

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: andy.hesselbach@wecenergygroup.com,
jeffrey.westrick@wecenergygroup.com, rita.reed@wecenergygroup.com

April 19, 2024

Mr. Andy Hesselbach
President & Chief Executive Officer
Bluewater Gas Storage, LLC
231 W. Michigan St., PSB-P240
Milwaukee, WI 53203

CPF 3-2024-047-NOA

Dear Mr. Hesselbach:

From August 14 through 18, 2023, representatives 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 (U.S.C.), reviewed Bluewater Gas Storage, LLC's (BGS) procedures for Operation and Maintenance and Integrity Management.

As a result of the inspection, PHMSA has identified apparent inadequacies found within BGS's plans or procedures. The items inspected and the inadequacies are described below:

1. § 192.615 Emergency plans.

(a) Each operator shall establish written procedures to minimize the hazard resulting from a gas pipeline emergency. At a minimum, the procedures must provide for the following:

(1)

(4) The availability of personnel, equipment, tools, and materials, as needed at the scene of an emergency.

BGS did not include in its Emergency Response Plan the availability of personnel, list of equipment, tools and materials that would be needed in an emergency, per the requirements of § 192.615(a)(4). Specifically, BGS's procedure Operation, Maintenance

and Emergency (OME) Chapter 700, “Emergency Response Plan,” did not include the availability of personnel, list of equipment, tools, and materials needed in an emergency. These details must be included in the Emergency Response Plan, in accordance with § 192.605(a)(4).

2. § 192.917 How does an operator identify potential threats to pipeline integrity and use the threat identification in its integrity program?

(a)

(e) *Actions to address particular threats.* If an operator identifies any of the following threats, the operator must take the following actions to address the threat.

(1)

(5) *Corrosion.* If an operator identifies corrosion on a covered pipeline segment that could adversely affect the integrity of the line (conditions specified in § 192.933), the operator must evaluate and remediate, as necessary, all pipeline segments (both covered and non-covered) with similar material coating and environmental characteristics. An operator must establish a schedule for evaluating and remediating, as necessary, the similar segments that is consistent with the operator’s established operating and maintenance procedures under Part 192 for testing and repair.

BGS’s Integrity Management Program did not address § 192.917(e)(5), which required that if BGS finds corrosion in a covered segment, it must evaluate and remediate all pipeline segments (including covered and non-covered segments) with similar material coating and environmental characteristics. Section 9.1.2 of BGS’s Integrity Management Plan included remediation of identified conditions, but did not address the requirement for evaluating and remediating covered and non-covered pipeline segments. BGS must revise its procedure in accordance to § 192.907(e)(5).

3. § 192.947 What records must an operator keep?

(a)

(d) Documents to support any decision, analysis and process developed and used to implement and evaluate each element of the baseline assessment plan and integrity management program. Documents include those developed and used in support of any identification, calculation, amendment, modification, justification, deviation and determination made, and any action taken to implement and evaluate any of the program elements;

BGS’s Integrity Management Program section 14.2, “Required Records,” did not provide enough specificity to adequately detail how records must be kept, per the requirements of § 192.947(d). The procedure stated that the records must be maintained in accordance with § 192.947, but it did not provide any guidance on what forms should be used to document recordkeeping. For example, in section 14.2, “Required Records,” Item 12 specified that records for preventative and mitigative (P&M) actions taken must be kept. However, during the inspection, BGM was unable to provide any records for P&M

measures taken for third-party damage. BGM's procedure for third-party damage P&M measures was described in section 12.3.1.1, but did not provide any guidance for what form, or other records, must be completed and maintained to document this. BGS must revise the procedures and provide more guidance for documentation of implemented P&M measures as required by § 192.947(d).

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. Enclosed as part of this Notice is a document entitled Response Options for Pipeline Operators in Enforcement Proceedings.

Please refer to this document and note the response options. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under § 190.211. If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 90 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested that BGS maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Gregory A. Ochs, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2024-047-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

cc: Jeffrey Westrick, Asset Manager Bluewater Facility, Bluewater Gas Storage, LLC,
jeffrey.westrick@wecenergygroup.com
Rita Reed, Engineering Specialist, Bluewater Gas Storage, LLC,
rita.reed@wecenergygroup.com

Enclosure: *Response Options for Pipeline Operators in Enforcement Proceedings*