UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

REPLY TO THE ATTENTION OF:

JUN 0 5 2007

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Stephen H Armstrong
Ungaretti & Harris LLP
3500 Three First National Plaza
Chicago IL 60602-4224

RE: Peoples Gas Sites, Chicago, Illinois

Dear Steve:

Enclosed is your copy of the executed Administrative Order on Consent for an EE/CA at eleven Peoples Gas Sites in Chicago, Illinois. Pursuant to Paragraph 108 of the AOC, the AOC is effective upon the signature of the Superfund Division Director. Also enclosed is your copy of the executed Administrative Order on Consent for a Removal Action at three Peoples Gas Chicago Sites. Pursuant to Paragraph 74 of the AOC, the AOC is effective upon the signature of the Superfund Division Director.

If you have any questions, please call me at (312) 886-5114. Thank you for your cooperation in this matter.

Sincerely yours,

Peter Felitti

cc: Timothy Prendiville, SR-6J (w/o enclosures)
Thomas Cook, SE-5J (w/o enclosures)
Gary King, Deputy Manager
Division of Land Pollution Control
Illinois Environmental Protection Agency
1021 North Grand Avenue East
Springfield, Illinois 62702

Enclosures

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bcc: Docket Analyst, ORC (C-14J)
Valerie Mullins, Enforcement Specialist, EESS (SE-5J)
John Maritote, EESS (SE-5J)
Fushi Cai, EESS (SE-5J)
Linda Haile (MF-10J)
Records Center (SMR-7J)
ERB Read File
Denise Gawlilnski, Public Affairs (P-19J) w/out attachments
Michael T. Chezik, Department of Interior

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5

IN THE MATTER OF:	)	Docket No. V-W- '07-C-869
Peoples Gas	)	
Manufactured Gas Plant Sites	)	ADMINISTRATIVE SETTLEMENT
Chicago, Cook County, Illinois	)	AGREEMENT AND ORDER ON
	)	CONSENT FOR REMOVAL
	)	ACTION
Peoples Gas,	)	
Respondent	)	Proceeding under Sections 104, 106(a),
	)	107, and 122 of the Comprehensive
	)	Environmental Response,
	)	Compensation and Liability Act,
	)	as amended 42 U.S.C. §§ 9604, 9606(a), 9607 and 9622

I. JURISDICTION AND GENERAL PROVISIONS

1. This Administrative Settlement Agreement and Order on Consent ("Settlement Agreement") is entered into voluntarily by the United States Environmental Protection Agency ("U.S. EPA") and Respondent, The Peoples Gas Light and Coke Company ("Peoples Gas"). This Settlement Agreement provides for the performance of removal actions by Respondent and the reimbursement of certain response costs incurred by the United States at or in connection with the following properties: the 22nd Street Station ("22nd Street Station Site") located at 2200 South Racine Avenue, Chicago, Illinois; the Hough Place Station ("Hough Place Station Site") located at 2500 S. Corbett St., Chicago, Illinois; and the Pitney Court Station ("Pitney Court Station Site") located at 3052 Pitney Court, Chicago, Illinois; These properties are depicted in Appendix 1. These properties are referred to individually as a "Site" and collectively as the "Sites".

2. This Settlement Agreement is issued under the authority vested in the President of the United States by Sections 104, 106(a), 107 and 122 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §§ 9604, 9606(a), 9607 and 9622, as amended ("CERCLA"). This authority has been delegated to the Administrator of the U.S. EPA by Executive Order No. 12580, January 23, 1987, 52 Federal Register 2923, and further delegated to the Regional Administrators by U.S. EPA Delegation Nos. 14-14-A, 14-14-C and 14-14-D, and to the Director, Superfund Division, Region 5, by Regional Delegation Nos. 14-14-A, 14-14-C and 14-14-D.

3. U.S. EPA has notified the State of Illinois (the "State") of this action pursuant to Section 106(a) of CERCLA, 42 U.S.C. § 9606(a).

4. U.S. EPA and Respondent recognize that this Settlement Agreement has been negotiated in good faith and that the actions undertaken by Respondent in accordance with this Settlement Agreement do not constitute an admission of any liability. Respondent does not admit, and retains the right to controvert in any subsequent proceedings other than proceedings to implement or enforce this Settlement Agreement, the validity of the findings of facts, conclusions of law, and determinations in Sections IV and V of this Settlement Agreement. Respondent agrees to comply with and be bound by the terms of this Settlement Agreement and further agrees that it will not contest the basis or validity of this Settlement Agreement or its terms.

II. PARTIES BOUND

5. This Settlement Agreement applies to and is binding upon U.S. EPA and upon Respondent and its successors and assigns. Any change in ownership or corporate status of the Respondent including, but not limited to, any transfer of assets or real or personal property shall not alter the Respondent's responsibilities under this Settlement Agreement.

6. Respondent shall ensure that its contractors, subcontractors, and representatives comply with this Settlement Agreement. Respondent shall be responsible for any noncompliance with this Settlement Agreement.

III. DEFINITIONS

7. Unless otherwise expressly provided herein, terms used in this Settlement Agreement which are defined in CERCLA or in regulations promulgated under CERCLA shall have the meaning assigned to them in CERCLA or in such regulations. Whenever terms listed below are used in this Settlement Agreement or in the appendices attached hereto and incorporated hereunder, the following definitions shall apply:

a. "AOC" or "Settlement Agreement" shall mean this Agreement and all appendices attached hereto. In the event of conflict between the AOC and any appendices, this AOC shall control

b. "CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601, et seq.

c. "Day" shall mean a calendar day unless expressly stated to be a business day. "Business day" shall mean a day other than a Saturday, Sunday, or Federal holiday. In computing any period of time under this AOC, where the last day would fall on a Saturday, Sunday, or Federal holiday, the period shall run until the close of business of the next business day.

d. "Effective Date" shall be the effective date of this Settlement Agreement as provided in Section XXVII.

e. "Future Response Costs" or "Oversight Costs" shall mean all costs, including direct and indirect costs, that the United States incurs in reviewing or developing plans, reports and other items pursuant to this Settlement Agreement, verifying the Work, or otherwise implementing, overseeing, or enforcing this Settlement Agreement on or after the Effective Date.

f. "Interest" shall mean interest at the rate specified for interest on investments of the U.S. EPA Hazardous Substance Superfund established by 26 U.S.C. § 9507, compounded annually on October 1 of each year, in accordance with 42 U.S.C. § 9607(a). The applicable rate of interest shall be the rate in effect at the time the interest accrues. The rate of interest is subject to change on October 1 of each year.

g. "MGP" shall mean manufactured gas plant.

h. "National Contingency Plan" or "NCP" shall mean the National Oil and Hazardous Substances Pollution Contingency Plan promulgated pursuant to Section 105 of CERCLA, 42 U.S.C. § 9605, codified at 40 C.F.R. Part 300, and any amendments thereto.

i. "PAHs" shall mean polycyclic aromatic hydrocarbons.

j. "Paragraph" shall mean a portion of this AOC identified by an Arabic numeral or a letter.

k. "Parties" shall mean the U.S. EPA and the Settling Respondent.

l. "Respondent" shall mean The Peoples Gas Light and Coke Company.

m. "Site" shall mean the following three properties: a portion of the 22nd Street Station ("22nd Street Station Site") located at 2200 South Racine Avenue, Chicago, Illinois; the Hough Place Station ("Hough Place Station Site") located at 2500 S. Corbett St., Chicago, Illinois; and the Pitney Court Station ("Pitney Court Station Site") located at 3052 Pitney Court, Chicago, Illinois; These properties are depicted in Appendix 1. These properties are referred to individually as a "Site" and collectively as the "Sites".

n. "State" shall mean the State of Illinois.

o. "U.S. EPA" shall mean the United States Environmental Protection Agency and any successor departments or agencies of the United States.

p. "Waste Material" shall mean 1) any "hazardous substance" under Section 101(14) of CERCLA, 42 U.S.C. § 9601(14); 2) any pollutant or contaminant under Section 101(33) of CERCLA, 42 U.S.C. § 9601(33); and 3) any "solid waste" under Section 1004(27) of RCRA, 42 U.S.C. § 6903(27).

q. "Work" shall mean all activities Respondent is required to perform under this Settlement Agreement as set forth in Appendices 2 to 4.

IV. FINDINGS OF FACT

8. Based on available information, including the Administrative Record in this matter, U.S. EPA hereby finds that:

9. With regard to the 22nd Street Station Site:

a. The Site is located at 2200 South Racine Avenue in Chicago, Illinois. The Site, which is 7.2 acres in size, is bounded to the west by commercial property, to the north by Cermak Road followed by mixed residential and commercial properties, to the east by an electrical substation owned by Commonwealth Edison, and to the south by the South Branch of the Chicago River. The portion of the Site subject to the terms of this Settlement Agreement is depicted in Appendix 1.

b. The Site is no longer owned by Peoples Gas but is comprised of four parcels, which are currently owned and/or operated by Commonwealth Edison, Throop Realty LLC, Throop Towers LLC, and Midwest Generation.

c. The Site was initially developed by Peoples Gas in 1862 to produce coal gas. The Site was modified to produce carbureted water gas and oil gas in 1934. Some of the facilities were retired in 1938, and in 1944 two production sets were modified to produce reformed natural gas.

d. Peoples Gas began leasing portions of the Site to Commonwealth Edison in 1931 and sold the last portion of the Site to Commonwealth Edison in 1959. The Site stopped operating in 1958 and the entire plant was dismantled by 1960.

e. Various VOCs, SVOCs, metals, and cyanide were detected in groundwater samples collected at the Site in 2001. The direction of shallow groundwater flow is to the southwest, toward the former Throop's Canal and the South Branch of the Chicago River.

f. The surface soil at the Site is fill material composed primarily of gravel and sand with smaller amounts of silt, clay, brick, cinders, glass, and wood. Coal tar, free product, staining, and odors were observed at various locations during site investigations, and sheens were observed in borings installed in the fill in the former Throop's Canal. Metals (including arsenic, chromium, lead, silver, and selenium), BTEX, and a number of PAHs were detected at concentrations exceeding the Illinois Tier 1 screening levels in soil samples collected at the Site.

g. Sediment samples were collected from a location in the South Branch of the Chicago River about 2,000 feet downstream of the Site in 2000 as part of a U.S. EPA study of sediment contamination. These samples contained high levels of PAHs, PCBs, oil and grease, and metals with the concentrations of these substances generally increasing with depth.

h. A CERCLA preliminary assessment of the Site was conducted by the Illinois EPA in 1988 which recommended further investigation. Site investigations were performed on behalf of Peoples Gas between 2000 and 2002. A Remedial Objectives Report developed for the Site during this period recommended removal of impacted material from a number of on-site locations. In April 2006, remediation activities began in a portion of the Site. Impacted material in the east gas holder has been excavated and removed to a depth of approximately 20 feet. Impacted material in portions of the former Throop's Canal have been excavated and removed to a depth of approximately 30 feet. Remediation of the Site by excavation and off-site disposal of impacted materials is continuing.

i. Removal work has been on-going at the Site under the Illinois Site Remediation Program.

j. A RCRA/CERCLA citizen suit regarding this Site was filed on October 31, 2006 and is currently pending.

10. With regard to the Hough Place Station Site:

a. The Site is located at 2500 S. Corbett St. in Chicago, Illinois. The Site is approximately 4.5 acres and is bounded on the north by the South Branch of the Chicago River, on the south by railroad property, and on the east by a paper storage and distribution facility. The former Site and the adjacent property to the west are currently vacant but were formerly occupied by a sailboat storage, sales, and repair facility (Crowley's Yacht Yard).

b. The Site is currently owned by Crowley's Yacht Yard.

c. The Site was built in about 1885 by the Equitable Gas Light and Fuel Company. In approximately 1892, the facility began producing "Pintsch gas," a relatively high quality gas produced by an oil gas process, for the Pintsch Compressing Company. Production of Pintsch gas appears to have continued into the early 1920s. Peoples Gas acquired the facility in 1897 after the passage of the Gas Consolidation Act of 1897. The station was dismantled in 1934, and all aboveground gas plant structures were removed. Portions of the property were subsequently leased to other companies, who used the property for storage of building materials and for making asphalt, concrete, or other paving materials through at least 1950. Chicago Title and Trust Company, as trustee, took title to the property in approximately 1953. For some period of time between 1953 and 1978, the J.M. Corbett Company operated an asphalt mixing plant on the property. In 1978 the property was sold to Crowley's Yacht Yard.

d. Water level data suggest that the direction of shallow groundwater flow at the Site is primarily toward the former slips to the east and west, with a northern

component toward the South Branch of the Chicago River. BTEX, PAHs, metals, and cyanide were detected in groundwater samples collected at the site in 2000.

e. The Site is underlain by fill material consisting of silty clay mixed with sand and gravel, cinders, slag, brick fragments, and other assorted debris. Staining and odors have been observed in test pits and soil borings in various locations across the Site to depths below the water level. Black, plastic asphalt tar was observed to a depth of two feet in a test pit located in the northwest corner of the Site. BTEX, PAHs, metals and cyanide were detected in several surface and subsurface soil samples at the Site.

f. Several investigations at the Site have been conducted for Peoples Gas in recent years. A site investigation performed in 2000 included completion of test pits and soil borings and installation of shallow monitoring wells. Impacts were observed at various locations on the Site at depths below the water level. Soil samples were collected in June 2001 by as part of a supplemental site investigation. Several areas where tar was present at depths below the water table were identified. In September and October of 2006, a geotechnical investigation was conducted in order to design excavations necessary to remediate the Site. Soil borings advanced beyond the eastern Site boundary (in the location of the former Hough Slip) indicated that tar was present at depths below the water level in the filled-in slip. Remediation of the Site is currently under way; this effort involves excavation of impacted material to depths of up to 24 feet and off-site disposal of the excavated materials.

g. A limited investigation of the river area adjacent to the Site was conducted for Peoples Gas in November 2006. Several borings were advanced into river sediments. Impacts in the form of sheens, odor, tar globules, tar-coated or stained material, and traces of tar were observed in some of the borings.

h. Removal work has been on-going at the Site under the Illinois Site Remediation Program.

i. A RCRA citizen suit regarding this Site was filed on April 12, 2005 and is currently pending.

11. With regard to the Pitney Court Station Site:

a. The Site is located at 3052 Pitney Court, at the intersection of Archer Avenue and Pitney Court in Chicago, Illinois. The approximately 4.8 acre Site is bounded to the northwest by Archer Avenue, to the northeast by Pitney Court and 31st Street, to the east by Benson Street, to the south by Chicago Plating, Inc., a chrome plating facility, and to the west by the South Fork of the South Branch of the Chicago River.

b. Peoples Gas owns the Site, which is currently vacant and which will be developed for residential use. The land use in the surrounding area is mixed residential, industrial, and commercial.

c. The Site was formerly used as a production and storage facility for manufactured gas. The Universal Gas Company began gas manufacturing operations at the Site in 1897. Peoples Gas leased the facility from Universal Gas in 1907 and purchased the Universal Gas Company in 1914. Peoples Gas sold the property in 1952 and re-purchased it in July 2005. The property had a number of owners and was used for a variety of purposes between 1952 and 2005.

d. Based on water level measurements, the groundwater flow is westerly toward the South Fork of the South Branch of the Chicago River. An interlocking sheet pile wall is located along the western side of the Site, adjacent to the South Fork. VOCs, SVOCs (including PAHs), metals, and cyanide have been detected in groundwater samples collected during investigations conducted at various times from 1995 through 2002.

e. Three stratigraphic units have been identified at the Site: a fill unit, a sandy silt unit, and a silty clay unit. Visible evidence of impacts, including coal tar, sheen, and/or staining was observed at depths below the groundwater level in several soil borings and test pits during site investigations. Metals (arsenic and lead), benzene, ethylbenzene, toluene, and a number of PAHs were detected at concentrations exceeding Illinois Tier 1 screening levels in soil samples collected at the Site.

f. Sediment samples were collected in the South Fork near the Site for the U.S. Army Corps of Engineers ("USACE") Chicago District in 2004. These samples contained PAHs, other SVOCs, VOCs, PCBs, oil and grease, and metals. An oily sheen was observed in sediments at two locations near the Site. The USACE findings are consistent with results obtained in earlier studies conducted by the Illinois EPA in 1994, the Metropolitan Water Reclamation District in 1995, and the U.S. EPA in 2000.

g. Conditions on the Site have been investigated by a number of parties since 1990. These investigations have reported subsurface impacts, including coal tar, staining, sheens, and odor, at various locations across the Site, in some cases below groundwater levels. An investigation performed in 1990 noted stained soils in conjunction with UST removal activities, and an investigation performed in 1995 concluded that the Site was impacted by past operations on the basis of detections of benzene and PAHs in soil and groundwater. Surface soil staining and a sheen on ponded surface water were noted in 1998, and tar was observed at depths of up to 20 feet below the water levels in the ground and the adjacent river in 2000. Additional site investigations conducted for Peoples Gas from 2002 through 2006 also found tar at varying depths. Site remediation activities began in 2005 and are continuing. These activities generally involve excavation and off-site disposal of MGP-impacted materials. To date, impacted materials, including tar-saturated material, have been encountered and removed at levels above and below the water table from the center of the Site and along the South Fork, directly behind the sheet pile river wall.

h. Several surface sediment samples collected in the South Fork adjacent to the Site had high fluorescence readings, indicating the presence of coal tar impacts. In addition, hollow stem auger sampling of sediments was also conducted. Tar-

saturated sediment was observed in several river boring locations, primarily at the sediment/river bottom interface.

i. Removal work has been on-going at the Site under the Illinois Site Remediation Program.

j. A RCRA citizen suit regarding this Site was filed on May 13, 2004. The matter was settled with the court retaining jurisdiction over the settlement.

V. CONCLUSIONS OF LAW AND DETERMINATIONS

12. Based on the Findings of Fact set forth above, and the Administrative Record supporting this removal action, U.S. EPA has determined that:

a. Each Site is a "facility" as defined by Section 101(9) of CERCLA, 42 U.S.C. § 9601(9).

b. The contamination found at the Sites, as identified in the Findings of Fact above, includes "hazardous substance(s)" as defined by Section 101(14) of CERCLA, 42 U.S.C. § 9601(14).

c. The Respondent is a "person" as defined by Section 101(21) of CERCLA, 42 U.S.C. § 9601(21).

d. The Respondent is a responsible party under Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), and is liable for the performance of response action and for response costs incurred and to be incurred at the Sites.

i. The Respondent is the present "owner" and/or "operator" of the Pitney Court Site as defined by Section 101(20) of CERCLA, 42 U.S.C. § 9601(20).

ii. The Respondent is also the "owners" and/or "operators" of the Sites at the time of disposal of hazardous substances at the Sites, as defined by Section 101(20) of CERCLA, 42 U.S.C. § 9601(20), and within the meaning of Section 107(a)(2) of CERCLA, 42 U.S.C. § 9607(a)(2); and/or persons who arranged for disposal or treatment, or arranged with a transporter for transport for disposal or treatment of hazardous substances at the Sites, within the meaning of Section 107(a)(3) of CERCLA, 42 U.S.C. § 9607(a)(3); and/or persons who accept or accepted hazardous substances for transport to the Sites, within the meaning of Section 107(a)(4) of CERCLA, 42 U.S.C. § 9607(a)(4).

e. The conditions described in the Findings of Fact above constitute an actual or threatened "release" of a hazardous substance from the facility into the "environment" as defined by Sections 101(22) and 101(8) of CERCLA, 42 U.S.C.§§ 9601(22) and 9601(8).

f. The conditions present at the Site constitute a threat to public health, welfare, or the environment based upon the factors set forth in Section 300.415(b)(2) of the National Oil and Hazardous Substances Pollution Contingency Plan, as amended ("NCP"), 40 CFR § 300.415(b)(2). These factors include, but are not limited to, the following:

i. actual or potential exposure to nearby human populations, animals, or the food chain from hazardous substances, pollutants or contaminants;

This factor is present at the Sites due to the presence of hazardous substances in the soil exceeding Illinois Tier 1 screening levels. The health concerns at the Sites are related to the fact that workers, visitors or trespassers to the Sites are potentially exposed to contamination.

ii. high levels of hazardous substances or pollutants or contaminants in soils largely at or near the surface, that may migrate;

This factor is present at the Sites due to the existence of elevated concentrations of hazardous substances in the soils at or near the surface that may pose a threat of further migration of contaminated materials due to rain or melting snow. There is also the possibility of airborne migration of hazardous substances attached to dust particles. People and animals coming in contact with contaminated areas could track the hazardous substances to other areas on-site as well as off-site.

iii. other situations or factors that may pose threats to public health or welfare or the environment;

This factor is present at the Sites due to the location of the Sites next to or near the Chicago River. The presence of various hazardous substances at the Sites present a risk of continued contamination migrating into the Chicago River, thereby impacting the ecological system of the river as well as the recreational use of the river.

g. The removal actions required by this Settlement Agreement are necessary to protect the public health, welfare, or the environment and, if carried out in compliance with the terms of this Settlement Agreement, will be considered consistent with the NCP, as provided in Section 300.700(c)(3)(ii) of the NCP.

VI. SETTLEMENT AGREEMENT AND ORDER

13. Based upon the foregoing Findings of Fact, Conclusions of Law, Determinations, and the Administrative Record for these Sites, it is hereby Ordered and Agreed that Respondent shall comply with all provisions of this Settlement Agreement, including, but not limited to, all

attachments to this Settlement Agreement and all documents incorporated by reference into this Settlement Agreement.

VII. DESIGNATION OF CONTRACTOR, PROJECT COORDINATOR, AND ON-SCENE COORDINATOR

14. Respondent shall retain one or more contractors to perform the Work and shall notify U.S. EPA of the name and qualifications of such contractor within 5 business days of the Effective Date. Respondent shall also notify U.S. EPA of the name and qualification of any other contractor or subcontractor retained to perform the Work at least 5 business days prior to commencement of such Work. U.S. EPA retains the right to disapprove of any or all of the contractors and/or subcontractors retained by Respondent. If U.S. EPA disapproves of a selected contractor, Respondent shall retain a different contractor and shall notify U.S. EPA of that contractor's name and qualifications within 3 business days of U.S. EPA's disapproval. The contractor must demonstrate compliance with ANSI/ASQC E-4-1994, "Specifications and Guidelines for Quality Systems for Environmental Data Collection and Environmental Technology Programs" (American National Standard, January 5, 1995), by submitting a copy of the proposed contractor's Quality Management Plan ("QMP"). The QMP should be prepared consistent with "EPA Requirements for Quality Management Plans (QA/R-2)" (EPA/240/B0-1/002), or equivalent documentation as required by U.S. EPA.

15. Respondent has designated Narenda Prasad as Project Coordinator for the 22nd Street Station Site, the Hough Place Station Site and the Pitney Court Station Site. The Project Coordinator shall be responsible for administration of all actions by Respondent required by this Settlement Agreement for the Project Coordinator's particular Site. To the greatest extent possible, the Project Coordinator shall be present on Site or readily available during Site work. U.S. EPA retains the right to disapprove of the designated Project Coordinator. If U.S. EPA disapproves of the designated Project Coordinator, Respondent shall retain a different Project Coordinator and shall notify U.S. EPA of that person's name, address, telephone number, and qualifications within 4 business days following U.S. EPA's disapproval. The Respondent may name a different Project Coordinator for each Site. Receipt by Respondent's Project Coordinator of any notice or communication from U.S. EPA relating to this Settlement Agreement shall constitute receipt by Respondent.

16. U.S. EPA has designated Thomas Cook of the Emergency Response Branch, Region 5, as its On-Scene Coordinator ("OSC"). Except as otherwise provided in this Settlement Agreement, Respondent shall direct all submissions required by this Settlement Agreement to the OSC at U.S. EPA, Superfund Division, 77 West Jackson Boulevard, SE-5J, Chicago, Illinois 60604-3590, by certified or express mail. Respondent shall also send a copy of all submissions to Peter Felitti, Assistant Regional Counsel, 77 West Jackson Boulevard, C-14J, Chicago, Illinois, 606004-3590 and Timothy Prendiville, RPM, 77 West Jackson Boulevard, SR-6J, Chicago, Illinois, 606004-3590. Respondent is encouraged to make its submissions to U.S. EPA on recycled paper (which includes significant post consumer waste paper content where possible) and using two-sided copies.

17. U.S. EPA and Respondent shall have the right, subject to Paragraph 15, to change their respective designated OSC or Project Coordinator. U.S. EPA shall notify the Respondent, and Respondent shall notify U.S. EPA, as early as possible before such a change is made, but in no case less than 24 hours before such a change. The initial notification may be made orally but it shall be promptly followed by a written notice.

VIII. WORK TO BE PERFORMED

18. Respondent shall continue to perform and complete the removal activities it has begun at the three Sites under the Illinois Site Remediation Program.

19. Work Plan and Implementation On the Effective Date, Respondent shall commence implementation of the Work Plans attached hereto as Appendices 2 to 4.

20. Health and Safety Plan. Respondent shall implement the health and safety plan previously reviewed by U.S. EPA. Respondent shall implement the plan during the pendency of the removal action.

21. Quality Assurance and Sampling.

a. All sampling and analyses performed pursuant to this Settlement Agreement shall conform to U.S. EPA direction, approval, and guidance regarding sampling, quality assurance/quality control ("QA/QC"), data validation, and chain of custody procedures. Respondent shall ensure that the laboratory used to perform the analyses participates in a QA/QC program that complies with the appropriate U.S. EPA guidance. Respondent shall follow, as appropriate, "Quality Assurance/Quality Control Guidance for Removal Activities: Sampling QA/QC Plan and Data Validation Procedures" (OSWER Directive No. 9360.4-01, April 1, 1990), as guidance for QA/QC and sampling. Respondent shall only use laboratories that have a documented Quality System that complies with ANSI/ASQC E-4 1994, "Specifications and Guidelines for Quality Systems for Environmental Data Collection and Environmental Technology Programs" (American National Standard, January 5, 1995), and "EPA Requirements for Quality Management Plans (QA/R-2) (EPA/240/B-01/002, March 2001)," or equivalent documentation as determined by U.S. EPA. U.S. EPA may consider laboratories accredited under the National Environmental Laboratory Accreditation Program ("NELAP") as meeting the Quality System requirements.

b. Upon request by U.S. EPA, Respondent shall have such a laboratory analyze samples submitted by U.S. EPA for QA monitoring. Respondent shall provide to U.S. EPA the QA/QC procedures followed by all sampling teams and laboratories performing data collection and/or analysis.

c. Upon request by U.S. EPA, Respondent shall allow U.S. EPA or its authorized representatives to take split and/or duplicate samples. Respondent shall notify U.S. EPA not less

than 3 business days in advance of any sample collection activity, unless shorter notice is agreed to by U.S. EPA. U.S. EPA shall have the right to take any additional samples that U.S. EPA deems necessary. Upon request, U.S. EPA shall allow Respondent to take split or duplicate samples of any samples it takes as part of its oversight of Respondent's implementation of the Work.

22. Reporting.

a. Respondent shall submit a written progress report for each Site to U.S. EPA concerning actions undertaken pursuant to this Settlement Agreement every 30th day after the Effective Date of this Settlement Agreement until termination of this Settlement Agreement, unless otherwise directed in writing by the OSC. For each Site, these reports shall describe all significant developments during the preceding period, including the actions performed and any problems encountered, analytical data received during the reporting period, and the developments anticipated during the next reporting period, including a schedule of actions to be performed, anticipated problems, and planned resolutions of past or anticipated problems.

b. Respondent shall submit 3 copies of all plans, reports or other submissions required by this Settlement Agreement, or any approved work plan. Upon request by U.S. EPA, Respondent shall submit such documents in electronic form.

c. If the Respondent owns or controls property at any of the Sites, it shall, at least 30 days prior to the conveyance of any interest in real property at the Site, give written notice to the transferee that the property is subject to this Settlement Agreement and written notice to U.S. EPA of the proposed conveyance, including the name and address of the transferee. For property the Respondent owns or controls, it also agrees to require that its successors comply with the immediately proceeding sentence and Sections IX (Site Access) and X (Access to Information).

23. Final Report. Within 60 calendar days after completion of all Work at a Site that is required by Section VIII of this Settlement Agreement, Respondent shall submit for U.S. EPA review a final report summarizing the actions taken to comply with this Settlement Agreement. The final report shall conform, at a minimum, with the requirements set forth in Section 300.165 of the NCP entitled "OSC Reports" and with the guidance set forth in "Superfund Removal Procedures: Removal Response Reporting - POLREPS and OSC Reports" (OSWER Directive No. 9360.3-03, June 1, 1994). The final report shall include a good faith estimate of total costs or a statement of actual costs incurred in complying with the Settlement Agreement, a listing of quantities and types of materials removed off-Site or handled on-Site, a discussion of removal and disposal options considered for those materials, a listing of the ultimate destination(s) of those materials, a presentation of the analytical results of all sampling and analyses performed, and accompanying appendices containing all relevant documentation generated during the removal action (e.g., manifests, invoices, bills, contracts, and permits). The final report shall also include the following certification signed by a person who supervised or directed the preparation of that report:

"Under penalty of law, I certify that to the best of my knowledge, after appropriate inquiries of all relevant persons involved in the preparation of the report, the information submitted is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

Respondent shall submit a separate final report for each Site.

24. Off-Site Shipments.

a. Respondent shall, prior to any off-Site shipment of Waste Material from the Site to an out-of-state waste management facility, provide written notification of such shipment of Waste Material to the appropriate state environmental official in the receiving facility's state and to the On-Scene Coordinator. However, this notification requirement shall not apply to any off-Site shipments when the total volume of all such shipments will not exceed 10 cubic yards.

i. Respondent shall include in the written notification the following information: 1) the name and location of the facility to which the Waste Material is to be shipped; 2) the type and quantity of the Waste Material to be shipped; 3) the expected schedule for the shipment of the Waste Material; and 4) the method of transportation. Respondent shall notify the state in which the planned receiving facility is located of major changes in the shipment plan, such as a decision to ship the Waste Material to another facility within the same state, or to a facility in another state.

ii. The identity of the receiving facility and state will be determined by Respondent following the award of the contract for the removal action. Respondent shall provide the information required by this Paragraph 24(a) and 24(b) as soon as practicable after the award of the contract and before the Waste Material is actually shipped.

b. Before shipping any hazardous substances, pollutants, or contaminants from the Site to an off-site location, Respondent shall obtain U.S. EPA's certification that the proposed receiving facility is operating in compliance with the requirements of CERCLA Section 121(d)(3), 42 U.S.C. § 9621(d)(3), and 40 C.F.R. § 300.440. Respondent shall only send hazardous substances, pollutants, or contaminants from the Site to an off-site facility that complies with the requirements of the statutory provision and regulation cited in the preceding sentence.

IX. SITE ACCESS

25. If any of the Sites, or any other property where access is needed to implement this Settlement Agreement, is owned or controlled by the Respondent, the Respondent shall, commencing on the Effective Date, provide U.S. EPA , the State, and their representatives, including contractors, with access at all reasonable times to the Site, or such other property, for the purpose of conducting any activity related to this Settlement Agreement.

26. Where any action under this Settlement Agreement is to be performed in areas owned by or in possession of someone other than Respondent, Respondent shall use its best efforts to obtain all necessary access agreements within 20 business days after the Effective Date, or as otherwise specified in writing by the OSC, whichever date is later. Respondent shall immediately notify U.S. EPA if after using its best efforts it is unable to obtain such agreements. For purposes of this Paragraph, "best efforts" includes the payment of reasonable sums of money in consideration of access, though "best efforts" shall not include monetary payments at Sites where the current owner is a potentially responsible party. Respondent shall describe in writing its efforts to obtain access. U.S. EPA may then assist Respondent in gaining access, to the extent necessary to effectuate the response actions described herein, using such means as U.S. EPA deems appropriate. Respondent shall reimburse U.S. EPA for all costs and attorney's fees incurred by the United States in obtaining such access, in accordance with the procedures in Section XV (Payment of Response Costs).

27. Notwithstanding any provision of this Settlement Agreement, U.S. EPA and the State retain all of their access authorities and rights, including enforcement authorities related thereto, under CERCLA, RCRA, and any other applicable statutes or regulations.

X. ACCESS TO INFORMATION

28. Respondent shall provide to U.S. EPA, upon request, copies of all documents and information within its possession or control or that of its contractors or agents relating to activities at any of the Sites or to the implementation of this Settlement Agreement, including, but not limited to, sampling, analysis, chain of custody records, manifests, trucking logs, receipts, reports, sample traffic routing, correspondence, or other documents or information related to the Work. Respondent shall also make available to U.S. EPA, for purposes of investigation, information gathering, or testimony, their employees, agents, or representatives with knowledge of relevant facts concerning the performance of the Work.

29. Respondent may assert business confidentiality claims covering part or all of the documents or information submitted to U.S. EPA under this Settlement Agreement to the extent permitted by and in accordance with Section 104(e)(7) of CERCLA, 42 U.S.C. § 9604(e)(7), and 40 C.F.R. § 2.203(b). Documents or information determined to be confidential by U.S. EPA will be afforded the protection specified in 40 C.F.R. Part 2, Subpart B. If no claim of confidentiality accompanies documents or information when they are submitted to U.S. EPA, or if U.S. EPA has notified Respondent that the documents or information are not confidential under the standards of Section 104(e)(7) of CERCLA or 40 C.F.R. Part 2, Subpart B, the public may be given access to such documents or information without further notice to Respondent.

30. Respondent may assert that certain documents, records and other information are privileged under the attorney-client privilege or any other privilege recognized by federal law. If the Respondent asserts such a privilege in lieu of providing documents, it shall provide U.S. EPA with the following: 1) the title of the document, record, or information; 2) the date of the document, record, or information; 3) the name and title of the author of the document, record, or

information; 4) the name and title of each addressee and recipient; 5) a description of the contents of the document, record, or information; and 6) the privilege asserted by Respondent. However, no documents, reports or other information created or generated pursuant to the requirements of this Settlement Agreement shall be withheld on the grounds that they are privileged.

31. No claim of confidentiality shall be made with respect to any data, including, but not limited to, all sampling, analytical, monitoring, hydrogeologic, scientific, chemical, or engineering data, or any other documents or information evidencing conditions at or around a Site.

XI. RECORD RETENTION

32. Until 6 years after Respondent's receipt of U.S. EPA's notification pursuant to Section XXIX (Notice of Completion of Work), Respondent shall preserve and retain all non-identical copies of records and documents (including records or documents in electronic form) now in its possession or control or which come into its possession or control that relate in any manner to the performance of the Work or the liability of any person under CERCLA with respect to the Sites, regardless of any corporate retention policy to the contrary. Until 6 years after Respondent's receipt of U.S. EPA's notification pursuant to Section XXIX (Notice of Completion of Work), Respondent shall also instruct its contractors and agents to preserve all documents, records, and information of whatever kind, nature or description relating to performance of the Work.

33. At the conclusion of this document retention period, Respondent shall notify U.S. EPA at least 60 days prior to the destruction of any such records or documents, and, upon request by U.S. EPA, Respondent shall deliver any such records or documents to U.S. EPA. Respondent may assert that certain documents, records and other information are privileged under the attorney-client privilege or any other privilege recognized by federal law. If Respondent asserts such a privilege, it shall provide U.S. EPA with the following: 1) the title of the document, record, or information; 2) the date of the document, record, or information; 3) the name and title of the author of the document, record, or information; 4) the name and title of each addressee and recipient; 5) a description of the subject of the document, record, or information; and 6) the privilege asserted by Respondent. However, no documents, reports or other information created or generated pursuant to the requirements of this Settlement Agreement shall be withheld on the grounds that they are privileged.

34. Respondent hereby certifies that to the best of its knowledge and belief, after thorough inquiry, it has not altered, mutilated, discarded, destroyed or otherwise disposed of any records, documents or other information (other than identical copies) relating to its potential liability regarding any of the Sites since notification of potential liability by U.S. EPA or the State or the filing of suit against it regarding any of the Sites and that it has fully complied and will fully comply with any and all U.S. EPA requests for information pursuant to Sections 104(e) and 122(e) of CERCLA, 42 U.S.C. §§ 9604(e) and 9622(e), and Section 3007 of RCRA, 42 U.S.C.

§ 6927.

XII. COMPLIANCE WITH OTHER LAWS

35. Respondent shall perform all actions required pursuant to this Settlement Agreement in accordance with all applicable local, state, and federal laws and regulations except as provided in Section 121(e) of CERCLA, 42 U.S.C. § 6921(e), and 40 C.F.R. §§ 300.400(e) and 300.415(j). In accordance with 40 C.F.R. § 300.415(j), all on-Site actions required pursuant to this Settlement Agreement shall, to the extent practicable, as determined by U.S. EPA, considering the exigencies of the situation, attain applicable or relevant and appropriate requirements ("ARARs") under federal environmental or state environmental or facility siting laws.

XIII. EMERGENCY RESPONSE AND NOTIFICATION OF RELEASES

36. In the event of any action or occurrence during performance of the Work which causes or threatens a release of Waste Material from any of the Sites that constitutes an emergency situation or may present an immediate threat to public health or welfare or the environment, Respondent shall immediately take all appropriate action. Respondent shall take these actions in accordance with all applicable provisions of this Settlement Agreement, including, but not limited to, the Health and Safety Plan, in order to prevent, abate or minimize such release or endangerment caused or threatened by the release. Respondent shall also immediately notify the OSC or, in the event of his/her unavailability, the Regional Duty Officer, Emergency Response Branch, Region 5 at (312) 353-2318, of the incident or Site conditions. In the event that Respondent fails to take appropriate response action as required by this Paragraph, and U.S. EPA takes such action instead, Respondent shall reimburse U.S. EPA all costs of the response action not inconsistent with the NCP pursuant to Section XV (Payment of Response Costs).

37. In addition, in the event of any release of a hazardous substance from any of the Sites, Respondent shall immediately notify the OSC at (312) 353-2318 and the National Response Center at (800) 424-8802. Respondent shall submit a written report to U.S. EPA within 7 business days after each release, setting forth the events that occurred and the measures taken or to be taken to mitigate any release or endangerment caused or threatened by the release and to prevent the reoccurrence of such a release. This reporting requirement is in addition to, and not in lieu of, reporting under Section 103(c) of CERCLA, 42 U.S.C. § 9603(c), and Section 304 of the Emergency Planning and Community Right-To-Know Act of 1986, 42 U.S.C. § 11004, et seq.

XIV. AUTHORITY OF ON-SCENE COORDINATOR

38. The OSC shall be responsible for overseeing Respondent's implementation of this Settlement Agreement. The OSC shall have the authority vested in an OSC by the NCP, including the authority to halt, conduct, or direct any Work required by this Settlement Agreement, or to direct any other removal action undertaken at the Site. Absence of the OSC from the Site shall not be cause for stoppage of work unless specifically directed by the OSC.

XV. PAYMENT OF RESPONSE COSTS

39. Payments for Future Response Costs.

a. Respondent shall pay U.S. EPA all Future Response Costs not inconsistent with the NCP. On a periodic basis, U.S. EPA will send Respondent a bill requiring payment that consists of an Itemized Cost Summary. Respondent shall make all payments within 30 calendar days of receipt of each bill requiring payment, except as otherwise provided in Paragraph 41 of this Settlement Agreement according to the following procedures.

(i) If the payment amount demanded in the bill is for $10,000 or greater, payment shall be made to U.S. EPA by Electronics Funds Transfer ("EFT") in accordance with current EFT procedures to be provided to Respondent by U.S. EPA Region 5. Payment shall be accompanied by a statement identifying the name and address of the Respondent, the Site name, U.S. EPA Region 5, and the Site/Spill ID Number.

(ii) If the amount demanded in the bill is $10,000 or less, the Respondent may in lieu of the procedures in subparagraph 39(a)(i) make all payments required by this Paragraph by a certified or cashier's check or checks made payable to "EPA Hazardous Substance Superfund," referencing the name and address of the party making the payment, and the EPA Site/Spill ID Number. Respondent shall send the check(s) to:

U.S. Environmental Protection Agency
Region 5 Superfund Receivable
P.O. Box 371099M
Pittsburgh, PA 15251

For checks sent by express mail:

Mellon Client Service Center
Region 5 Superfund Receivable
ATTN: Shift Supervisor Lockbox 371099M
500 Ross Street
Pittsburgh, PA 15262-0001.

b. At the time of payment, Respondent shall send notice that payment has been made to the Director, Superfund Division, U.S. EPA Region 5, 77 West Jackson Blvd., Chicago, Illinois, 60604-3590 and to Peter Felitti, Associate Regional Counsel, 77 West Jackson Boulevard, C-14J, Chicago, Illinois, 60604-3590.

c. The total amount to be paid by Respondent pursuant to Paragraph 39(a) shall be deposited in the Peoples Gas Special Account within the U.S. EPA Hazardous Substance Superfund to be retained and used to conduct or finance response actions at or in connection with any of the Sites or any of the Sites covered by the EE/CA AOC between U.S. EPA and the Respondent, or to be transferred by U.S. EPA to the U.S. EPA Hazardous Substance Superfund.

40. In the event that the payment for Future Response Costs is not made within 30 days of Respondent's receipt of a bill, Respondent shall pay Interest on the unpaid balance. The Interest on Future Response Costs shall begin to accrue on the date of the bill and shall continue to accrue until the date of payment. Payments of Interest made under this Paragraph shall be in addition to such other remedies or sanctions available to the United States by virtue of Respondent's failure to make timely payments under this Section, including but not limited to, payment of stipulated penalties pursuant to Section XVIII.

41. Respondent may dispute all or part of a bill for Future Response Costs submitted under this Settlement Agreement, only if Respondent alleges that U.S. EPA has made an accounting error, or if Respondent alleges that a cost item is inconsistent with the NCP. If any dispute over costs is resolved before payment is due, the amount due will be adjusted as necessary. If the dispute is not resolved before payment is due, Respondent shall pay the full amount of the uncontested costs to U.S. EPA as specified in Paragraph 39 on or before the due date. Within the same time period, Respondent shall pay the full amount of the contested costs into an interest-bearing escrow account. Respondent shall simultaneously transmit a copy of both checks to the persons listed in Paragraph 39(b) above. Respondent shall ensure that the prevailing party in the dispute shall receive the amount upon which they prevailed from the escrow funds plus interest within 20 calendar days after the dispute is resolved.

XVI. DISPUTE RESOLUTION

42. Unless otherwise expressly provided for in this Settlement Agreement, the dispute resolution procedures of this Section shall be the exclusive mechanism for resolving disputes arising under this Settlement Agreement. The Parties shall attempt to resolve any disagreements concerning this Settlement Agreement expeditiously and informally.

43. If Respondent objects to any U.S. EPA action taken pursuant to this Settlement Agreement, including billings for Future Response Costs, it shall notify U.S. EPA in writing of its objection(s) within 10 calendar days of such action, unless the objection(s) has/have been resolved informally. This written notice shall include a statement of the issues in dispute, the relevant facts upon which the dispute is based, all factual data, analysis or opinion supporting Respondent's position, and all supporting documentation on which such party relies. U.S. EPA

shall provide its Statement of Position, including supporting documentation, no later than 10 calendar days after receipt of the written notice of dispute. In the event that these 10-day time periods for exchange of written documents may cause a delay in the work, they shall be shortened upon, and in accordance with, notice by U.S. EPA. The time periods for exchange of written documents relating to disputes over billings for response costs may be extended at the sole discretion of U.S. EPA. An administrative record of any dispute under this Section shall be maintained by U.S. EPA. The record shall include the written notification of such dispute, and the Statement of Position served pursuant to the preceding paragraph. Upon review of the administrative record, the Director of the Superfund Division, U.S. EPA Region 5, shall resolve the dispute consistent with the NCP and the terms of this Settlement Agreement.

44. Respondent's obligations under this Settlement Agreement shall not be tolled by submission of any objection for dispute resolution under this Section. Following resolution of the dispute, as provided by this Section, Respondent shall fulfill the requirement that was the subject of the dispute in accordance with the agreement reached or with U.S. EPA's decision, whichever occurs.

XVII. FORCE MAJEURE

45. Respondent agrees to perform all requirements of this Settlement Agreement within the time limits established under this Settlement Agreement, unless the performance is delayed by a force majeure. For purposes of this Settlement Agreement, a force majeure is defined as any event arising from causes beyond the control of Respondent, or of any entity controlled by Respondent, including but not limited to their contractors and subcontractors, which delays or prevents performance of any obligation under this Settlement Agreement despite Respondent's best efforts to fulfill the obligation. Force majeure does not include financial inability to complete the Work or increased cost of performance.

46. If any event occurs or has occurred that may delay the performance of any obligation under this Settlement Agreement, whether or not caused by a force majeure event, Respondent shall notify U.S. EPA orally within 24 hours of when Respondent first knew that the event might cause a delay. Within 7 calendar days thereafter, Respondent shall provide to U.S. EPA in writing an explanation and description of the reasons for the delay; the anticipated duration of the delay; all actions taken or to be taken to prevent or minimize the delay; a schedule for implementation of any measures to be taken to prevent or mitigate the delay or the effect of the delay; Respondent's rationale for attributing such delay to a force majeure event if they intend to assert such a claim; and a statement as to whether, in the opinion of Respondent, such event may cause or contribute to an endangerment to public health, welfare or the environment. Failure to comply with the above requirements shall be grounds for U.S. EPA to deny Respondent an extension of time for performance. Respondent shall have the burden of demonstrating by a preponderance of the evidence that the event is a force majeure, that the delay is warranted under the circumstances, and that best efforts were exercised to avoid and mitigate the effects of the delay.

47. If U.S. EPA agrees that the delay or anticipated delay is attributable to a force majeure event, the time for performance of the obligations under this Settlement Agreement that are affected by the force majeure event will be extended by U.S. EPA for such time as is necessary to complete those obligations. An extension of the time for performance of the obligations affected by the force majeure event shall not, of itself, extend the time for performance of any other obligation. If U.S. EPA does not agree that the delay or anticipated delay has been or will be caused by a force majeure event, U.S. EPA will notify Respondent in writing of its decision. If U.S. EPA agrees that the delay is attributable to a force majeure event, U.S. EPA will notify Respondent in writing of the length of the extension, if any, for performance of the obligations affected by the force majeure event.

XVIII. STIPULATED PENALTIES

48. Respondent shall be liable to U.S. EPA for stipulated penalties in the amounts set forth in Paragraph 49 for failure to comply with the requirements of this Settlement Agreement specified below, unless excused under Section XVII (Force Majeure). "Compliance" by Respondent shall include completion of the activities under this Settlement Agreement or any work plan or other plan approved under this Settlement Agreement identified below in accordance with all applicable requirements of this Settlement Agreement within the specified time schedules established by and approved under this Settlement Agreement.

49. Stipulated Penalty Amounts.

Deliverable/Activity	Penalty for Days 1 - 7	Penalty for > 7 Days
Late submittal of Progress Reports or other miscellaneous Reports/Submittals	$250/day	$500/day
Failure to meet any other scheduled Deadline in the AOC,or Work Plans	$250/day	$500/day

50. All penalties shall begin to accrue on the day after the complete performance is due or the day a violation occurs, and shall continue to accrue through the final day of the correction of the noncompliance or completion of the activity. However, stipulated penalties shall not accrue: 1) with respect to a deficient submission under Section VIII (Work to be Performed), during the period, if any, beginning on the 31st day after U.S. EPA's receipt of such submission until the date that U.S. EPA notifies Respondent of any deficiency; and 2) with respect to a decision by the Director of the Superfund Division, Region 5, under Paragraph 43 of Section XVI (Dispute Resolution), during the period, if any, beginning on the 21st day after U.S. EPA submits its written statement of position until the date that the Director of the Superfund Division

issues a final decision regarding such dispute. Nothing herein shall prevent the simultaneous accrual of separate penalties for separate violations of this Settlement Agreement.

51. Following U.S. EPA's determination that Respondent has failed to comply with a requirement of this Settlement Agreement, U.S. EPA may give Respondent written notification of the failure and describe the noncompliance. U.S. EPA may send Respondent a written demand for payment of the penalties. However, penalties shall accrue as provided in the preceding Paragraph regardless of whether U.S. EPA has notified Respondent of a violation.

52. All penalties accruing under this Section shall be due and payable to U.S. EPA within 30 days of Respondent's receipt from U.S. EPA of a demand for payment of the penalties, unless Respondent invokes the dispute resolution procedures under Section XVI (Dispute Resolution). All payments to U.S. EPA under this Section shall be paid by certified or cashier's check(s) made payable to "U.S. EPA Hazardous Substances Superfund," shall be mailed to U.S. Environmental Protection Agency, Region 5 Superfund Receivable, P.O. Box 371531, Pittsburgh, PA 15251-7531, shall indicate that the payment is for stipulated penalties, and shall reference the U.S. EPA Site/Spill ID Number, the U.S. EPA Docket Number, and the name and address of the Respondent. Copies of check(s) paid pursuant to this Section, and any accompanying transmittal letter(s), shall be sent to U.S. EPA as provided in Paragraph 39(b).

53. The payment of penalties shall not alter in any way Respondent's obligation to complete performance of the Work required under this Settlement Agreement.

54. Penalties shall continue to accrue during any dispute resolution period, but need not be paid until 20 days after the dispute is resolved by agreement or by receipt of U.S. EPA's decision.

55. If Respondent fails to pay stipulated penalties when due, U.S. EPA may institute proceedings to collect the penalties, as well as Interest. Respondent shall pay Interest on the unpaid balance, which shall begin to accrue on the date of demand made pursuant to Paragraph 51. Nothing in this Settlement Agreement shall be construed as prohibiting, altering, or in any way limiting the ability of U.S. EPA to seek any other remedies or sanctions available by virtue of Respondent's violation of this Settlement Agreement or of the statutes and regulations upon which it is based, including, but not limited to, penalties pursuant to Sections 106(b) and 122(l) of CERCLA, 42 U.S.C. §§ 9606(b) and 9622(l), and punitive damages pursuant to Section 107(c)(3) of CERCLA, 42 U.S.C. § 9607(c)(3). Provided, however, that U.S. EPA shall not seek civil penalties pursuant to Section 106(b) or 122(l) of CERCLA or punitive damages pursuant to Section 107(c)(3) of CERCLA for any violation for which a stipulated penalty is provided herein, except in the case of a willful violation of this Settlement Agreement. Should Respondent violate this Settlement Agreement or any portion hereof, U.S. EPA may carry out the required actions unilaterally, pursuant to Section 104 of CERCLA, 42 U.S.C. § 9604, and/or may seek judicial enforcement of this Settlement Agreement pursuant to Section 106 of CERCLA, 42 U.S.C. § 9606. Notwithstanding any other provision of this Section, U.S. EPA may, in its

unreviewable discretion, waive in writing any portion of stipulated penalties that have accrued pursuant to this Settlement Agreement.

XIX. COVENANT NOT TO SUE BY U.S. EPA

56. In consideration of the actions that will be performed and the payments that will be made by Respondent under the terms of this Settlement Agreement, and except as otherwise specifically provided in this Settlement Agreement, U.S. EPA covenants not to sue or to take administrative action against Respondent pursuant to Sections 106 and 107(a) of CERCLA, 42 U.S.C. §§ 9606 and 9607(a), for the Work and Future Response Costs. This covenant not to sue shall take effect upon the Effective Date and is conditioned upon the complete and satisfactory performance by Respondent of all obligations under this Settlement Agreement, including, but not limited to, payment of Future Response Costs pursuant to Section XV. This covenant not to sue extends only to Respondent and does not extend to any other person.

XX. RESERVATIONS OF RIGHTS BY U.S. EPA

57. Except as specifically provided in this Settlement Agreement, nothing herein shall limit the power and authority of U.S. EPA or the United States to take, direct, or order all actions necessary to protect public health, welfare, or the environment or to prevent, abate, or minimize an actual or threatened release of hazardous substances, pollutants or contaminants, or hazardous or solid waste on, at, or from the Site. Further, nothing herein shall prevent U.S. EPA from seeking legal or equitable relief to enforce the terms of this Settlement Agreement. U.S. EPA also reserves the right to take any other legal or equitable action as it deems appropriate and necessary, or to require the Respondent in the future to perform additional activities pursuant to CERCLA or any other applicable law.

58. The covenant not to sue set forth in Section XIX above does not pertain to any matters other than those expressly identified therein. U.S. EPA reserves, and this Settlement Agreement is without prejudice to, all rights against Respondent with respect to all other matters, including, but not limited to:

a. claims based on a failure by Respondent to meet a requirement of this Settlement Agreement;

b. liability for costs not included within the definition of Future Response Costs;

c. liability for performance of response action other than the Work, including but not limited to conducting an EE/CA on each Site;

d. criminal liability;

e. liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments;

f. liability arising from the past, present, or future disposal, release or threat of release of Waste Materials outside any of the Sites; and

g. liability for costs incurred or to be incurred by the Agency for Toxic Substances and Disease Registry related any of the Sites.

XXI. COVENANT NOT TO SUE BY RESPONDENT

59. Respondent covenants not to sue and agrees not to assert any claims or causes of action against the United States, or its contractors or employees, with respect to the Work, Future Response Costs, or this Settlement Agreement, including, but not limited to:

a. any direct or indirect claim for reimbursement from the Hazardous Substance Superfund established by 26 U.S.C. § 9507, based on Sections 106(b)(2), 107, 111, 112, or 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2), 9607, 9611, 9612, or 9613, or any other provision of law;

b. any claim arising out of response actions at or in connection with the Site, including any claim under the United States Constitution, the Illinois Constitution, the Tucker Act, 28 U.S.C. § 1491, the Equal Access to Justice Act, 28 U.S.C. § 2412, as amended, or at common law; or

c. any claim against the United States pursuant to Sections 107 and 113 of CERCLA, 42 U.S.C. §§ 9607 and 9613, relating to the Site.

60. Nothing in this Agreement shall be deemed to constitute approval or preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. § 300.700(d).

XXII. OTHER CLAIMS

61. By issuance of this Settlement Agreement, the United States and U.S. EPA assume no liability for injuries or damages to persons or property resulting from any acts or omissions of Respondent. The United States or U.S. EPA shall not be deemed a party to any contract entered into by Respondent or its directors, officers, employees, agents, successors, representatives, assigns, contractors, or consultants in carrying out actions pursuant to this Settlement Agreement.

62. Nothing in this Settlement Agreement constitutes a satisfaction of or release from any claim or cause of action against Respondent or any person not a party to this Settlement Agreement, for any liability such person may have under CERCLA, other statutes, or common law, including but not limited to any claims of the United States for costs, damages and interest under Sections 106 and 107 of CERCLA, 42 U.S.C. §§ 9606 and 9607.

63. No action or decision by U.S. EPA pursuant to this Settlement Agreement shall give rise to any right to judicial review, except as set forth in Section 113(h) of CERCLA, 42 U.S.C. § 9613(h).

XXIII. CONTRIBUTION

64. a. The Parties agree that this Settlement Agreement constitutes an administrative settlement for purposes of Section 113(f)(2) of CERCLA, 42 U.S.C. § 9613(f)(2), and that Respondent is entitled, as of the Effective Date, to protection from contribution actions or claims as provided by Sections 113(f)(2) and 122(h)(4) of CERCLA, 42 U.S.C. §§ 9613(f)(2) and 9622(h)(4), for "matters addressed" in this Settlement Agreement. The "matters addressed" in this Settlement Agreement are the Work and Future Response Costs.

b. The Parties agree that this Settlement Agreement constitutes an administrative settlement for purposes of Section 113(f)(3)(B) of CERCLA, 42. U.S.C. § 9613(f)(3)(B), pursuant to which the Respondent has, as of the Effective Date, resolved its liability to the United States for the Work and Future Response Costs.

XXIV. INDEMNIFICATION

65. Respondent shall indemnify, save and hold harmless the United States, its officials, agents, contractors, subcontractors, employees and representatives from any and all claims or causes of action arising from, or on account of, negligent or other wrongful acts or omissions of Respondent, its officers, directors, employees, agents, contractors, or subcontractors, in carrying out actions pursuant to this Settlement Agreement. In addition, Respondent agrees to pay the United States all costs incurred by the United States, including but not limited to attorneys fees and other expenses of litigation and settlement, arising from or on account of claims made against the United States based on negligent or other wrongful acts or omissions of Respondent, its officers, directors, employees, agents, contractors, subcontractors and any persons acting on its behalf or under its control, in carrying out activities pursuant to this Settlement Agreement. The United States shall not be held out as a party to any contract entered into by or on behalf of Respondent in carrying out activities pursuant to this Settlement Agreement. Neither Respondent nor any such contractor shall be considered an agent of the United States. The Federal Tort Claims Act (28 U.S.C. §§ 2671, 2680) provides coverage for injury or loss of property, or injury or death caused by the negligent or wrongful act or omission of an employee of U.S. EPA while acting within the scope of his or her employment, under circumstances where U.S. EPA, if a private person, would be liable to the claimant in accordance with the law of the place where the act or omission occurred.

66. The United States shall give Respondent notice of any claim for which the United States plans to seek indemnification pursuant to this Section and shall consult with Respondent prior to settling such claim.

67. Respondent waives all claims against the United States for damages or reimbursement or for set-off of any payments made or to be made to the United States, arising from or on account of any contract, agreement, or arrangement between Respondent and any person for performance of Work on or relating to any of the Sites, including, but not limited to, claims on account of construction delays. In addition, Respondent shall indemnify and hold harmless the United States with respect to any and all claims for damages or reimbursement arising from or on account of any contract, agreement, or arrangement between Respondent and any person for performance of Work on or relating to any of the Sites, including, but not limited to, claims on account of construction delays.

XXV. MODIFICATIONS

68. The OSC may make modifications to any plan or schedule in writing or by oral direction. Any oral modification will be memorialized in writing by U.S. EPA promptly, but shall have as its effective date the date of the OSC's oral direction. Any other requirements of this Settlement Agreement may be modified in writing by mutual agreement of the parties.

69. If Respondent seeks permission to deviate from any approved work plan or schedule, Respondent's Project Coordinator shall submit a written request to U.S. EPA for approval outlining the proposed modification and its basis. Respondent may not proceed with the requested deviation until receiving oral or written approval from the OSC pursuant to Paragraph 68.

70. No informal advice, guidance, suggestion, or comment by the OSC or other U.S. EPA representatives regarding reports, plans, specifications, schedules, or any other writing submitted by Respondent shall relieve Respondent of its obligation to obtain any formal approval required by this Settlement Agreement, or to comply with all requirements of this Settlement Agreement, unless it is formally modified.

XXVI. NOTICE OF COMPLETION OF WORK

71. When U.S. EPA determines, after U.S. EPA's review of the Final Report, that all Work has been fully performed in accordance with this Settlement Agreement, with the exception of any continuing obligations required by this Settlement Agreement, including, e.g., post-removal site controls, payment of Future Response Costs, and record retention, U.S. EPA will provide written notice to Respondent. If U.S. EPA determines that any such Work has not been completed in accordance with this Settlement Agreement, U.S. EPA will notify Respondent, provide a list of the deficiencies, and require that Respondent modify the Work Plan if appropriate in order to correct such deficiencies. Respondent shall implement the modified and approved Work Plan and shall submit a modified Final Report in accordance with the U.S. EPA notice. Failure by Respondent to implement the approved modified Work Plan shall be a violation of this Settlement Agreement.

XXVII. SEVERABILITY/INTEGRATION/ATTACHMENTS

72. If a court issues an order that invalidates any provision of this Settlement Agreement or finds that Respondent has sufficient cause not to comply with one or more provisions of this Settlement Agreement, Respondent shall remain bound to comply with all provisions of this Settlement Agreement not invalidated or determined to be subject to a sufficient cause defense by the court's order.

73. This Settlement Agreement and its attachments constitute the final, complete and exclusive agreement and understanding among the Parties with respect to the settlement embodied in this Settlement Agreement. The parties acknowledge that there are no representations, agreements or understandings relating to the settlement other than those expressly contained in this Settlement Agreement. The following attachments are incorporated into this Settlement Agreement:

Appendix 1- Maps of the Sites
Appendix 2- Work Plan for 22nd Street Station Site
Appendix 3- Work Plan for Hough Place Station Site
Appendix 4- Work Plan for Pitney Court Station Site

XXVIII. EFFECTIVE DATE

74. This Settlement Agreement shall be effective upon signature by the Director, Superfund Division, U.S. EPA Region 5.

The undersigned representative of the Respondent certifies that he/she is fully authorized to enter into the terms and conditions of this Settlement Agreement and to bind the party they represent to this document.

Agreed this ____ day of _____, 2007.

For Respondent Peoples Gas

By

Title _____

Desiree G. Rogers, President
Peoples Gas

IN THE MATTER OF:

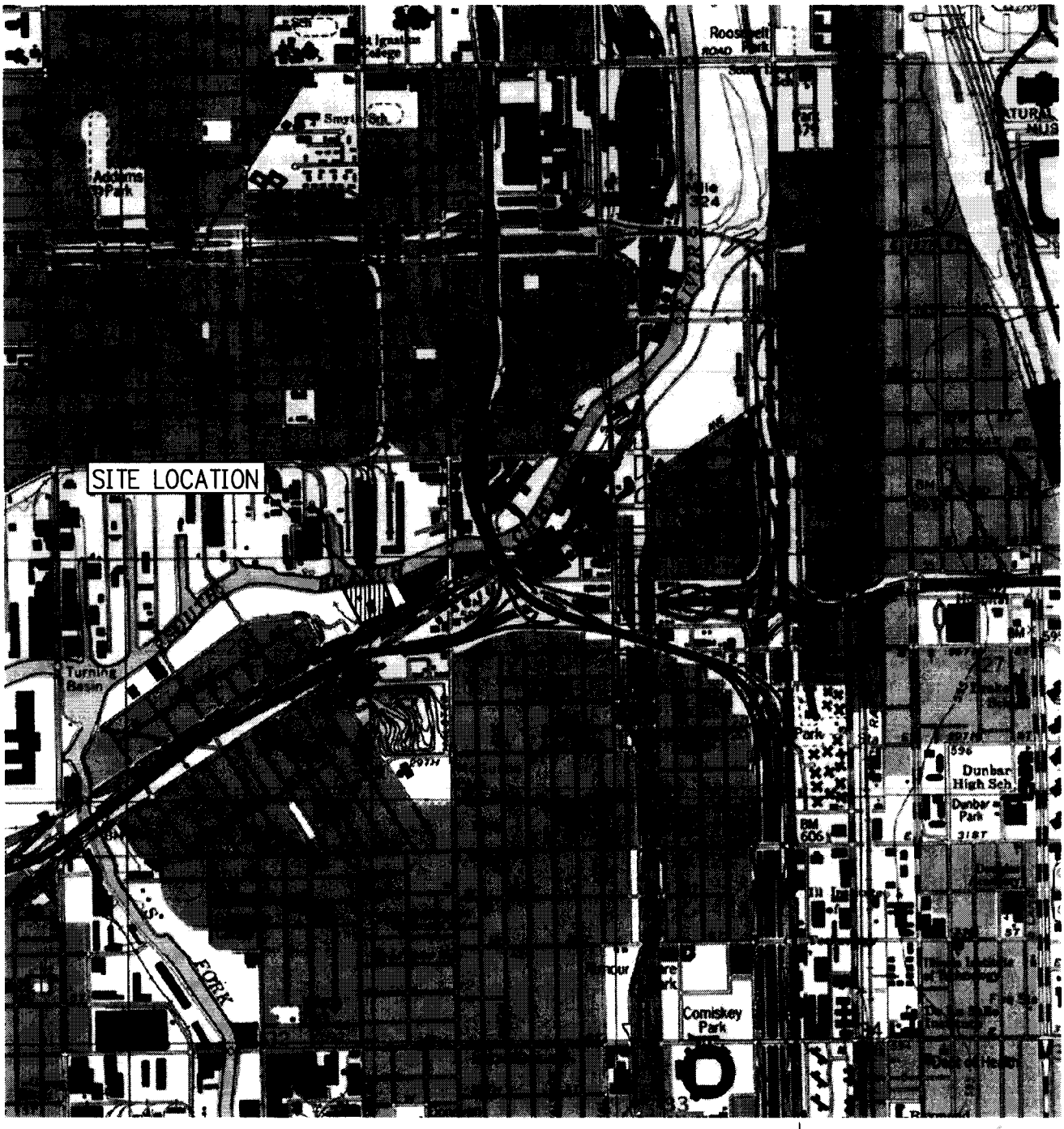
Peoples Gas
Manufactured Gas Plant Sites
Chicago, Cook County, Illinois

It is so ORDERED and Agreed this 5th day of JUNE, 2007.

BY: Richard C Karl

Richard C. Karl, Director
Superfund Division
United States Environmental Protection Agency
Region 5

APPENDIX 1



NORTH

2000 0 2000 4000

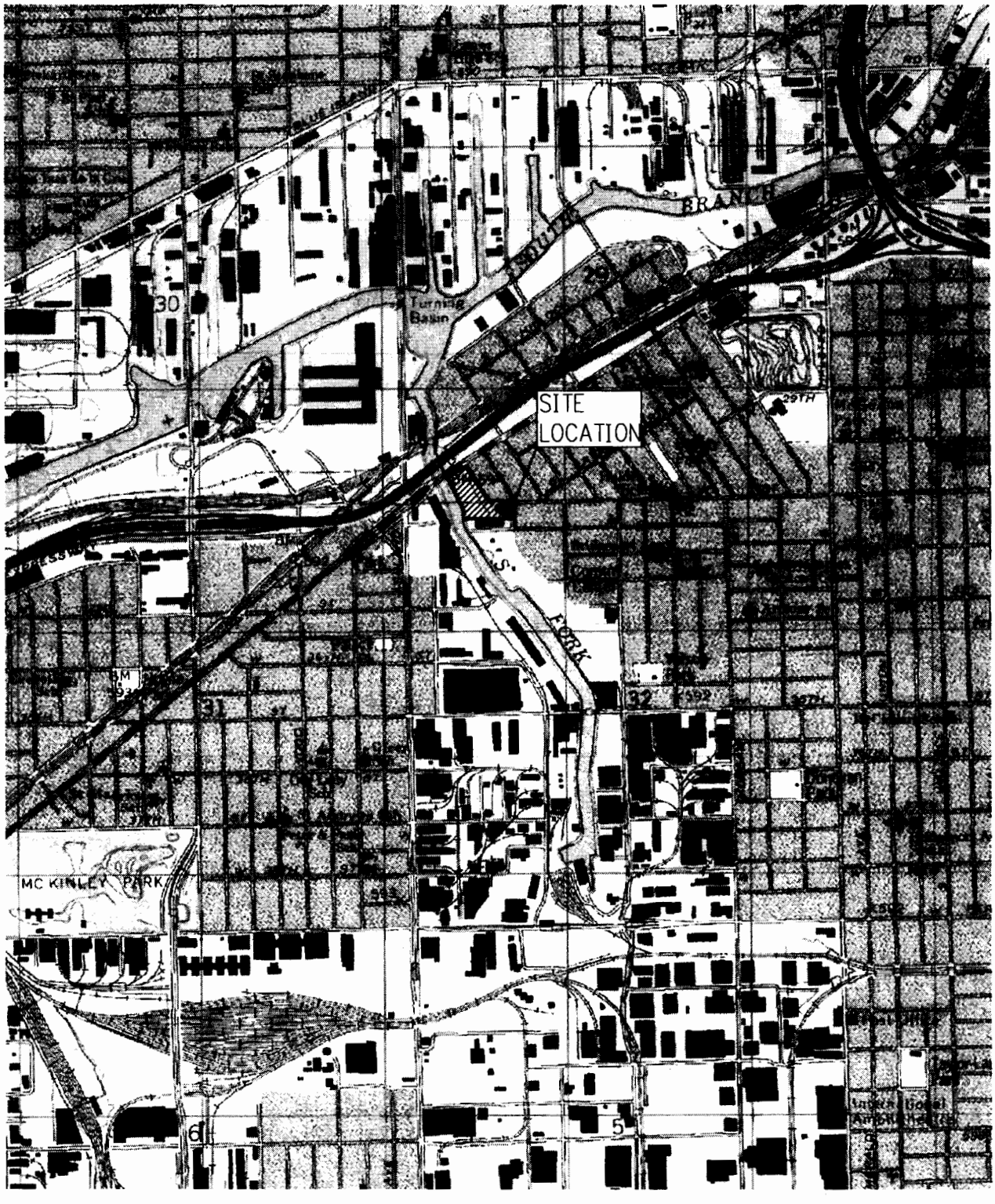
APPROXIMATE SCALE IN FEET

Burns & McDonnell
SINCE 1898

THE PEOPLES GAS
LIGHT AND COKE COMPANY
CHICAGO, ILLINOIS

SITE LOCATION MAP
FORMER HOUGH PLACE STATION SITE
CHICAGO, ILLINOIS

I:\PEOPLES GAS\SAS INITIATIVE\ADMIN ORDER ON CONSENT\SITE LOCATION MAPS\HOUGH PLACE SITE LOCATION



NORTH

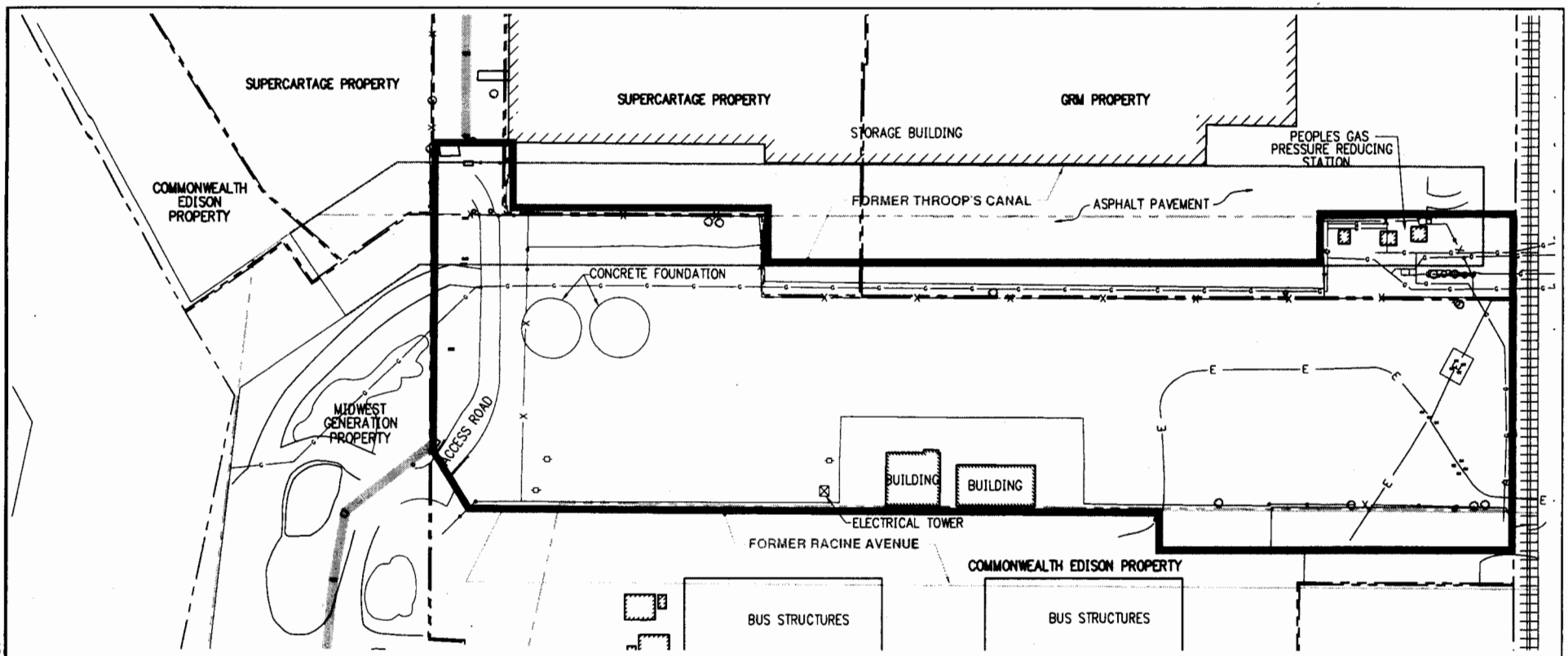
1800 0 1800 3600

APPROXIMATE SCALE

Burns & McDonnell
SINCE 1898

SITE LOCATION
FORMER PITNEY COURT SITE
CHICAGO, ILLINOIS

I:\PEOPLES GAS\SAS INITIATIVE\ADMIN ORDER ON CONSENT\SITE LOCATION MAPS\PITNEY COURT SITE LOCATION



LEGEND

- FENCE
- FORMER MGP SITE
- EXISTING BUILDING
- RAILROAD TRACKS
- UNDERGROUND ELECTRICAL LINES
- GAS LINE
- POWER POLE
- ELECTRICAL MANHOLE
- LIGHT POLE
- GRM PROPERTY LINE
- SUPERCARTAGE PROPERTY LINE
- COMED PROPERTY LINE
- MIDWEST GENERATION PROPERTY
- OVERHEAD PIPE RACK
- PHASE I WORK AREA

NORTH

80 0 80 160

SCALE IN FEET

DRAFT

THE PEOPLES GAS LIGHT AND COKE COMPANY
CHICAGO, ILLINOIS

PHASE I WORK AREA
22ND STREET STATION-COMED PROPERTY
CHICAGO, ILLINOIS

I:\PEOPLES GAS\22ND STREET-27634\CAD\BID\SITE LAYOUT

Case Conclusion Data Sheet

Please click here for instructions for completing the form

Program Contact: Tom Cook
Phone: 6-7182

ORC Attorney: Peter Felitti
Phone: 6-5114

Status: ☒ Draft ☐ Final ☐ Update

CASE BACKGROUND

1. ICIS Enforcement Activity Number:
2. Regional Hearing Clerk Docket Number:
3. Program Docket Number:

4. Judicial Court Docket Number:
*5. Case Name (Add Defendants if other than case name) IN THE MATTER OF: Peoples Gas Manufactured Gas Plant Sites Removal
Additional Defendants :

FACILITY INFORMATION

6. EPA Program Facility ID:
*7. Facility Name: the 22nd Street Station ("22nd Street Station Site") located at 2200 South Racine Avenue, Chicago, Illinois; the Hough Place Station ("Hough Place Station Site") located at 2500 S. Corbett St., Chicago, Illinois; and the Pitney Court Station ("Pitney Court Station Site") located at 3052 Pitney Court, Chicago, Illinois
*8. Facility Street Address:
City, State, Zipcode: chicago, IL
County: Cook

*9. Primary 4-digit NAICS/SICCode:
10. Other 4-digit NAICS/SIC codes:

STATUTES AND AUTHORIZING SECTION INFORMATION

***Media Program** **CERCLA**
*11. Statute(s) and Section(s) Violated: CERCLA 107
*12. Authorizing Section for Administrative Actions: CERCLA 106
***Violation Type :**

ACTION TYPE

*13. Action Type: **Administrative compliance order (AOC/UAO/PPA)**
14a. ALJ Decision :
14b. EAB Appeal Date :
14c. EAB Decision Date :
*16. Administrative Compliance Order Date:
*16a. Notice of Determination Date:

*16b. Field Citation Date:
16c. Notice of Violation Date:

17. Civil Judical Referral Date:

18. Civil Judicial Complaint Filed:
19. Consent Decree Lodge Date:
*20. Consent Decree Entry Date:

21. Was this a multi-media action? ○ Yes ● No

23. Was this action part of a geographic initiative: ○ Yes ● No
24. Which (Check all that apply)?

24a. Priority/Sector
25. Was this Agency activity taken in response to Environmental Justice Concerns? ○ Yes ● No
26. Is this a Small Business? ○ Yes ● No
26a. Was this a self-disclosure? ○ Yes ● No
27. Was Alternative Dispute Resolution used in this action? ○ Yes ● No

QUALITATIVE AND QUANTITATIVE INFORMATION

*28. Injunctive Relief/Compliance Activity: Include both actions completed prior to final settlement/order and actions to be taken by violator to return to compliance or meet additional requirements. Select responses from the following list. At least one action must be chosen:

*29. Provide Description of Injunctive Relief/Compliance Activity:

The Respondent will conduct a removal of contaminated soil at three sites

*30. Cost of actions described in previous question (Actual cost data supplied by violator is preferred figure)
Physical actions: Non-Physical Actions:

31. Acres in Violation:

32. Quantitative environmental impact of injunctive relief/compliance actions described in previous questions:

REDUCTIONS/ELIMINATIONS:

*Pollutant/Land Use	*Amount	*Units/Acres (Express in annual amounts)	*Percent% (of pollutant reduced/removed)	*Media

SUPPLEMENTAL ENVIRONMENTAL PROJECTS (SEPs)

33. Categories of SEP (check all the appropriate categories)

- ☐ Public Health
- ☐ Pollution Prevention
- ☐ (1) equipment technology modifications
- ☐ (2) process/procedure modification
- ☐ (3) product reformulation/redesign
- ☐ (4) raw material substitution
- ☐ (5) improved housekeeping/O&M/training/inventory control
- ☐ (6) in-process recycling
- ☐ (7) energy efficiency/conservation
- ☐ Pollution reduction
- ☐ Environmental restoration and protection
- ☐ Assessments and audits
- ☐ Environmental compliance promotion
- ☐ Emergency planning and preparedness
- ☐ Other SEP category (specify)

Does SEP address any of the Region 5 Environmental Priorities

- ☐ Toxics Reduction
- ☐ Brownfields Redevelopment
- ☐ Environmental justice
- ☐ Sediment cleanup
- ☐ Ozone air quaility standards attainment
- ☐ Critical habitat protection and restoration

34. SEP Description:

35. Cost of SEP (Cost Calculated by the PROJECT Model is preferred):

36. Quantitative environmental impact of SEP; pollutants and/or chemicals and/or waste streams and amount of reductions/eliminations (e.g., emission/discharges):

Pollutant	Amount	Units	Percent% (of pollutant reduced/removed)	Media

PENALTY

37. Proposed Penalty:

38. Assessed Penalty:

39. If Shared Federal Share:

40. If Shared State or Local Share:

41. For multi-media actions: Federal amounts by Statute

Statute	Amount
CAA	

Other:

*PLEASE ADD ADDITIONAL INFORMATION, INCLUDING SHORT CASE SUMMARY:

DOCUMENT HISTORY

Document Author: **Peter Felitti** **05/11/2007 08:48:29 AM**

Edit History:	Last 5 Editors	Edit Date & Time