response after 5 days inspectors contact operator.

c. Section W. Following are options for correcting/closing compliance cases: The operator's response to the NOPV letter includes documentation of correction of the deficiency; A follow-up audit has been conducted to verify correction of the deficiency; A regularly scheduled audit of the operator has verified the violation issue no longer exists; Issuing a civil penalty and confirmation of the violation remediation.

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| 4 | (Incident/Accident Investigations) Does the state have written procedures to address state actions in the event of an incident/accident? | 3 | 3 |
|---|--|---|---|
- Yes = 3 No = 0 Needs Improvement = 1-2
- a. Mechanism to receive, record, and respond to operator reports of incidents, including after-hours reports
 - b. If onsite investigation was not made, do procedures require on-call staff to obtain sufficient information to determine the facts to support the decision not to go on-site.

Evaluator Notes:

Part VI includes Investigation of incidents which includes a mechanism for receiving notifications and how to conduct an incident investigation. Incident investigation procedures are very detailed which give guidance to inspectors on conducting investigations.

a. Under 83 IL. Adm. Code 595, the pipeline operator is required to give telephonic notice of all incidents caused from gas escaping from pipeline facilities resulting in property damages exceeding \$50,000, release of three million cubic feet of natural gas, injury requiring overnight hospitalization, or a fatality. The Commission has established a Pipeline Safety Emergency Line (217) 782-5050, for the reporting of incidents. The line is monitored 24 hours a day, 365 days a year, by Pipeline Safety Program staff during working hours and a contracted answering service on nights, weekends, and holidays.

b. Procedure includes creating a record to document reasons why an on-site investigation was not conducted.

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| 5 | General Comments: | Info Only Info Only |
|---|-------------------|---------------------|
- Info Only = No Points

Evaluator Notes:

The ICC is mainly complying with Part B of the evaluation.

Total points scored for this section: 15
Total possible points for this section: 15



PART C - State Qualifications

Points(MAX) Score

- | | | | |
|---|---|---|---|
| 1 | Has each inspector and program manager fulfilled training requirements? (See Guidelines Appendix C for requirements) Chapter 4.3
Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
| | <ul style="list-style-type: none">a. Completion of Required OQ Training before conducting inspection as leadb. Completion of Required DIMP/IMP Training before conducting inspection as leadc. Completion of Required LNG Training before conducting inspection as leadd. Root Cause Training by at least one inspector/program managere. Note any outside training completedf. Verify inspector has obtained minimum qualifications to lead any applicable standard inspection as the lead inspector (Reference State Guidelines Section 4.3.1) | | |

Evaluator Notes:

Verified training with TQ Blackboard to assure inspectors are qualified to lead each type of inspection. Do not have TIMP qualified inspectors due to not completing the ECDA course. Have inspectors on waitlist due to class being shutdown during pandemic. No point loss due to this issue.

- a. Reviewed OQ inspections to assure lead inspectors were qualified.
- b. Reviewed DIMP/IMP inspections to assure lead inspectors were qualified.
- c. Reviewed LNG inspections to assure lead inspectors were qualified.
- d. Have several inspectors who have completed the root cause training course.
- e. no outside training.
- f. Reviewed standard inspection reports to verify lead inspectors were qualified.

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| 2 | Did state records and discussions with state pipeline safety program manager indicate adequate knowledge of PHMSA program and regulations?
Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 5 |
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Evaluator Notes:

Yes, Matt Smith is very knowledgeable of the pipeline safety program and regulations. Has been with ICC since 2007.

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| 3 | General Comments:
Info Only = No Points | Info Only | Info Only |
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Evaluator Notes:

The ICC is mainly complying with Part C of the evaluation.

Total points scored for this section: 10
Total possible points for this section: 10

PART D - Program Performance

Points(MAX) Score

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|---|---|---|---|
| 1 | Did state inspect all types of operators and inspection units in accordance with time intervals established in written procedures? Chapter 5.1
Yes = 5 No = 0 Needs Improvement = 1-4 | 5 | 0 |
| | <ul style="list-style-type: none">a. Standard (General Code Compliance)b. Public Awareness Effectiveness Reviewsc. Drug and Alcohold. Control Room Managemente. Part 193 LNG Inspectionsf. Construction (did state achieve 20% of total inspection person-days?)g. OQ (see Question 3 for additional requirements)h. IMP/DIMP (see Question 4 for additional requirements) | | |

Evaluator Notes:

During the verification of inspection intervals, there were several inspection units/operators that had not been inspected per the ICC procedures or atleast every five years. The following are the operators and last time they were inspected:

OQ Inspections

City of Martinsville, last inspection 1/29/2015

Peoples Gas Light and Coke Co. last inspection 2/7/2013

Keyrock Energy, last inspection 11/4/2013

DIMP/TIMP Inspections

Peoples Gas Light & Coke, last inspection 12/13/2017

North Shore Gas Co., last inspection 8/15/2014

Peoples Gas Light & Coke Co. (transmission), last inspection 10/28/2014

Drug and Alcohol Inspections

Shelby Counsty Energy Center, LLC., last inspection 6/11/2015

University of Illinois lateral, last inspection 4/24/2015

There was a three point deduction for not meeting the inspection intervals.

In addition, the ICC did not achieve 20% of total inspection person-days of the SICT inspection days. The number needed to meet requiement was 1016 and the ICC only had 70.5 which is about 7%. There was a two point deduction for not achieving 20% of construction inspection days.

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| 2 | Did inspection form(s) cover all applicable code requirements addressed on Federal Inspection form(s)? Did State complete all applicable portions of inspection forms? Chapter 5.1. Do inspection records indicate that adequate reviews of procedures, records and field activities, including notes and the appropriate level of inspection person-days for each inspection, were performed?
Yes = 10 No = 0 Needs Improvement = 1-9 | 10 | 10 |
| | <ul style="list-style-type: none">a. Standard (General Code Compliance)b. Public Awareness Effectiveness Reviewsc. Drug and Alcohold. Control Room Managemente. Part 193 LNG Inspectionsf. Constructiong. OQ (see Question 3 for additional requirements)h. IMP/DIMP (see Question 4 for additional requirements) | | |

Evaluator Notes:

Reviewed randomly selected inspection reports to verify completion and that forms included applicable code requirements for each type of inspection. Inspection reports were completed and no issues were identified.

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| 3 | Is state verifying monitoring (Protocol 9/Form15) of operators OQ programs? This should include verification of any plan updates and that persons performing covered tasks (including contractors) are properly qualified and requalified at intervals established in the operator's plan. 49 CFR 192 Part N
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
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Evaluator Notes:

ICC conducts OQ Plan and field(Protocol 9) inspections to assure the operators are in compliance with the regulations.
Reviewed randomly selected inspections to verify completion of inspections.

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| 4 | Is state verifying operator's integrity management Programs (IMP and DIMP)? This should include a review of plans, along with monitoring progress. In addition, the review should take in to account program review and updates of operator's plan(s). 49 CFR 192 Subparts O and P
Yes = 2 No = 0 Needs Improvement = 1 <ul style="list-style-type: none"> a. Are the implementation plans of the state's large/largest operators(s) being reviewed annually to ensure they are completing full cycle of the IMP process? b. Are states verifying with operators any plastic pipe and components that have shown a record of defects/leaks and mitigating those through DIMP plan? c. Are the states verifying operators are including low pressure distribution systems in their threat analysis? | 2 | 2 |
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Evaluator Notes:

Reviewed several randomly selected IMP inspections to assure the ICC is reviewing operator IMP plans.

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| 5 | Did the state review the following (these items are NTSB recommendations to PHMSA that have been deemed acceptable response based on PHMSA reviewing these items during the evaluation process): Chapter 5.1
Yes = 2 No = 0 Needs Improvement = 1 <ul style="list-style-type: none"> a. Operator procedures for determining if exposed cast iron pipe was examined for evidence of graphitization and if necessary remedial action was taken; b. Operator procedures for surveillance of cast iron pipelines, including appropriate action resulting from tracking circumferential cracking failures, study of leakage history, or other unusual operating maintenance condition? (Note: See GPTC Appendix G-18 for guidance); c. Operator emergency response procedures for leaks caused by excavation damage near buildings and determine whether the procedures adequately address the possibility of multiple leaks and underground migration of gas into nearby buildings Refer to 4/12/01 letter from PHMSA in response to NTSB recommendation P-00-20 and P-00-21; d. Operator records of previous accidents and failures including reported third-party damage and leak response to ensure appropriate operator response as required by 192.617; e. Directional drilling/boring procedures of each pipeline operator or its contractor to determine if they include actions to protect their facilities from the dangers posed by drilling and other trench less technologies; f. Operator procedures for considering low pressure distribution systems in threat analysis? g. Operator compliance with state and federal regulations for regulators located inside buildings? | 2 | 2 |
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Evaluator Notes:

NTSB questions have been incorporated into the inspection forms. Low pressure question was held face to face with operators with low pressure systems. Only three had low pressure but one removed all low pressure. One other is in process of converting to medium pressure. Will only have one operator with low pressure. Field Audit check list ILPS4 includes Customer Service Meter questions which include inside meter sets.

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| 6 | Did the State verify Operators took appropriate action regarding advisory bulletins issued since the last evaluation? (Advisory Bulletins Current Year)
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

The ICC has a link (Advisories) in the Pipeline Safety section of the website that includes PHMSA advisory bulletins providing to all stakeholders. The ICC reviews with operators during Standard - O&M Procedures Inspections. Matt Smith

met with MidAmerican, Ameren, Nicor, Peoples Gas, North Shore Gas and USDI (consultants for the remainder of the municipals and small transmission operators. During these meetings, Matt discussed the event that led to the NTSB Recommendation with the Marathon pipeline in Illinois. Matt stressed that all of the operators should be focusing on areas where land subsidence may occur due to erosion from water movement in the waterway or after heavy rains. Matt also discussed this with the large operators and a few smaller operators during an operator hosted meeting in the fall of 2022.

7	(Compliance Activities) Did the state follow compliance procedures (from discovery to resolution) and adequately document all probable violations, including what resolution or further course of action is needed to gain compliance? Chapter 5.1 Yes = 10 No = 0 Needs Improvement = 1-9	10	10
	<ul style="list-style-type: none"> a. Were compliance actions sent to company officer or manager/board member if municipal/government system? b. Were probable violations documented properly? c. Resolve probable violations d. Routinely review progress of probable violations e. Did state issue compliance actions for all probable violations discovered? f. Can state demonstrate fining authority for pipeline safety violations? g. Does Program Manager review, approve and monitor all compliance actions? (note: Program Manager or Senior Official should sign any NOPV or related enforcement action) h. Did state compliance actions give reasonable due process to all parties? Including "show cause" hearing, if necessary. i. Within 30 days, conduct a post-inspection briefing with the owner or operator outlining any concerns j. Within 90 days, to the extent practicable, provide the owner or operator with written preliminary findings of the inspection. (Incident investigations do not need to meet 30/90-day requirement) 		

Evaluator Notes:

Compliance follow up is tracked in program database to assure no delays. Program manager reviews all compliance actions. Exit briefings are uploaded to website which are conducted at end of each inspection and include description of findings. Cover both the 30 and 90 day notification requirements. Reviewed randomly selected inspection files to assure compliance actions are resolved on a timely manner.

8	(Incident Investigations) Were all federally reportable incidents investigated, thoroughly documented, with conclusions and recommendations? Yes = 10 No = 0 Needs Improvement = 1-9	10	10
	<ul style="list-style-type: none"> a. Does state have adequate mechanism to receive and respond to operator reports of incidents, including after-hours reports? b. Did state keep adequate records of Incident/Accident notifications received? c. If onsite investigation was not made, did the state obtain sufficient information from the operator and/or by means to determine the facts to support the decision not to go on site? d. Were onsite observations documented? e. Were contributing factors documented? f. Were recommendations to prevent recurrences, where appropriate, documented? g. Did state initiate compliance action for any violations found during any incident/accident investigation? h. Did state assist Region Office or Accident Investigation Division (AID) by taking appropriate follow-up actions related to the operator incident reports to ensure accuracy and final report has been received by PHMSA? i. Does state share any lessons learned from incidents/accidents? 		

Evaluator Notes:

There was one reportable incident in 2022 involving the City of Sullivan Gas. The incident is still being investigated.

9	Did state respond to Chairman's letter on previous evaluation within 60 days and correct or address any noted deficiencies? (If necessary) Chapter 8.1 Yes = 1 No = 0 Needs Improvement = .5	1	1
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Evaluator Notes:

Yes, the ICC responded within the required 60 days.

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| 10 | Did State conduct or participate in pipeline safety training session or seminar in Past 3 Years? Chapter 8.5
Info Only = No Points | Info Only | Info Only |
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Evaluator Notes:

The last seminar was held October 27-28, 2021. The previous seminar was held October 18-19, 2017. The 2020 seminar was postponed due to Covid-19. This is the link to review all material for the seminars. <https://www.icc.illinois.gov/Home/Illinois-Gas-Pipeline-Safety-Program/meetings-and-conferences>

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| 11 | Has state confirmed transmission operators have submitted information into NPMS database along with changes made after original submission?
Info Only = No Points | Info Only | Info Only |
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Evaluator Notes:

Yes, the NPMS is a question on Transmission inspection form which verification is conducted during inspection

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| 12 | Does the state have a mechanism for communicating with stakeholders - other than state pipeline safety seminar? (This should include making enforcement cases available to public).
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

The ICC Pipeline Safety website contains a lot of information for the public and operators. The enforcement cases are posted at the following location. <https://www.icc.illinois.gov/Home/Illinois-Gas-Pipeline-Safety-Program/compliance-actions>

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| 13 | Did state execute appropriate follow-up actions to Safety Related Condition (SRC) Reports? Chapter 6.7
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

Had one SRCR, Village of Greenup. It is closed in PDM.

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| 14 | Was the State responsive to:
Yes = 1 No = 0 Needs Improvement = .5
a. Surveys or information requests from NAPSR or PHMSA; and
b. PHMSA Work Management system tasks? | 1 | 1 |
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Evaluator Notes:

Matt Smith responded to all surveys via NAPSR or PHMSA and WMS requests via PHMSA.

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| 15 | If the State has issued any waivers/special permits for any operator, has the state verified conditions of those waivers/special permits are being met? This should include having the operator amend procedures where appropriate.
Yes = 1 No = 0 Needs Improvement = .5 | 1 | 1 |
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Evaluator Notes:

Discussed waivers issued to Elwood and Nicor. Elwood waiver was issued in 2020 and pipeline was going to be put out of service in 2021. Pipeline is still operating but at a reduced pressure so waiver is no longer needed. ICC needs to get verification from operator to assure pressure is reduced and will not be increased. Nicor waiver was issued in 2011 to install Smart Pipe inside a 6" pipe that crosses the Illinois River. ICC is keeping up with the provisions in the waiver.

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| 16 | Were pipeline program files well-organized and accessible?
Info Only = No Points | Info Only | Info Only |
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Evaluator Notes:

Yes, inspection reports are kept online and are organized by operator.

17	Discussion with State on accuracy of inspection day information submitted into State Inspection Day Calculation Tool (SICT). Has the state updated SICT data? Yes = 3 No = 0 Needs Improvement = 1-2	3	3
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Evaluator Notes:

Each year Matt Smith, Aaron Dyas and Michael Schoenherr review the SICT for each operator or groupings of operators. The data is updated and the days are adjusted due to experience conducting the audits.

18	Discussion on State Program Performance Metrics found on Stakeholder Communication Info Only Info Only site.\ http://primis.phmsa.dot.gov/comm/states.htm?nocache=4805 Info Only = No Points		
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Evaluator Notes:

Matt reviewed the website and had the following comments. The number of excavation damages is increasing in Illinois. The main cause is related to gas operators using contract locate vendors who are not able to meet the increased demand due to fiber optic installations occurring around the state. Matt has held meetings with the officers of the large utilities to discuss this issue and requested that all gas operators begin correcting this deficiency. Nicor has been the only gas operator to take action. Nicor has addressed this in a 2023 rate case by requesting additional funds to bring 30% of all locates in-house instead of using the locate vendor. Matt has assigned an investigator to draft testimony in rate cases for the other large gas operators and two electric operators requiring 10% of all physical locates to be brought in-house. This is part of ongoing docketed cases and has not been finalized by the ICC at this time.

Inspection activity has continued to increase. This has been due to recent hirings and the push to move ICC inspectors into higher level positions that allow for more inspections to be conducted. Inspection days for MMO/LPG

has increased as more inspectors have allowed more time to focus on these types of operators. The single LPG operator has been a focus in 2022 and 2023.

Inspector qualification has decreased, but this is due to the hiring of several new employees that require core courses through TQ. The 5-year retention has decreased over the prior year, but that is due to a retirement and a supervisor promoted outside of the department. This trend should improve.

The leak management trend has finally started to trend downward, but this trend will probably increase as several large utilities will begin using advanced leak detection that will identify more leaks than have been identified in the past. Nicor has agreed to begin fixing leaks when identified and will fix leaks within specified time frames, which is a significant improvement. Again, this approach will cause more leaks to be identified, which is not necessarily a concern.

Enforcement and incident investigations continue to be at 100%. A focus has been placed on these two areas.

19	Did the state encourage and promote operator implementation of Pipeline Safety Management Systems (PSMS), or API RP 1173? This holistic approach to improving pipeline safety includes the identification, prevention and remediation of safety hazards. Info Only = No Points a. https://pipelinesms.org/ b. Reference AGA recommendation to members May 20, 2019	Info Only Info Only	
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Evaluator Notes:

Nicor, Ameren, Peoples Gas and North Shore Gas have all adopted PSMS. The adoptions have either occurred voluntarily or as part of a docketed agreement. Matt Smith has worked with smaller operators in Illinois (Morton municipal) to encourage the use of a PSMS. At this time, Morton has not agreed.

20	General Comments: Info Only = No Points	Info Only Info Only	
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Evaluator Notes:

The following issues were identified during the evaluation:

D.1-

During the verification of inspection intervals, there were several inspection units/operators that had not been inspected per the ICC procedures or at least every five years. The following are the operators and last time they were inspected:

OQ Inspections

City of Martinsville, last inspection 1/29/2015

Peoples Gas Light and Coke Co. last inspection 2/7/2013

Keyrock Energy, last inspection 11/4/2013

DIMP/TIMP Inspections

Peoples Gas Light & Coke, last inspection 12/13/2017

North Shore Gas Co., last inspection 8/15/2014

Peoples Gas Light & Coke Co. (transmission), last inspection 10/28/2014

Drug and Alcohol Inspections

Shelby County Energy Center, LLC., last inspection 6/11/2015

University of Illinois lateral, last inspection 4/24/2015

There was a three point deduction for not meeting the inspection intervals.

In addition, the ICC did not achieve 20% of total inspection person-days of the SICT inspection days. The number needed to meet requirement was 1016 and the ICC only had 70.5 which is about 7%. There was a two point deduction for not achieving 20% of construction inspection days.

Total points scored for this section: 45
Total possible points for this section: 50



PART E - Field Inspections

Points(MAX) Score

- 1 Operator, Inspector, Location, Date and PHMSA Representative (enter specifics into the comments box below) Info Only Info Only

Info Only = No Points

- What type of inspection(s) did the state inspector conduct during the field portion of the state evaluation? (i.e. Standard, Construction, IMP, etc)
- When was the unit inspected last?
- Was pipeline operator or representative present during inspection?
- Effort should be made to observe newest state inspector with least experience

Evaluator Notes:

Operator: Peoples Gas

Inspector: Scott Grogan, Pipeline Safety Analyst

Location: Chicago, IL

Date: July 26-28, 2023

PHMSA Evaluator: Agustin Lopez

- Standard field inspection of Peoples Gas Central Shop Unit distribution system.
- Last inspected on November 2019
- Yes operator representatives were present during the inspection.
- Scott Grogan has not been evaluated in the past.

- 2 Did the inspector use an appropriate inspection form/checklist and was the form/checklist used as a guide for the inspection? (New regulations shall be incorporated) 2 2
- Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, Scott Grogan utilized a state inspection form to document the inspection and used it as a guide.

- 3 Did the inspector adequately review the following during the inspection 10 10
- Yes = 10 No = 0 Needs Improvement = 1-9

- Procedures (were the inspector's questions of the operator adequate to determine compliance?)
- Records (did the inspector adequately review trends and ask in-depth questions?)
- Field Activities/Facilities (did inspector ensure that procedures were being followed, including ensuring that properly calibrated equipment was used and OQ's were acceptable?)
- Other (please comment)
- Was the inspection of adequate length to properly perform the inspection?

Evaluator Notes:

- Reviewed procedures that pertained to the inspection or when there were issues found.
- Previous records were reviewed whenever there were issues to verify the last inspection was performed.
- Field inspection of pipeline facilities was performed. The following activities were inspected: pipe to soil readings, rectifier testing, valve testing, OPP testing and observance of ROW and pipeline condition.
- no other type of inspection was conducted.
- Yes the length of inspection was adequate.

- 4 From your observation did the inspector have adequate knowledge of the pipeline safety program and regulations? (Evaluator will document reasons if unacceptable) 2 2
- Yes = 2 No = 0 Needs Improvement = 1

Evaluator Notes:

Yes, Scott Grogan displayed knowledge of the pipeline safety program and regulations. Has previous pipeline experience which he has great knowledge of pipeline operations.

- 5 Did the inspector conduct an exit interview, including identifying probable violations? (If inspection is not totally completed the interview should be based on areas covered during time of field evaluation) 1 1

Yes = 1 No = 0 Needs Improvement = .5

Evaluator Notes:

Yes, Scott Grogan conducted an exit interview with the operator at the conclusion of the inspection. Issue identified with 192.321 which identified plastic pipe was installed above ground and was not a temporary installation.

6 Was inspection performed in a safe, positive, and constructive manner ?

Info Only Info Only

Info Only = No Points

- a. No unsafe acts should be performed during inspection by the state inspector
- b. What did the inspector observe in the field? (Narrative description of field observations and how inspector performed)
- c. Best Practices to Share with Other States - (Field - could be from operator visited or state inspector practices)
- d. Other

Evaluator Notes:

Yes, the inspection was performed in a safe, positive, and constructive manner.

7 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

Mr. Scott Grogan conducted an excellent inspection. He was knowledgeable of the pipeline safety regulations and was very observant. He asked many questions and assured the qualifications of the technicians performing tasks. He is a great asset to the Commission.

Total points scored for this section: 15
Total possible points for this section: 15



PART F - Damage prevention and Annual report analysis

Points(MAX) Score

- | | | | |
|---|--|---|---|
| 1 | Has the state reviewed Operator Annual reports, along with Incident/Accident reports, for accuracy and analyzed data for trends and operator issues.
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

The ICC conducts Annual Report reviews/inspections as part of their risk analysis. The annual reports are reviewed in March each year. The reports are posted on our website. Incidents that are due to excavation damage are reviewed. Also review incident reports for accuracy and root causes. Large operators have inspections conducted to review annual reports.

- | | | | |
|---|--|---|---|
| 2 | Has the state verified that the operators analyze excavation damages for the purpose of determining root causes and minimizing the possibility of a recurrence? (192.617)
Has the state verified that the operators have appropriately identified excavators who have repeatedly violated one-call laws and damaged their facilities. Have the operators taken steps to mitigate that risks? (192.1007)
Yes = 2 No = 0 Needs Improvement = 1 | 2 | 2 |
|---|--|---|---|

Evaluator Notes:

Staff reviews for all operators during the annual report inspection the damages. The large operators have an inspection conducted separately and were randomly reviewed.

- | | | | |
|---|--|---|---|
| 3 | Has the state reviewed the operator's annual report pertaining to Part D - Excavation Damage?
Yes = 4 No = 0 Needs Improvement = 1-3 <ol style="list-style-type: none">a. Is the information complete and accurate with root cause numbers?b. Has the state evaluated the causes for the damages listed under "One-Call Notification Practices Not Sufficient" (Part D.1.a.)?c. Has the state evaluated the causes for the damages listed under "Locating Practices Not Sufficient" (Part D.1.b.)? For each operator, does the state review the following?d. Is the operator or its locating contractor(s) qualified and following written procedures for locating and marking facilities?e. Is the operator appropriately requalifying locators to address performance deficiencies?f. What is the number of damages resulting from mismarks?g. What is the number of damages resulting from not locating within time requirements (no-shows)?h. Is the operator appropriately addressing discovered mapping errors resulting in excavation damages?i. Are mapping corrections timely and according to written procedures?j. Has the state evaluated the causes for the damages listed under "Excavation Practices Not Sufficient" (Part D.1.c.)? | 4 | 4 |
|---|--|---|---|

Evaluator Notes:

Part D is also reviewed during the Annual Report inspection conducted yearly by the ICC.

- | | | | |
|---|---|---|---|
| 4 | Has the agency or another organization within the state collected data and evaluated trends on the number of pipeline damages per 1,000 locate requests?
Yes = 2 No = 0 Needs Improvement = 1 <ol style="list-style-type: none">a. What stakeholder group is causing the highest number of damages to the pipelines? Operator, contractor, locating company or public.b. Has the state verified the operator is appropriately focusing damage prevention education and training to stakeholders causing the most damages?c. Has the state evaluated which of the following best describes the reason for the excavation damages; i.e., operator or contractor not following written procedures, failure to maintain marks, failure to support exposed facilities, failure to use hand tools were required, failure to test-hole (pot hole), improper backfilling practices, failure to maintain clearance or insufficient excavation practices.d. Has the state verified the operator is appropriately focusing damage prevention education and training to address the causes of excavation damages? | 2 | 2 |
|---|---|---|---|

Evaluator Notes:

The ICC collects the damages per 1,000 during their Annual Report reviews. One call enforcement is within the ICC so data is compared for accuracy.

5 General Comments:

Info Only Info Only

Info Only = No Points

Evaluator Notes:

The ICC is mainly complying with Part F of the evaluation.

Total points scored for this section: 10
Total possible points for this section: 10



PART G - Interstate Agent/Agreement States

Points(MAX) Score

- 1 Were all inspections of interstate pipelines conducted using the Inspection Assistant program for documenting inspections? Info Only Info Only
Info Only = No Points

Evaluator Notes:

IL CC is not an interstate agent and does not have a 60106 agreement with PHMSA.

- 2 If inspections were conducted independent of a PHMSA team inspection was notice of all identified probable violations provided to PHMSA within 60 days? Info Only Info Only
Info Only = No Points

Evaluator Notes:

IL CC is not an interstate agent and does not have a 60106 agreement with PHMSA.

- 3 If inspections were conducted independent of a PHMSA team inspection was PHMSA immediately notified of conditions which may pose an immediate safety hazard to the public or environment? Info Only Info Only
Info Only = No Points

Evaluator Notes:

IL CC is not an interstate agent and does not have a 60106 agreement with PHMSA.

- 4 If inspections were conducted independent of a PHMSA team inspection did the state coordinate with PHMSA if inspections not were not included in the PHMSA Inspection Work Plan? Info Only Info Only
Info Only = No Points

Evaluator Notes:

IL CC is not an interstate agent and does not have a 60106 agreement with PHMSA.

- 5 Did the state take direction from and cooperate with PHMSA for all incident investigations conducted on interstate pipelines? Info Only Info Only
Info Only = No Points

Evaluator Notes:

IL CC is not an interstate agent and does not have a 60106 agreement with PHMSA.

- 6 General Comments: Info Only Info Only
Info Only = No Points

Evaluator Notes:

IL CC is not an interstate agent and does not have a 60106 agreement with PHMSA.

Total points scored for this section: 0
Total possible points for this section: 0