

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24

BEFORE THE
ILLINOIS COMMERCE COMMISSION
REGULAR OPEN MEETING
(PUBLIC UTILITIES)
Chicago, Illinois
Tuesday, March 25, 2014

Met pursuant to notice at 10:30 a.m. at
160 North LaSalle Street, 8th Floor, Chicago, Illinois.

PRESENT:

- MR. DOUGLAS P. SCOTT, Chairman
- MR. JOHN T. COLGAN, Commissioner (by videoconference)
- MS. ANN McCABE, Commissioner
- MR. MIGUEL DEL VALLE, Commissioner
- MS. SHERINA E. MAYE, Commissioner

ANGELA DiNINO, CSR, RPR
On behalf of Midwest Litigation

1 CHAIRMAN SCOTT: Pursuant to the provisions of the
2 Open Meetings Act, I now convene a Regular Open Meeting
3 of the Illinois Commerce Commission. With us in Chicago
4 are Commissioner McCabe, Commissioner del Valle,
5 Commissioner Maye. With us in Springfield is
6 Commissioner Colgan. I'm Chairman Scott. We have a
7 quorum.

8 Before moving into the agenda, according to
9 Section 1700.10 of Title 2 of the Administrative Code,
10 this is the time we allow members of the public to
11 address the Commission. Members of the public wishing
12 to address the Commission must notify the Chief Clerk's
13 office at least 24 hours prior to the Commission
14 meetings. According to the Chief Clerk's office, we
15 have no requests to speak at today's meeting.

16 The first item of business on today's agenda
17 is our motion concerning the published Price Index for
18 Electricity used to set the amount of the financial
19 obligation that an ARES may use to establish financial
20 capacity pursuant to 83 Ill.Adm. Code 451. Staff
21 recommends entry of an Order establishing the price
22 index for 2014.

23 Is there a motion to enter the Order?

24 COMMISSIONER MAYE: So moved.

1 COMMISSIONER McCABE: Second.

2 CHAIRMAN SCOTT: Moved by Commissioner Maye.

3 Seconded by Commissioner McCabe.

4 Any discussion?

5 (No response.)

6 CHAIRMAN SCOTT: All in favor, say aye.

7 (Ayes heard.)

8 CHAIRMAN SCOTT: Any opposed?

9 (No response.)

10 CHAIRMAN SCOTT: The vote is 5 to nothing and the
11 Order is entered. We will use this 5-to-nothing vote
12 for the remainder of today's Regular Open Meeting agenda
13 unless otherwise noted.

14 Item 2 is Docket No. 13-0498. This item
15 concerns approval of Ameren's Energy Efficiency and
16 Demand Response Plan pursuant to 220 ILCS 5/8-103 and
17 5/8-104. ALJ Yoder recommends entry of an Amendatory
18 Order to exclude the DCEO portion of the Gas Spending
19 Limit; clarify that the Commission adopted CUB's
20 proposal to spend the remaining portion of the electric
21 and gas emerging technologies budget on the proposed
22 smart devices program; and to correct an error that
23 incorrectly characterized the funding for the on-bill
24 financing program as a "minimum," rather than a

1 "maximum."

2 Is there any discussion?

3 (No response.)

4 CHAIRMAN SCOTT: Are there any objections?

5 (No response.)

6 CHAIRMAN SCOTT: Hearing none, the Amendatory Order
7 is entered.

8 Item 3 is Docket No. 11-0033. This is Amcor
9 Flexible's complaint against ComEd as to billing and
10 request for oral argument. ALJ Teague-Kingsley
11 recommends the Commission deny Amcor's request for Oral
12 Argument and recommends entry of an Order dismissing
13 Amcor's complaint.

14 I'd like to ask the judge a couple of
15 questions on this one.

16 Good morning, Judge.

17 ADMINISTRATIVE LAW JUDGE TEAGUE-KINGSLEY: Good
18 morning.

19 CHAIRMAN SCOTT: How are you today?

20 ADMINISTRATIVE LAW JUDGE TEAGUE-KINGSLEY: I'm
21 doing okay. And yourself?

22 CHAIRMAN SCOTT: Good. Thank you. It was unclear
23 to me in reading the Order what the final amount that
24 Amcor was going to have to pay to ComEd was in this

1 case. Is it just the back-billed amount, the \$62,000?

2 ADMINISTRATIVE LAW JUDGE TEAGUE-KINGSLEY: Yes,
3 it's just the back-bill, no late fees.

4 CHAIRMAN SCOTT: And the reason for no late fees is
5 that -- If I read the Order correctly, the reason for no
6 late fees is they didn't bring it up in a timely
7 fashion?

8 ADMINISTRATIVE LAW JUDGE TEAGUE-KINGSLEY: No, they
9 didn't. They just brought it up for the first time in
10 the brief on exceptions. There was no mention of it in
11 the stipulation, answers, no filings, or anything like
12 that. So the record hasn't been developed on that issue
13 at all.

14 CHAIRMAN SCOTT: So the only -- If I understood,
15 too, the record in this case -- the only evidence in the
16 record is the stipulation --

17 ADMINISTRATIVE LAW JUDGE TEAGUE-KINGSLEY: Yes.

18 CHAIRMAN SCOTT: -- of the parties?

19 ADMINISTRATIVE LAW JUDGE TEAGUE-KINGSLEY: It's a
20 little bit unusual. They agreed to a stipulation. And
21 ComEd made attempts to try to offer other evidence to,
22 you know, extend the stipulation, but they never offered
23 any evidence regarding this.

24 CHAIRMAN SCOTT: So the two figures of late fees,

1 we've got, roughly -- I'm just going to use round
2 numbers -- \$4800 and \$50,000.

3 ADMINISTRATIVE LAW JUDGE TEAGUE-KINGSLEY: Right.

4 CHAIRMAN SCOTT: Those came up through -- just
5 through the briefing process then; that was the first
6 time that you had seen those?

7 ADMINISTRATIVE LAW JUDGE TEAGUE-KINGSLEY: That is
8 the first time it was ever mentioned, was with that
9 brief on exception that ComEd filed. It was not
10 mentioned even -- Excuse me. It wasn't even mentioned
11 in their draft order or suggested order.

12 CHAIRMAN SCOTT: Okay. And so do we have -- was
13 there any evidence in the record of any time when late
14 fees were first mentioned? Because if you read the
15 stipulation, it just talks about threatening to cut off
16 the power, but there wasn't any mention of late fees
17 accumulating. Was there ever any evidence that the late
18 fees were broached at any time other than --

19 ADMINISTRATIVE LAW JUDGE TEAGUE-KINGSLEY: Not to
20 my knowledge. The stipulation, none of the attached --
21 There was no mention of it at all until this point. And
22 I also wanted to mention that even if -- you know, if
23 the Commission is inclined to grant late fees, the
24 calculation that ComEd gave of 50,000 is really not

1 permitted by the regulation. There's a sanction
2 280.90(f) that says a utility can assess late fees for
3 no more than 12 months, so ...

4 CHAIRMAN SCOTT: And the 50,000 would have been for
5 the -- in essence, for the entire period --

6 ADMINISTRATIVE LAW JUDGE TEAGUE-KINGSLEY: Yes.

7 CHAIRMAN SCOTT: -- so from 2009 --

8 ADMINISTRATIVE LAW JUDGE TEAGUE-KINGSLEY: Yeah.

9 CHAIRMAN SCOTT: -- going forward?

10 ADMINISTRATIVE LAW JUDGE TEAGUE-KINGSLEY: Yeah, up
11 until ...

12 But I believe the other amount, the 4800,
13 that's up until the time of the filing of the formal
14 complaint.

15 CHAIRMAN SCOTT: Of the formal complaint. Okay.
16 And when it said that -- In the order, it said that both
17 parties -- Obviously they didn't want that to happen.
18 One thinks there shouldn't be any and one thinks that
19 there should be a lot more, but they said they both
20 would kind of agree to accept that figure. Where did
21 that evidence of that agreement happen?

22 ADMINISTRATIVE LAW JUDGE TEAGUE-KINGSLEY: There
23 really isn't any evidence. I think that Amcor just said
24 in its reply brief, I think, that if the Commission is

1 inclined to allow ComEd to add late fees, then they
2 would go -- you know, then they should agree to do the
3 4,800 that ComEd offered.

4 CHAIRMAN SCOTT: Okay. Okay.

5 ADMINISTRATIVE LAW JUDGE TEAGUE-KINGSLEY: As an
6 alternative.

7 CHAIRMAN SCOTT: Okay. Thank you.

8 Anyone else have any questions?

9 (No response.)

10 CHAIRMAN SCOTT: Okay. Thank you very much, Judge.
11 I appreciate it.

12 This item will be held for disposition at a
13 future Commission proceeding.

14 Item 4 is Docket No. 12-0582. This is Joyce
15 Edwards' complaint against ComEd as to refusal of
16 service and billing/charges in Chicago. ALJ Hilliard
17 recommends entry of an Order dismissing the complaint
18 with prejudice.

19 Is there any discussion?

20 (No response.)

21 CHAIRMAN SCOTT: Are there any objections?

22 (No response.)

23 CHAIRMAN SCOTT: Hearing none, the Order is entered
24 and the complaint dismissed.

1 Item 5 is Docket No. 13-0450. This is the
2 Village of East Dundee's complaint against ComEd as to
3 easement issues in East Dundee. ALJ Riley recommends
4 entry of an Order dismissing the complaint with
5 prejudice.

6 Is there any discussion?

7 (No response.)

8 CHAIRMAN SCOTT: Any objections?

9 (No response.)

10 CHAIRMAN SCOTT: Hearing none, the Order is
11 entered.

12 Item 6 is Docket No. 13-0519. This is
13 Ameren's petition for an order approving administrative
14 procedure for resolving and paying claims for damages
15 under Sections 16-125(e) and (f) of the Public Utilities
16 Act.

17 This item will be held for disposition at a
18 future Commission proceeding.

19 Item 7 is Docket No. 14-0153. This is Ameren
20 and Monroe County Electric Co-Operative's Joint Petition
21 for approval of a residential customer release.

22 ALJ Jones recommends entry of an Order granting the
23 Joint Petition.

24 Is there any discussion?

1 (No response.)

2 CHAIRMAN SCOTT: Any objections?

3 (No response.)

4 CHAIRMAN SCOTT: Hearing none, the Order is
5 entered.

6 Items 8 through 11 can be taken together.
7 These items are our motions concerning citations for
8 failure to file Compliance Recertification Reports
9 required by 83 Ill. Adm. Code 454.110. In each case, the
10 respondent has filed the necessary reports and ALJ Dolan
11 recommends we dismiss each proceeding.

12 Is there any discussion?

13 (No response.)

14 CHAIRMAN SCOTT: Any objections?

15 (No response.)

16 CHAIRMAN SCOTT: Hearing none, the proceedings are
17 dismissed.

18 Item 12 is Docket No. 14-0169. This is
19 Greenwave Concepts' Application for Licensure as an
20 agent, broker, and consultant under Section 16-115C of
21 the Public Utilities Act. ALJ Kimbrel recommends entry
22 of an Order granting the certificate.

23 Is there any discussion?

24 (No response.)

1 CHAIRMAN SCOTT: Any objections?

2 (No response.)

3 CHAIRMAN SCOTT: Hearing none, the Order is
4 entered.

5 Items 13 through 16 can be taken together.
6 These items are petitions for confidential treatment of
7 petitioners' various annual reports. The ALJ in each
8 case recommends entry of an Order granting the requested
9 relief.

10 Is there any discussion?

11 (No response.)

12 CHAIRMAN SCOTT: Any objections?

13 (No response.)

14 CHAIRMAN SCOTT: Hearing none, the Orders are
15 entered.

16 Items 17 through 19 can be taken together.
17 These items are applications for certification to
18 install, maintain, or repair electric vehicle charging
19 station facilities under Section 16-128A of the Public
20 Utilities Act. In each case ALJ Benn recommends entry
21 of an Order granting the certificate.

22 Is there any discussion?

23 (No response.)

24 CHAIRMAN SCOTT: Any objections?

1 (No response.)

2 CHAIRMAN SCOTT: Hearing none, the Orders are
3 entered.

4 Item 20 is Docket No. 13-0496. This is
5 Nicor's petition to determine the accuracy of the
6 Rider 26 reconciliation statement. ALJ Benn recommends
7 entry of an Order approving the reconciliation
8 statement.

9 Is there any discussion?

10 (No response.)

11 CHAIRMAN SCOTT: Any objections?

12 (No response.)

13 CHAIRMAN SCOTT: Hearing none, the Order is
14 entered.

15 Items 21 and 22 can be taken together. These
16 items are petitions for the confidential and/or
17 proprietary treatment of petitioners' 2013 Dekatherm
18 Reports. The ALJ in both cases recommends entry of an
19 Order granting the requested relief.

20 Is there any discussion?

21 (No response.)

22 CHAIRMAN SCOTT: Any objections?

23 (No response.)

24 CHAIRMAN SCOTT: Hearing none, the Orders are

1 entered.

2 Item 23 is Docket No. 14-0026. This is
3 Victory Telecom's Application for a Certificate of
4 Interexchange Authority to operate as a reseller of
5 telecommunications services statewide in Illinois. The
6 applicant has filed a Motion to Withdraw, which ALJ Benn
7 recommends we grant.

8 Is there any discussion?

9 (No response.)

10 CHAIRMAN SCOTT: Any objections?

11 (No response.)

12 CHAIRMAN SCOTT: Hearing none, the motion is
13 granted.

14 Item 24 is going to be a briefing from our
15 Pipeline Safety Staff concerning the recent gas
16 explosion in New York and the efforts that the ICC is
17 taking to ensure a message of safety goes out to all
18 ratepayers in Illinois. I'd like to thank Gene Beyer
19 for coordinating this briefing for us. In addition to
20 Gene, we have Mr. Darin Burk and Beth Bosch here from
21 the Commission Staff to present.

22 I believe Darin is going to do it, so whenever
23 you're ready.

24 MR. BURK: Thank you, Chairman Scott. Start off

1 with, reports from the East Harlem explosion indicate
2 the gas odors were detected prior to the explosion but
3 were not reported to Consolidated Edison. Similar
4 reports emerged from 2011 Pittsburgh and Allentown,
5 Pennsylvania explosions where several people were
6 injured and experienced fatalities. It appears general
7 public awareness is deficient regarding gas pipeline
8 safety. I'm going to be discussing the public awareness
9 requirements included in the Code of Federal
10 Regulations, CFR part 192.616, and the American
11 Petroleum Institute recommended practice 1162, or
12 API RP1162. The CFR part 192.616 requires operators to
13 develop and implement a written continuing education
14 program that follows the guidance of RP1162. We refer
15 to these as public awareness programs, and the programs
16 were required to be in place June 20th, 2006. The
17 primary objective of the program is to inform the public
18 of the need to use the one-call notification system
19 prior to conducting excavation activities, possible
20 hazards associated with unattended releases of a gas
21 from a pipeline facility, physical indications of a
22 release may -- that a release may have occurred, steps
23 that should be taken for public safety in the event of a
24 gas pipeline release, and procedures for reporting such

1 an event. The public awareness program must include
2 activities to advise residents along the pipeline,
3 municipalities, school districts, businesses, emergency
4 officials, public officials, excavators, and so on of
5 hazards associated with pipeline release and mitigative
6 measures. The recommended message delivery approach in
7 media differ for each stakeholder group. The program in
8 the media used must be comprehensive and must be
9 communicated in English and other languages commonly
10 understood by a significant number of the concentration
11 of non-English speaking population within the operator's
12 area. They are required to identify those areas. The
13 overall program must communicate hazards associated with
14 pipelines, best practices to avoid damaging pipelines,
15 and the methods to report unattended pipeline releases.
16 The programs implement various outreach methods.
17 Examples of methods used are -- by the operators are
18 direct mailings, public service announcements, paid
19 advertising, news coverage, community and neighborhood
20 newsletters, telephone communication, group meetings,
21 drills, exercises, and one-call center outreach. The
22 most important message pipeline operators can
23 communicate is the need for the one-call notification
24 prior to digging. Third-party damage remains a primary

1 cause of natural gas-related incidents involving natural
2 gas distribution systems. In the City of Chicago,
3 Digger is the one-call system, and JULIE covers the
4 remainder of the state. Also allowing inside safety
5 inspections is critical. If a gas meter is located
6 inside a structure, distribution operators are required
7 to periodically inspect piping up to the meter for
8 corrosion and leakage. They also inspect the point
9 where the pipeline penetrates the foundation wall. A
10 good seal is essential at the foundation to ensure that
11 the leakage does not migrate into the structure from
12 outside. Our program emphasizes the need for personal
13 two-way communication or a liaison regarding emergency
14 responders. We've identified that emergency responders,
15 including some fire departments, did not have
16 appropriate understanding of their role in the pipeline
17 emergency. We emphasize to the operators the meetings
18 should be held in person with two-way communication or
19 they at least have to require the responders to
20 acknowledge receipt of the information. For a public
21 ordinance baseline program, the content of the message
22 and delivery frequency for each stakeholder group
23 varies. For example, a distribution system operator
24 must provide information to the effected public and

1 excavators at least once per year. That information
2 must include damage prevention, leak and damage
3 recognition and response, one-call requirements,
4 pipeline location information, and potential hazards
5 associated with the pipeline. For public officials,
6 their required information is similar; but the delivery
7 frequency is once every three years. Communication with
8 emergency responders is required annually and the
9 message is more focused on the emergency preparing the
10 response. We have been conducting assessments as well
11 as the operators. At a four-year interval, the operator
12 must conduct an effectiveness evaluation. My staff
13 began conducting comprehensive inspections of operator
14 public awareness program plans and associated records
15 shortly after the June 20th, 2010 program effectiveness
16 review date. The inspections identified 110 instances
17 resulting in notice of probable violation and 52
18 instances of notice of amendment. A notice of probable
19 violation identifies specific code sections where the
20 operator failed to meet the requirements. A notice of
21 amendment is issued to identify any procedural
22 deficiencies identified in the public awareness program
23 plan. We're in the process of verifying corrective
24 actions by the operators. To date, the records indicate

1 that 64 instances of noncompliance have yet to be
2 verified as corrected and 26 NOA instances also remain
3 open. We've taken some actions since the Harlem
4 explosion. As you're aware, an advisory press release
5 was issued by the ICC, and that advisory discussed
6 actions to be taken if the odor of gas is detected. It
7 also discussed potential hazardous pipe materials that
8 may exist in the customer's residence. So far, there
9 are very few findings from the investigation in
10 New York. The press coverage regarding the incident
11 investigation has indicated that NTSB has identified the
12 cast iron main that provides gas to the structure will
13 not hold a pressure test. The finding does not
14 specifically indicate the pipe failed nor does it
15 provide information indicating why it will not hold the
16 pressure test. NTSB has taken over the investigation.
17 When that happens, they determine who needs to be a
18 party of the investigation. They have designated both
19 Consolidated Edison and the New York Public Service
20 Commission as parties to this investigation. They hold
21 information very close and only share among designated
22 parties. Any information released must be approved by
23 NTSB, and it has been stated that the public service
24 commission has also elected to conduct a parallel

1 investigation to the NTSB investigation.

2 Regarding cast iron pipe, cast iron is very
3 susceptible to cracking. Outside force can cause a cast
4 iron pipe to fail. Most common failure is
5 circumferential cracking. When that occurs, it provides
6 opportunity for large volumes of gas to escape the main
7 rapidly. Frost and excavation contribute to the
8 failure. Ground movement associated with frost heave
9 can cause cracking. Excavation can remove support or
10 cause other damage. This winter has been extremely cold
11 and there's been a lot of frost penetration and the
12 frost is now starting to leave the soil causing
13 movement. Identification known of potential risks and
14 ranking of those risks associated with cast iron is
15 required under the distribution integrity management
16 program requirements. This is a fairly new requirement
17 since 2011. Operators must implement mitigated measures
18 to address threats to help -- to -- threats to the
19 piping and control risk. This can include additional
20 maintenance activity or complete replacement of the
21 pipelines. At the end of 2013, the operators in
22 Illinois reported having 1645 miles of cast iron pipe in
23 the natural gas system. Cast iron accounted for
24 2.6 percent of the total distribution main in Illinois

1 at the end of 2013. Nicor Gas Company has 239 miles in
2 their system, and Peoples Gas has 1406 miles in the City
3 of Chicago.

4 To summarize, operators will be conducting
5 public awareness effective evaluations again in 2014.
6 Staff will conduct reviews of the evaluation documents
7 to determine compliance with the requirement. Staff
8 will attempt to identify innovative effective measures
9 being used to communicate with stakeholders. Those
10 measures will be shared with operators seeking enhanced
11 communication methods. We will be conducting
12 comprehensive reviews of the distribution integrity
13 management programs to verify the operators of ranking
14 risks and implementing acceptable methods to reduce
15 those risks. We will also be reviewing leak rates to
16 determine if the mitigation methods are appropriate and
17 if the operators are targeting the appropriate pipe in
18 the replacement programs.

19 Could I answer any questions at this time?

20 CHAIRMAN SCOTT: Sure. Commissioner McCabe?

21 COMMISSIONER McCABE: Darin, can you talk a little
22 bit more about the findings on emergency responders not
23 being fully informed?

24 MR. BURK: Yes. This really came to light about

1 three years ago when the San Bruno accident occurred
2 where the pipeline came completely out of the ground.
3 The fire chief actually stated that he wasn't aware that
4 there was a pipeline in that area. That's just simply
5 not acceptable. And after that we started doing some
6 other work to identify that problem, and we identified
7 in Illinois, actually, one of the hubs for many of the
8 pipelines in Illinois is Will County. And I went to a
9 meeting with Congressman Rush and the Administrator of
10 Pipeline Safety for the United States Department of
11 Transportation, and we identified that many of the
12 public officials and emergency responders in that area
13 weren't aware of how many pipelines they had and where
14 they were located. So after extensive discussion, we
15 recommended that they apply for a technical assistance
16 grant, which they did, and that has been provided by
17 PHMSA, or the Pipeline and Hazardous Material Safety
18 Administration, so that they could develop a GIS system
19 to map those pipelines in the area and overlay them with
20 their current systems so that all the responders will
21 know what's there. We've also identified, during
22 different failure investigations, that some of the
23 smaller fire departments weren't really aware of their
24 role in a pipeline emergency. And that's why we now

1 require face-to-face meetings with those people to make
2 sure they understand their role.

3 COMMISSIONER McCABE: And those face-to-face
4 meetings are the fire departments and who?

5 MR. BURK: The pipeline operators --

6 COMMISSIONER McCABE: Okay.

7 MR. BURK: -- are required to hold them.

8 COMMISSIONER COLGAN: You said that there were
9 64 reported violations when you did the follow-up in
10 2010. Is that -- I maybe didn't get that right.

11 MR. BURK: We had those violations during --
12 between 2010 and 2013, yes, the public awareness plans,
13 as we reviewed them.

14 COMMISSIONER COLGAN: What's the penalty for a
15 violation?

16 MR. BURK: Well, it just depends. If the operator
17 takes immediate action to correct the violation, we
18 usually don't bring a penalty forward. We work with the
19 operator because most of these violations were on small
20 municipal gas system operators and we felt that spending
21 the money to bring in consultants than ask the programs
22 was better. We did have a couple of cases where the
23 operators didn't take the actions required and penalties
24 have been issued. Of course it's the same with any

1 pipeline violation. We can fine up to \$200,000 per
2 violation for each day it exists up to \$2 million. Of
3 course for a municipal, that's way out of reach, so the
4 violations -- or the penalties recommended by our staff
5 are usually significantly lower.

6 COMMISSIONER COLGAN: Are there requirements -- You
7 discussed how cast iron pipe is pretty brittle and that
8 frost heaving can actually crack a cast iron pipe. Are
9 there requirements for the depth that a gas line has to
10 be buried?

11 MR. BURK: Yes, there are requirements. And most
12 distribution main is buried at 24 inches in the ground.
13 A lot of the pipe in Chicago is deeper than that because
14 it was put in many years ago before the requirements and
15 basically they got it down farther just to try to avoid
16 damage. Most of it's between two and five feet deep.

17 COMMISSIONER COLGAN: Okay. So that's a
18 requirement, that it has to be buried that deep?

19 MR. BURK: At least two feet, yes.

20 COMMISSIONER COLGAN: Yeah. Okay.

21 CHAIRMAN SCOTT: Commissioner del Valle?

22 COMMISSIONER DEL VALLE: You indicated that the
23 operator inspects up to the meter.

24 MR. BURK: Yes.

1 COMMISSIONER DEL VALLE: So the operator's
2 responsible for those inspections. What about from the
3 meter to the boiler or the hot water heater, who's
4 responsible for that? Is the owner responsible? Are
5 the installers of new equipment responsible?

6 And my other question is: In the number of
7 explosions reported over the years, do you know how many
8 have been due to -- determined to be due to past the
9 meter leaks versus before the meter leaks?

10 MR. BURK: The customer or the building owner is
11 required to maintain the piping past the meter. The
12 Illinois Pipeline Safety Act gives us jurisdiction up to
13 the outlet of the meter or connection of the customer's
14 piping, whichever is furthest downstream. And in most
15 cases, it is the outlet of the meter. So there's no
16 real inspection program of customers' piping. It's all
17 up to the customer to maintain that.

18 As far as the number of explosions that have
19 occurred that involved customer piping rather than the
20 pipeline operators, I can say that the majority of them
21 are. I would say somewhere around 70 percent of what's
22 reported to me ends up being customer piping because the
23 operators have taken steps to improve the piping on the
24 outside of the building and they've taken measures to

1 step up their inspections of it, more frequent leak
2 surveys, and so on. Unfortunately, once piping is
3 installed in a building, there's no requirement to ever
4 take a look at it and customers just don't spend the
5 money to have their piping inspected.

6 COMMISSIONER DEL VALLE: So the customer awareness
7 responsibilities that the operator has do not go beyond
8 the meter?

9 MR. BURK: Well, they are required to inform the
10 customer that they don't inspect any of the piping
11 beyond the meter and that the customer is required to --
12 or responsible for that piping, but that's about all
13 there is. The information is provided that they need to
14 take the action and that the operator will not be
15 looking at it.

16 COMMISSIONER DEL VALLE: But if 70 percent of the
17 accidents, the explosions, are in that category, then it
18 seems to me like we're missing a lot here in terms of
19 customer awareness.

20 MR. BURK: That's been a big concern, yes.

21 COMMISSIONER MAYE: Thank you. Thanks, Darin. I
22 wanted to just ask a quick question, and maybe we don't
23 have all of the information yet. I know you stated that
24 a lot of information has not been provided by the NTSB;

1 they're keeping a lot of this close to the vest, which
2 is understandable. But I'm just curious to know, from
3 your perspective, what is it that you think we should be
4 doing here in Illinois, obviously not just us five
5 regulators, but also our staff, and also what we should
6 be directing our utilities? What is it that we should
7 be doing to try to prevent -- or maybe it's that we
8 should try to determine how it is that we best educate
9 our consumers, because it seems like you're saying this
10 is 70 percent of the problem. But what should we be
11 doing here to avoid such a catastrophic event that
12 happened in New York?

13 MR. BURK: Well, keep in mind that the federal
14 regulations are minimum requirements. There's no
15 prohibition from going beyond those requirements. So,
16 basically, we encourage operators to take more action,
17 conduct additional leak surveys, perform additional
18 inspections beyond the code requirement. But I think
19 the most important thing that we're going to be doing in
20 pipeline safety is the evaluation of the distribution
21 integrity management programs to ensure that these
22 operators have identified all the potential threats
23 associated with their piping and that mitigative
24 measures are being taken. Obviously it's very expensive

1 to replace cast iron piping, especially when you're at
2 an urban area. So it can't disappear overnight. So we
3 need to make sure the operators are implementing
4 measures to reduce those risks. Along that line,
5 Peoples Gas, I know, conducts three leak surveys a year
6 of their cast iron in the Loop. They conduct at least
7 one per year of the remainder of the cast iron. They're
8 not required to do it more than once every three years,
9 so they have taken proactive measures to reduce the
10 threat posed by cast iron in the city. And that's what
11 we encourage operators to do.

12 COMMISSIONER MAYE: Thank you.

13 MR. BURK: The other thing, I guess, would be to
14 ensure that they are targeting the right pipe with their
15 replacement programs. We want to make sure that they
16 look at their risk rankings and that the highest risk
17 pipe is coming out first, not the easiest to replace.

18 COMMISSIONER MAYE: Okay.

19 COMMISSIONER COLGAN: So this tragedy that happened
20 in New York City, if that leak was on the customer side
21 of the meter, and now that the building is destroyed,
22 we'll probably -- there's a good chance we would never
23 find out really what caused that accident? Is that ...

24 MR. BURK: An accident of that magnitude, you're

1 correct. We've often been able to identify customer
2 piping by going through the rubble. And we work with
3 Fire Marshal's Office as well on that. We usually make
4 contact with the Fire Marshal's Office immediately on an
5 accident site, and we work together in those cases. But
6 in a case like New York, it's usually done by process of
7 elimination. If the piping on the outside was intact or
8 they can determine that it didn't fail prior to the
9 incident, then you have to assume that it was inside
10 piping that caused it.

11 COMMISSIONER COLGAN: So if you were able to, you
12 know, excavate the site and were able to determine that
13 the problem was in the building, who's -- the landlord,
14 the owner of the building, is responsible for that? And
15 are there several penalties? I'm sure that there's
16 some -- I mean, are there -- Like in Illinois, if that
17 were to happen here, who has the authority, or is there
18 any authority, to enforce any sort of regulation on the
19 landlord side of the meter?

20 MR. BURK: The only thing I can think of was the
21 local building codes because statewide, we don't have
22 any authority to go in there on the customer piping.

23 COMMISSIONER COLGAN: Yeah.

24 MR. BURK: So I think it would be left up to the

1 municipalities and the building codes or code
2 enforcement.

3 CHAIRMAN SCOTT: Darin, if I could, could I ask you
4 just a couple of quick questions? Going back to the
5 violations and amendments on the policies and
6 procedures. So you've got a bunch that you identified
7 that had not been corrected since you went through the
8 first time and Commissioner Colgan asked you about fines
9 and penalties, but I'm just curious about the nature of
10 those, especially on the procedures. Can you give me an
11 example of what a couple of those might be or is there
12 a, you know, kind of generalized procedure that a lot of
13 people aren't doing or is there some kind of pattern to
14 any of that?

15 MR. BURK: Many of the violations were associated
16 with the effectiveness evaluation. They weren't
17 conducted in the time frame that was required or we
18 deemed them ineffective; they didn't do enough. The
19 other things that we've identified were that they didn't
20 communicate the message to the various stakeholders in
21 the time frames required because you have to look at a
22 chart to determine which group is to be notified on what
23 interval. Some of it was that we didn't believe their
24 message was effective; it didn't include all the

1 elements that should be included in the message. Some
2 of them didn't conduct annual reviews of their plan,
3 which is required. It was just a gamut of things. And
4 when I say that we haven't confirmed those as corrected,
5 they may have been corrected; we just haven't had an
6 opportunity to go out there and do it because of
7 resources. So many of these things, the operators
8 responded to us, said they were taking corrective
9 actions, but we don't remove them until we've done some
10 sort of verification.

11 CHAIRMAN SCOTT: Okay. That makes sense. Thank
12 you.

13 And, Beth, if I could just ask a question of
14 you. So I know we send out, periodically, releases and
15 we try to work with the media in terms of getting this
16 message out. Going back to Commissioner del Valle's
17 point that if a lot of this is in the houses, those are
18 the people that we've got to get to. Could you tell me
19 how frequently we do that and is it possible to do it a
20 little bit more or are there some additional things that
21 maybe we can do from a public relations' standpoint?

22 MS. BOSCH: Well, we've done several things
23 recently. And April is call-it-before-you-dig month, so
24 we were preparing for that anyway. The springtime is

1 when we typically focus on that. But this here, we --
2 On the heels of that accident, we, as Darin suggested,
3 sent out an advisory, or I call it a Public Service
4 Announcement, to make sure that people knew not to stay
5 in the building if they smelled gas. And that's an --
6 No matter where it's coming from, that's critical. So
7 we distributed that statewide and to TV, radio,
8 newspapers, trade publications. Just tried to get as
9 much of that word out immediately as we could. Also,
10 you know, you had an enforcement case last week --

11 CHAIRMAN SCOTT: Right.

12 MS. BOSCH: -- which we publicized, and we -- You
13 get to draw attention again to our efforts to make sure
14 that the systems are safe. We're putting a news release
15 out today, again, to talk about the importance of the
16 communication with the various constituencies. We have
17 the governor -- We asked the governor to issue a
18 proclamation to draw attention to call-it-before-you-dig
19 months, and that's been done. So we will -- And you
20 have a resolution coming up on April 2nd --

21 CHAIRMAN SCOTT: Right.

22 MS. BOSCH: -- which Bill Riley can talk a little
23 more about because he -- That's his program, the JULIE
24 program. So those are some things we're doing. I think

1 we typically do something in the spring because that's
2 when excavations occur. We can certainly do things more
3 often to remind people about these safety messages.

4 CHAIRMAN SCOTT: I think, you know, just from my
5 own standpoint, it might be a good idea -- Because the
6 digging is one specific set of issues, but then the
7 other issue we've been talking about today is just
8 people may be not understanding the dangers that they've
9 got in their own residence until it may be too late.
10 So, I think, maybe, you know, it might be a good idea
11 for us to look at different ways to try to get that
12 message out as often as -- and in as many ways we can.

13 John, did you have something?

14 COMMISSIONER COLGAN: Yeah. If we wanted to do
15 something like promote a media sweep that had talking
16 points, do we have the equivalent of a partner at local
17 levels throughout the state, or is this all on the
18 Commerce Commission? Like if we thought we had a
19 problem in one of the more major cities in central
20 Illinois that we wanted to address, do we have a partner
21 in those communities that are somehow connected with the
22 enforcement of the safety rules that we have?

23 MR. BURK: Other than the utilities, I don't know
24 of any, no.

1 CHAIRMAN SCOTT: Is it possible to work with both
2 the Fire Marshal and then with the -- as you said,
3 Darin, the local governments that are responsible,
4 although you don't have building codes in a lot of
5 counties in the state, but those that actually have
6 building codes, and enforce them maybe through the
7 municipal league or something like that? Is it possible
8 to reach out to them?

9 MR. BURK: We could look into it.

10 COMMISSIONER COLGAN: When we have a major accident
11 like this, it would be -- I would think even mayors
12 would be interested in doing local news conferences if
13 they had the talking points in front of them so that
14 they had a script that they could go with, call a news
15 conference saying, big problem in New York. We want to
16 avoid that stuff here. Here's the five things that
17 everybody needs to know about.

18 I would think local media outlets would be
19 quick to grab that and pick up on it.

20 COMMISSIONER MAYE: I agree, but I also think
21 that -- and I said this at least three times before -- I
22 think we often work in a vacuum. I don't think that
23 this issue -- It's a very significant issue, but I don't
24 think it is just a Commission issue. I think it is an

1 everyone issue. So perhaps we can partner with the
2 utilities and we can see what they're doing in their PR
3 departments and we can get the word out that way as
4 well. I mean, this is not something that we should be
5 working single-handedly on. I think this is something
6 where you have the more men on the ship, you know, you
7 get more done. And I think that that's just something
8 we should look into, perhaps seeing what the PR
9 departments in each of our utilities are doing and
10 working collaboratively with them in addition to what
11 Commissioner Colgan stated about local governments and
12 mayors and aldermen and things like that.

13 CHAIRMAN SCOTT: I think that's a great point.
14 It's a nice segue to the May 6th policy meeting where
15 we're going to actually invite the utilities in along
16 with staff and kind of go through these issues in more
17 detail, the two issues that Darin talked about, and then
18 we'll see if there are other issues that we need to go
19 into as well. And we'll get an agenda and some details
20 out on that in the next week or so. But for right now,
21 just plan on a policy meeting on May 6th to work through
22 these issues, so ...

23 COMMISSIONER COLGAN: Just one more question. The
24 operators are required to do the public awareness part,

1 that's right?

2 MR. BURK: Yeah.

3 COMMISSIONER COLGAN: Do they send those notices to
4 us? Are we aware of what they are actually distributing
5 into the community?

6 MR. BURK: Some do, some don't. We look at it when
7 we do our inspections. My inspectors will look over the
8 media they use to communicate the message.

9 COMMISSIONER COLGAN: It seems like, maybe even
10 through PHMSA, or some organization could put together
11 some sort of a media tool packet that would be readily
12 available for -- and would have standards of things that
13 need to be said so that, you know, if 80 percent of the
14 problem -- I've been thinking that the problem was
15 probably on the older cast iron pipes on the utility on
16 the operator side rather than 70 percent of the problem
17 being on the customer side. So there's a lot of public
18 information that people need to know about. So I don't
19 know. It seems like a lot of education is needed
20 because every big city has this problem, right? I mean,
21 especially a city like New York, Chicago, the major
22 cities have such a maze of things going on underneath
23 the ground and you have these high-rise buildings --
24 Well, this was a three-story building?

1 MR. BURK: Two five-story buildings.

2 COMMISSIONER COLGAN: Two five-story buildings that
3 just collapsed. I guess there's not a question in
4 there. It's just an idea that somehow there needs to be
5 some good public education going on in this issue.

6 CHAIRMAN SCOTT: I think maybe the best thing would
7 be for us to use May 6th to try to find out all of what
8 is out there, and then we can see where we think there
9 may be gaps or some voids that need to be filled in.

10 COMMISSIONER COLGAN: I agree.

11 CHAIRMAN SCOTT: Anything else?

12 Gene?

13 MR. BEYER: This is Gene. May I offer one
14 suggestion?

15 CHAIRMAN SCOTT: Of course.

16 MR. BEYER: While we're spending the next week or
17 so developing an agenda for the upcoming policy meeting,
18 we've talked about notices that utilities may send to
19 their customers from time to time. Perhaps if in the
20 meantime utilities would send examples or a packet of
21 the types of notices they provide to their customers, if
22 they could send that to all of us, then we could start
23 looking at some of those, too. I know as customers we
24 see some of those in our bill inserts, but some of us

1 might not be customers of the gas companies, so we can't
2 just bring those in from home. But if the utilities --
3 If we can invite the utilities today to put together a
4 packet of information that they regularly distribute or
5 adds or inserts, that would help us in developing our
6 agenda, too.

7 CHAIRMAN SCOTT: Good suggestion. Thanks.

8 COMMISSIONER MAYE: I think that's a great
9 suggestion. Perhaps we can reaffirm that via an e-mail
10 to all of our representatives from our utilities just in
11 case some are not here present today, if that's
12 possible.

13 MR. BEYER: I'll take care of that, Commissioner.

14 COMMISSIONER MAYE: Thank you.

15 CHAIRMAN SCOTT: Thank you. Anything else?

16 (No response.)

17 CHAIRMAN SCOTT: Darin, Beth, Bill, thank you very
18 much. I appreciate it.

19 Judge Wallace, any other matters to come
20 before the Commission today?

21 ADMINISTRATIVE LAW JUDGE WALLACE: No. That's it,
22 Mr. Chairman.

23 CHAIRMAN SCOTT: Thank you.

24 Commissioner Colgan, I want you to know that I

1 caught that when you said even a mayor would do this if
2 you gave him a script.

3 Hearing nothing more to come before the body,
4 the meeting stands adjourned.

5 Thanks, everyone.

6 (Meeting adjourned.)

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

1 STATE OF ILLINOIS)
2 COUNTY OF COOK) SS.

3

4 Angela DiNino, being first duly sworn, on oath
5 says that she is a Certified Shorthand Reporter and
6 Registered Professional Reporter doing business in the
7 City of Chicago, County of Cook and the State of
8 Illinois;

9 That she reported in shorthand the proceedings
10 had at the foregoing Meeting;

11 And that the foregoing is a true and correct
12 transcript of her shorthand notes so taken as aforesaid
13 and contains all the proceedings had at the said
14 Meeting.

15

16

17

ANGELA DiNINO, CSR, RPR

18

CSR No. 084-004685

19

20 SUBSCRIBED AND SWORN TO
21 before me this 3rd day of
22 April, A.D., 2014.

22

23

24

NOTARY PUBLIC