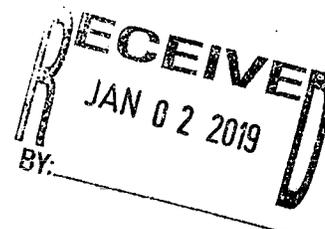




Bluewater Gas Storage
333 S. Wales Center Rd.
Columbus, MI 48063

December 19, 2018



BY OVERNIGHT COURIER

Mr. Allan C. Beshore
Director, Central Region, OPS
Pipeline and Hazardous Materials Safety Administration
901 Locust Street, Suite 462
Kansas City, Missouri 64106-2641

**Subject: Notice of Probable Violation and Proposed Civil Penalty
 CPF 3-2018-1005
 Bluewater Gas Storage, LLC**

Dear Mr. Beshore,

Bluewater Gas Storage, LLC (Bluewater) received a Notice of Probable Violation (NOPV) and Proposed Civil Penalty, CPF 3-2018-1005, dated November 23, 2018, from the Pipeline and Hazardous Materials Safety Administration (PHMSA) regarding the audit at Bluewater's facilities in Columbus, MI on May 7-14, 2018 by the Michigan Public Service Commission. After reviewing and discussing the overall results, Bluewater has decided not to contest the alleged probable violations and will pay the assessed penalty fees.

Bluewater will pay the sum of \$38,000 as directed in the instructions of the original letter.

With the this letter, payment of penalty fees, and corrective actions taken to address items noted from the audit; Bluewater is confident that this provides the necessary information needed to proceed in closure of the NOPV case, CPF 3-2018-1005. Please contact Mr. Jeffrey Westrick @ (810) 642-9035 (jeffrey.westrick@wecenergygroup.com), if you have any further questions or require additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Krueger", written over a horizontal line.

Daniel Krueger
President

Enclosure

CC: David Chislea-MPSC
Tim Wolf-MPSC
Hans Shieh-PHMSA
Todd Duffield-BW
Jeff Westrick-BW
Paul Spicer-BW