

WARNING LETTER

OVERNIGHT EXPRESS DELIVERY

August 10, 2023

Mr. Melvin Williams
Senior Vice President and President Nicor Gas
Northern Illinois Gas Co
P.O. BOX 190, Route 59 & I-88
Aurora, Illinois 60507

CPF 1-2023-052-WL

Dear Mr. Williams:

From July 25 to 27, 2022 in an on-site inspection, 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 Northern Illinois Gas Co's (Northern) Lake Bloomington storage facility in McLean 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) **Each UNGSF that uses a depleted hydrocarbon reservoir or an aquifer reservoir for natural gas storage and was constructed after July 18, 2017, must meet all provisions of API RP 1171 (incorporated by reference, see § 192.7), and paragraphs (c) and (d) of this section, prior to commencing operations.**

Northern failed to meet the provisions of API RP 1171, Section 6.8.1 Specifically, Northern failed to demonstrate that surface and groundwater safeguards were in place during workovers of multiple wells in Lake Bloomington UNGSF.

API RP 1171, Section 11.2 Construction, Operation, and Maintenance Procedures states that "[t]he operator shall develop and follow procedures for the construction, operation, and maintenance of natural gas storage wells and reservoirs to establish and maintain functional integrity."

API RP1171, Section 6 addresses the design and construction of natural gas storage wells. Section 6.8.1 states in part that “The operator shall take actions to protect surface water and groundwater resources in the design, drilling, and servicing of a well. The operator should conduct an environmental impact review prior to well drilling.”

During 2020 and 2021, Northern submitted national registry construction notifications to PHMSA for a variety of well work to be conducted at the Lake Bloomington UNGSF.

During the inspection, Northern was unable to provide records demonstrating that surface and groundwater safeguards were used in well design and during drilling and well work operations. A record was provided indicating the purchase of Visqueen plastic sheeting. However, no other documentation was provided to show how this product was used to ensure safeguards to surface and ground water. Northern did not present any job site plans or daily activity logs that noted the use of Visqueen sheeting or other pollution control measures.

Therefore, Northern failed to demonstrate that they employed surface and groundwater safeguards during well work operations, in accordance with § 192.12(b)(1) and API RP1171, Section 6.8.1.

2. § 192.12 Underground natural gas storage facilities.

(a) ...

(c) *Procedural manuals.* 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. Each operator must keep records necessary to administer such procedures and review and update these manuals at intervals not exceeding 15 months, but at least once each calendar year. Each operator must keep the appropriate parts of these manuals accessible at locations where UNGSF work is being performed. Each operator must have written procedures in place before commencing operations or beginning an activity not yet implemented.

Northern failed to keep the appropriate parts of its manuals of written procedures for conducting operations, maintenance, and emergency preparedness and response activities accessible at locations where UNGSF work is being performed as required by § 192.12(c).

During the inspection, field observations were conducted at the Lake Bloomington storage field. It was noted that Northern did not have the current version of the Emergency Preparedness and Response Plan available and readily accessible to storage personnel at the time of the inspection. Northern stated that the plan was not available due to scheduled revisions. It was also noted that Northern did not have the current operation and maintenance procedures available and readily accessible to storage personnel at the time of the inspection. Northern stated that the procedures were available offsite.

Therefore, Northern failed to follow the requirements of § 192.12(c) regarding the availability of its manuals of written procedures.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$257,664 per violation per day the violation persists, up to a maximum of \$2,576,627 for a related series of violations. For violation occurring on or after March 21, 2022, and before January 6, 2023, the maximum penalty may not 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 Northern Illinois Gas Co 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 1-2023-052-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