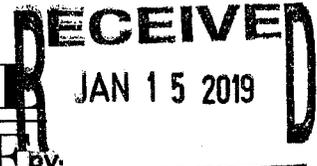




**PAA NATURAL  
GAS STORAGE**



January 9, 2019

Certified Mail No: 7013 3020 0001 9785 2633

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

Re: Notice of Probable Violation ("NOPV") and Proposed Civil Penalty CPF 3-2018-1006 Bluewater Gas Storage, LLC ("Bluewater")

Dear Mr. Beshore,

On December 3, 2018, PAA Natural Gas Storage, LLC ("PNG"), the former owner of Bluewater, received a Notice of Probable Violation and Proposed Civil Penalty (the "Notice"), CPF 3-2018-1006 dated November 28, 2018, from the Pipeline and Hazardous Materials Safety Administration ("PHMSA") concerning a Michigan Public Service Commission audit of the Bluewater facility in Michigan. As you are aware, PNG sold Bluewater on June 30, 2017. PNG has made the new owner aware of this matter and the contents of the Notice.

Subsequent to receipt of the Notice, PNG requested additional time to respond and was granted an extension to February 1, 2019. This letter constitutes PNG's timely response to the Notice. Per the Procedures for Responding to a Notice of Probable Violation, PNG is not contesting the items contained in the Notice and will submit the wire transfer payment of \$109,400 on or before January 31, 2019.

PNG takes its obligations to comply with the requirements of PHMSA's regulations seriously. In regard to this matter, PNG trusts this letter and payment of the civil penalty will provide the necessary information needed for closure of the NOPV.

Very Truly Yours,

Wm. Dean Gore, Jr.  
Vice President - Environmental and Regulatory Compliance

cc: Dan Noack, PNG  
Eileen Wilson Kisluk, PNG  
Kevin Cunningham, PAA

Mr. Allan C. Beshore  
January 9, 2019  
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Ngiabi Gicuhi, PAA  
Sandra Tasso, PAA  
File