Bluewater Gas Storage LLC

May 8, 2024

Mr. Gregory Alan Ochs
Director, Central Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration
901 Locust Street, Suite 480
Kansas City, MO 64106

RE: CPF 3-2024-047-NOA

Dear Mr. Ochs:

Following are the responses to address the findings described in the Non-Compliance (CPF 3-2024-047-NOA) letter issued to Bluewater Gas Storage on April 19, 2024. Each response has been formatted as follows:

Regulation for basis of finding
PHMSA Finding
BWG RESPONSE - Includes details of Standard and/or Procedure updated and **changes to said Standard or Procedure are in bold**

Following the responses are the copies of the Standards and/or Procedures that were updated:

OM&E Chapter 700 – Emergency Response Plan
Transmission Integrity Management Plan (TIMP)

If you have any questions or need additional information, please reach out to Jeff Westrick, Asset Manager, at (810) 642-9035 or by email at jeffrey.westrick@wecenergygroup.com.

Sincerely,

Andrew Hesselbach
Senior Vice President
Gas Operations

cc: Jeffrey Westrick, Khoi Nguyen, Rita Reed

Regulations, Findings, and BWGS Responses

1. ***49 CFR § 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).

   BWG RESPONSE –
   Bluewater Gas Storage has updated OM700 sections:
   2.1
   5.1.2 and 5.1.4 d (new)
   5.2.2 and 5.2.4 c (new)
   5.4.2 and 5.4.3 d (new)
   5.5.3 (new)
   9.3 - 2nd bullet point updated

   2.1 Internal Notifications
   ……
   - The Incident Response Team will reflect the level of effort required to address each response, and in addition to Bluewater personnel, may include contractors, suppliers, and activation of the Local Response Team
   - **Bluewater and/or contractors will provide the necessary materials, tools and equipment to appropriately respond to an emergency. These may include, but not limited to the following:**
     - **Gas Detectors**
     - **Barricades**
     - **Fire Extinguishers**
     - **Tool Trailers**
     - **Absorbent Pads**
     - **Booms**
     - **Backhoe**
     - **VacTruck**
     - **Welders**

5.1 Gas Detected Inside or Near a Building, Residential Area, Public Road or Other Public Area
Upon notification that there is gas inside or near a building, a residential area, a public road or other public area, the procedure below will be followed:

1) Notify Gas Control. Gas Control will ask questions to fill out Form 265 – Initial Notification Report. Gas Control will attempt to verify that it is a BGS pipeline facility causing the gas release.
2) Gas Control will notify the team leader.
3) Gas Control will notify emergency response personnel in the area.
4) Using the incident command system, BGS employees will react to the incident based on the seriousness of the incident. Some of the items that must be considered are:
(a) The safety of all persons in the area
(b) The need for evacuation in the immediate area.
(c) The need for rerouting of traffic. In almost all instances, rerouting of traffic will be done by local emergency response personnel
(d) The required personnel, equipment, tools, and materials to appropriately respond to an incident.

5.2 Fire, Explosion, or Rupture Located Near or Directly Involving a Pipeline Facility
Upon notification that there is a fire, explosion, or rupture located near or directly involving a pipeline facility, the procedure below will be followed:

1) Notify Gas Control. Gas Control will ask questions to fill out Form 265 – Initial Notification Report.
2) Gas Control will notify the team leader
3) Gas Control will notify the appropriate emergency response personnel to the scene
4) Using the incident command system, BGS employees will work with the emergency response personnel to control the incident. It is always the priority to protect people first. Some of the items that must be considered are:
(a) The safety of all persons in the area. Emergency response personnel should be used to rescue people caught in a fire, but only under the close supervision of BGS employees (for the safety of the emergency response personnel).
(b) The need for evacuation in the immediate area
(**c) The required personnel, equipment, tools, and materials to appropriately respond to an incident.**
(d) Mitigation of the incident by closing appropriate valves, either by Gas Control or at the scene by BGS employees. **NOTE:** *Normal practice is that only BGS employees will operate company owned equipment since only company employees know the proper valves to open and shut in an emergency. When necessary, Contractors and/or emergency personnel can provide assistance under the direct supervision of a BGS employee.*

5.4 Hazardous Fluid, Condensate or Oil Discharge
Upon notification that there is a release of hazardous fluids, oil or condensate, the procedure below will be followed:

1) Notify Gas Control. Gas Control will ask questions to fill out Form 265 – Initial Notification Report
2) Gas Control will notify the team leader
3) Using the incident command system, BGS employees will react to the incident based on the seriousness of the incident. Some of the items that must be considered are:
   (a) The safety of all persons, animals, and environmental receptors in the area
   (b) The need for evacuation or warning in the immediate area
   (c) Notification to public emergency response personnel
   (**d) The required personnel, equipment, tools, and materials to appropriately respond to an incident.**
   (e) Protection of the environment by operating appropriate valves and equipment
   (f) Protection of nearby environmental receptors with the use of dams, containment areas, absorptive materials and vacuum trucks

5.5 Hydrogen Sulfide Release

Upon notification of a release of hydrogen sulfide, the procedure will be followed:

3) The required personnel, equipment, tools, and materials to appropriately respond to an incident will be provided.

9.3 Responsibilities – Asset Manager and Station Supervisor

The Asset Manager and/or the Station Supervisor of the area will perform the following:

- Notify the appropriate emergency response personnel, with assistance from Gas Control
- **Dispatch company employees, equipment, tools, and materials as needed, to the scene to take action necessary to protect life and loss of property and to further assess and report back on the emergency situation. Remember, protect people first.**

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).

BWG RESPONSE

Bluewater Gas Storage has updated TIMP manual January 16, 2024 Section 6.3 to include the following statement **(in bold)**.

6.3 Risk Assessment

…….

Based on the results of the risk assessments and in light of other data and management programs, BGS currently has 6 identified threats (external corrosion, internal corrosion, equipment, third-party damage, incorrect operations, and weather related and outside force). These identified threats are set up on appropriate integrity reassessment tool schedules and/or specific programs to manage each threat. The other three threats (SCC, manufacturing, and construction) currently do not meet ASME B31.8S criteria for integrity reassessments (A3.3 for SCC, A4.7 for manufacturing, and A5.4 for construction), but are still assessed annually for changes in risk.

If corrosion is found in a covered segment that could adversely affect the integrity of the pipeline, all pipeline segments with similar environmental and material coating conditions will be evaluated.

3. ***49 CFR § 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)

Bluewater Gas Storage has updated the TIMP Plan to state as follows in Section 12.2.

12.2 Process for the Identification and Evaluation of New Measures

12.2.1 Scheduled Evaluations

BGS will complete a pipeline preventive and mitigative measures evaluation within twelve months after BGS completes an integrity assessment for each pipeline containing one or more Covered Segments.

BGS will use the form in Appendix F to review and evaluate covered segments for Preventive and Mitigative Measures, if Appendix D requires.

NOTE: Per TIMP 14.2 all records regarding pipeline compliance will be retained for the life of the covered segment.