

WARNING LETTER

VIA ELECTRONIC MAIL TO: Dan.Krueger@wecenergygroup.com and chislead@michigan.gov

March 5, 2021

Mr. Dan Krueger
President
Bluewater Gas Storage, LLC
231 W. Michigan St
P468
Milwaukee, WI 53203

CPF 3-2021-019-WL

Dear Mr. Krueger:

On March 3, 2021, a representative of the Michigan Public Service Commission (MIPSC) acting as an interstate agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, conducted a construction inspection of Bluewater Gas Storage LLC's (BGS) in Highland Park, MI.

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

1. § 192.227 - Qualification of welders and welding operators.

- (a) Except as provided in paragraph (b) of this section, each welder or welding operator must be qualified in accordance with section 6, section 12, Appendix A or Appendix B of API Std 1104 (incorporated by reference, see § 192.7), or section IX of the ASME Boiler and Pressure Vessel Code (ASME BPVC) (incorporated by reference, see § 192.7). However, a welder or welding operator qualified under an earlier edition than the listed in § 192.7 of this part may weld but may not requalify under that earlier edition.**

BGS did not qualify two welders in accordance to Section 6 of API Standard 1104. Specifically, the welders did not satisfactorily complete the procedure qualification test.

On March 3, 2021, a MI PSC representative went to the John E Green's facility in Highland Park MI to observe some welder qualifications for the upcoming construction work at the Macomb County compressor station. While observing the qualifications, it was noted that one welder did not ensure that the maximum root opening of 3/32" was not exceeded as required by procedure SMAW 60S-1. Upon checking the gap after the clamp was removed and the tacks were welded in, it was found that the gap was greater than 3/32". However, the welder was allowed to continue with the weld by the BGS Certified Welding Inspector (CWI). For the second welder, while observing the cap pass being put in, it was noted that the welder was welding below the minimum amperage requirements for that pass and electrode size. The welder was using a 5/32" 7010 electrode for the cap and was consistently at 102 to 111 amps. The weld procedure SMAW 60S-1 requires the minimum amperage to be 130 amps. Again, this welder was allowed to continue with the weld by the CWI.

2. § 192.241 - Inspection and test of welds.

(a) Visual inspection of welding must be conducted by an individual qualified by appropriate training and experience to ensure that:

(1) The welding is performed in accordance with the welding procedure;

BGS's welding inspectors did not ensure that the welding was performed in accordance with the welding procedure (SMAW 60S-1).

During the welder qualification test, it was noted that for one welder, the root gap exceeded the allowed maximum root opening of 3/32". Although the CWI (Certified Weld Inspector) initially indicated that the gap was correct, it was noted that the CWI's measurement tool was broken so he could not correctly verify that the root opening was correct. Subsequent checks by the MI PSC found that the root opening was exceeded. After an attempt to correct the root opening which was unsuccessful, the welder was still allowed by the CWI to continue with the weld.

Additionally, during the cap pass for the second welder, the CWI showed the MI-PSC the amperage readings and noted that the readings were well below the minimum allowed on the procedure. The readings were consistently 102-111 amps and the minimum allowed for that 7010 electrode size (5/32") was 130 amps. After discussion amongst the CWI inspectors, the decision was made by the CWIs to allow the welder to complete the weld with no changes as the CWIs did not feel the range specified in the procedure was adequate.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to 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 item(s) identified in this letter. Failure to do so will result in Bluewater Gas Storage, LLC 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 3-2021-019-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,

Gregory A. Ochs
Director, Central Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

CC: David Chislea, Program Manager, Michigan Public Service Commission