

WARNING LETTER

VIA ELECTRONIC MAIL TO: david_brast@tcenergy.com

July 2, 2025

Mr. David Brast
President, Chief Executive Officer
ANR Pipeline Company
700 Louisiana Street
Houston, Texas 77002

CPF 1-2025-013-WL

Dear Mr. Brast:

From October 8 through October 10, 2024, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected ANR Pipeline Company's (ANR) records for its Austin depleted aquifer reservoir underground natural gas storage facilities in Mecosta County, Michigan.

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

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.**

ANR failed to meet the provisions of American Petroleum Institute's Recommended Practice 1171 (2015) (API RP 1171), section 9 in accordance with section 192.12(b)(2). Specifically, ANR failed

to evaluate each annular gas occurrence that exceeds operator-defined threshold levels in accordance with section 9.3.2 in API RP 1171.

Section 9.3.2 states in part that “[t]he operator shall evaluate each annular gas occurrence that exceeds operator- or regulatory-defined threshold levels determined from well integrity evaluation and from risk assessment.”

During the inspection, PHMSA reviewed ANR’s annular pressure threshold records. The operator-defined threshold ANR utilized was 80% of Maximum Allowable Annulus Surface Pressure (MAASP). For Well 31535, the MAASP was 815 psi and 80% of the MAASP was 652 psi. ANR exceeded this operator-defined threshold in Well 31535 four times during a fall 2020 shut-in and five times during the fall 2021 shut-in as shown on the Well 31535 Chart with Annulus Pressure Readings. ANR provided documentation of its evaluation conducted for the fall 2020 annular pressure threshold exceedances, however ANR failed to evaluate the fall 2021 annular pressure threshold exceedances.

Therefore, ANR failed to meet the provisions of API RP 1171, section 9 in accordance with section 192.12(b)(2).

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$272,926 per violation per day the violation persists, up to a maximum of \$2,729,245 for a related series of violations. For violation occurring on or after December 28, 2023 and before December 30, 2024, the maximum penalty may not exceed \$266,015 per violation per day the violation persists, up to a maximum of \$2,660,135 for a related series of violations. For violation occurring on or after January 6, 2023 and before December 28, 2023, the maximum penalty may not 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.

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 item identified in this letter. Failure to do so will result in ANR Pipeline 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 1-2025-013-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