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January 31, 2022

Mr. Robert Burrough
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration (PHMSA)
840 Bear Tavern Road, Suite 300
West Trenton, NJ 08628

Re: CPF 1-2022-006-NOA

Mr. Burrough,

WSP, USA Inc. (WSP) agrees that the Integrity Management Plan (IMP) audited by your inspector from May 11, 2021, through May 14, 2021 can be improved to further satisfy 192.12(d) (3&4) for Underground Gas Storage Facilities.

WSP is in the process of revising our Integrity Management Plan to mirror the current regulation and to include more appropriate details for performing risk assessments on a recurring basis. We plan to gather data per the IMP regulation and review this data on a regular basis, will add appropriate tracking forms to the plan, and will evaluate asset integrity, including the risk assessment, annually or at such time as new data is acquired and/or data suggests that there may be an issue prior to planned future inspections. The Railroad Commission regulations require five-year integrity testing and a workover interval of fifteen years; however, this does not eliminate the need to do these tests more often if there is reason to believe there may be an integrity issue. Operations & Maintenance personnel will evaluate all measures that are being monitored for integrity and for unusual changes on a continual basis. If any parameter changes significantly from normal, they will notify management and our technical support for further evaluation. The notification will be documented as well as all testing and evaluation results to determine if there is an issue, and all repair documentation will be saved per the regulation for the life of the facility.

When WSP created its Integrity Management Plan in accordance with our interpretation of the API RP 1170, it did not require the addition of Section 8 of API RP 1171to be in compliance. At that time, we were utilizing The American Petroleum Institute Recommended Practice 1170 for "Design and Operation of Solution-mined Salt Caverns Used for Natural Gas Storage, First Edition."

We quickly determined that we could not accurately assess the integrity of our caverns without some form of Risk Assessment. As we did not have enough available in-house data for our caverns to make a comprehensive assessment, we chose to use the Baseline Risk Assessment provided by DNV GL Oil & Gas Services (DNV).[3] While this methodology was only devised for the Baseline Assessment, we are adjusting our IMP to utilize an ongoing risk assessment process and will be adding this new tool to our plan and procedures. In the interim, we have adjusted the intervals in our existing plan, and we are gathering data needed to perform an accurate assessment.

Please find attached the changes made during the audit and sent to Mr. Hippchen by email on July 15, 2021. Though we received no response to this communication, we are in the process of executing our strategy of revising our IMP to match the current regulation more comprehensively and accurately, including the addition of Section 8 of API RP 1171. We agree that this should improve the plan and improve the overall integrity of the facilities. We are committed to completing these changes and additional risk modeling by the end of 2022, if this scope and timeline is acceptable for PHMSA.

Sincerely,

Nils Skaug
Sr. Vice President
WSP Texas District Business Line Leader, Energy

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