

A CMS ENERGY COMPANY

December 6, 2019

Mr. Robert Burrough
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration
840 Bear Tavern Road, Suite 300
West Trenton, NJ 08628

**RE: Consumers Energy Co.
Notice of Amendment: CPF 1-2019-0014M**

Mr. Burrough:

On November 7, 2019 Consumers Energy Co. (Consumers Energy) received the Notice of Amendment (NOA), CPF 1-2019-0014M, issued by the Pipeline and Hazardous Materials Safety Administration. The NOA is a result of the May 7-9, 2019 inspection of Consumers Energy's procedures for Functional Integrity of Underground Natural Gas Storage in Jackson, Michigan.

Consumers Energy has elected not to contest the allegations set forth in the NOA and will be revising their procedures.

Consumers Energy requests that Staff consider the following:

Item #1

- A. Consumers Energy will update the Storage Integrity Management Program (SIMP) Manual, Chapter 2.1.8 – Consumers Energy Plug & Abandon Wells to include assessment of third party plugged and abandoned wells. Action item to be completed by 3/31/2020.

Item #2

- A. Consumers Energy will update the Storage Integrity Management Program (SIMP) Manual, Chapter 2.2 – Threat and Hazard Identification to include a requirement to perform a threat and hazard interaction assessment. Action item to be completed by 3/31/2020
- B. In addition, the Probability of Failure (POF) equation within the SIMP Risk Assessment Model will be updated to include an interacting threat multiplier to account for wells susceptible to high bacteria or hydrogen sulfide and water production. Action item to be completed by 7/31/2020.

Item #3

- A. On 06/03/2019, Consumers Energy implemented Gas Storage Procedure - Annular Casing Pressure Management Plan (STR-OPS-27) to address the requirements set forth in API RP 1171, Section 9.3.2 – Well Integrity Monitoring (see attachment A – STR-OPS-27).
- B. Gas Storage Procedure - Annular Casing Pressure Management Plan (STR-OPS-27) provides guidance for annular casing pressure and/or flow monitoring, including data collection, monitoring frequencies, evaluation and validation, diagnostic threshold determination, maximum allowable wellhead operating pressure determination, and reporting for gas storage well operations.
- C. On 06/03/2019, Consumers Energy also implemented Gas Storage Procedure - Annulus Bleed Down/Build Up Test (STR-OPS-28) to provide diagnostic testing instructions for wells exceeding the thresholds established in the Annular Casing Pressure Management Plan (see attachment B – STR-OPS-28).

Item #4

- A. A cross functional team with multiple stakeholders including Operations, Engineering, Emergency Management, and Compliance has been assembled to address equipment failures and incorporate the appropriate emergency response within the Consumers Energy Gas Emergency Action Plans. Action item to be completed by 3/31/2020.

Consumers Energy considers the actions outlined above to satisfactorily address the NOA (CPF 1-2019-0014M) dated November 7, 2019. Upon action plan completion Consumers Energy will submit updated procedures in conjunction with additional correspondence to resolve the NOA (CPF 1-2019-0014M) dated November 7, 2019.

Please contact me if you have any questions or comments.

Thank you,



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Enclosures:

- Attachment A – STR-OPS-27
- Attachment B – STR-OPS-28

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