



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials
Safety Administration**

840 Bear Tavern Road, Suite 300
West Trenton, NJ 08628
609.771.7800

WARNING LETTER

VIA ELECTRONIC MAIL TO: dwakeman@ameren.com

August 3, 2022

Mr. David Wakeman
President and Chief Executive Officer
Ameren Illinois Company
10 Executive Drive
Collinsville, Illinois 62234

CPF 1-2022-067-WL

Dear Mr. Wakeman:

From July 26, 2021 to July 28, 2021, the Illinois Department of Natural Resources, Office of Oil and Gas Resource Management (IDNR) acting as a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Ameren Illinois Company's (Ameren Illinois) Hookdale storage field in Bond County, Illinois.

As a result of the inspection, it is alleged that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

1. **§ 192.12 Underground natural gas storage facilities.**
 - (a) ...
 - (b) *Depleted hydrocarbon and aquifer reservoir UNGSFs.*
 - (1) ...
 - (2) **Each UNGSF that uses a depleted hydrocarbon reservoir or an aquifer reservoir for natural gas storage and was constructed on or before July 18, 2017, must meet the provisions of API RP 1171 (incorporated by reference, see § 192.7), sections 8, 9, 10, and 11, and paragraph (c) of this section, by January 18, 2018, and must meet all provisions of paragraph (d) of this section by March 13, 2021.**

Ameren Illinois failed to meet the provisions of § 192.12(c) by January 18, 2018. Specifically, Ameren Illinois' *Gas Operating & Maintenance Plan*, dated May 7, 2021, applicable to its

underground natural gas storage facilities (UNGSF), was not created until May of 2021, past the January 18, 2018 deadline required by § 192.12(b)(2).

Section 192.12(c) requires in part that “Each operator of a UNGSF must prepare and follow for each facility one or more manuals of written procedures for conducting operations, maintenance, and emergency preparedness and response activities under paragraphs (a) and (b) of this section.”

During the inspection, Ameren Illinois’ *Gas Operating & Maintenance Plan* was reviewed. PHMSA determined that this manual was not implemented until after May 2021.

Therefore, Ameren Illinois failed to prepare manuals of written procedures in accordance with § 192.12(c) by January 18, 2018, as required by § 192.12(b)(2).

2. § 192.12 Underground natural gas storage facilities.

(a) ...

(b) Depleted hydrocarbon and aquifer reservoir UNGSFs.

(1) ...

(2) Each UNGSF that uses a depleted hydrocarbon reservoir or an aquifer reservoir for natural gas storage and was constructed on or before July 18, 2017, must meet the provisions of API RP 1171 (incorporated by reference, see § 192.7), sections 8, 9, 10, and 11, and paragraph (c) of this section, by January 18, 2018, and must meet all provisions of paragraph (d) of this section by March 13, 2021.

Ameren Illinois failed to meet the provisions of API RP 1171, Section 8. Specifically, Ameren Illinois did not properly evaluate the potential threats and hazards impacting storage wells in accordance with API RP 1171, Section 8.4.2.

Section 8.4.2 states in part:

The operator shall evaluate the potential threats and hazards impacting storage wells and reservoirs. The operator should refer to the list of common threats and hazards in Table 1 and may supplement the list in Table 1 with other hazards or threats identified by site-specific assessments.

During the inspection, it was noted that records did not demonstrate potential threats and hazards impacting the storage wells and reservoir were adequately evaluated. Specifically, third party well drilling, seismicity, and inventory analysis were not a part of the quantitative risk model. While these threats were considered to be very low probability and potentially equally weighted across the entire facility, Ameren Illinois should still include all potential threats and hazards in consideration that the risk from these threats could change over time.

Therefore, Ameren Illinois failed to meet the provisions of Section 8.4.2.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,142 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022,

the maximum penalty may not exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015, and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022.

We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the items identified in this letter. Failure to do so will result in Ameren Illinois Company being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 1-2022-067-WL**. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b).

Sincerely,

Robert Burrough
Director, Eastern Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration