

U.S. Department of Transportation  
Pipeline and Hazardous Materials Safety Administration  
400 Seventh Street, S.W.  
Washington, D.C. 20590

OCT 3 2006

Chairman Edward C. Hurley  
Illinois Commerce Commission  
527 East Capitol Avenue  
Springfield, IL 62701

Dear Chairman Hurley:

Thank you for your continued interest in pipeline safety. In your July 14, 2005 letter you notified our office that the Illinois Commerce Commission (Commission) granted an Interim Order in the form of a partial waiver of 49 CFR 192.481(a), to the Union Electric Company d/b/a AmerenUE, Central Illinois Public Service Company d/b/a AmerenaPS, Central Illinois Light Company d/b/a AmerenCILCO, and Illinois Power Company d/b/a AmerenIP (collectively Petitioners).

The Interim Order which became effective September 21, 2005 also required the Petitioners to increase the frequency of their distribution leakage surveys governed by § 192.723(b)(2). On September 19, 2005 the Pipeline and Hazardous Materials Safety Administration (PHMSA) notified your office of its objection to the waiver and your Interim Order was stayed.

On February 26, the Commission appealed PHMSA's decision and submitted a second Interim Order containing new information from the Petitioners to show that granting a partial waiver of § 192.481(a) provides an equivalent level of safety. PHMSA re-evaluated the Commission's Interim Order as well as the new information provided by the Commission. Based on this new information as well as sound engineering and industry best practices, PHMSA imposes the following conditions in granting this waiver:

1. Outside of business districts, atmospheric corrosion control monitoring must be conducted at least once every four calendar years at intervals not exceeding 51 months.
2. Inside of business districts, atmospheric corrosion control monitoring must be conducted at least once every calendar year at intervals not exceeding 15 months.
3. Operators must identify, inspect, and notify the Commission of those areas requiring atmospheric corrosion control monitoring more frequently than once every three calendar years. These areas include "hot spots" where there are greater atmospheric corrosion rates.
  - a. Above ground pipelines where there is greater exposure to road salts and chemicals;
  - b. Areas where pipelines could have accelerated atmospheric corrosion due to industrial chemicals in the atmosphere;
  - c. Pipelines that may experience sweating due to pressure drop, such as regulator stations, metering correctors, and large customer's regulator/meter sets;
  - d. Inside regulator/meter sets that are subject to corrosive environments; and
  - e. Other areas that show accelerated atmospheric corrosion.

PHMSA does not object to the Commission's Interim Order provided the above conditions are agreed upon and made part of the waiver. If you have any questions, concerns, or comments, please feel free to contact me or James

Reynolds, General Engineer at 202-366-2786.

Sincerely,

Theodore L. Willke

Acting Associate Administrator for Pipeline Safety