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TO: UNGS OPERATOR

FROM: David J. Chislea, Director
Gas Safety & Operations Division

DATE: April 1, 2026

SUBJECT: 2026 Underground Natural Gas Storage Inspections and Program Updates

As an operator of an intrastate underground natural gas storage (UNGS) facility in Michigan, you are receiving this letter on behalf of the Michigan Public Service Commission (MPSC) under direction of the Pipeline and Hazardous Materials Safety Administration's (PHMSA) UNGS State Program. The MPSC and the Michigan Department of Environment, Great Lakes, and Energy's (EGLE) Geologic Resources Management Division (GRMD) conduct joint inspections to ensure safe operations of facilities and to enforce pipeline safety regulations in accordance with 49 CFR Part 192 for UNGS facilities.

This letter is written to convey important information regarding the UNGS program, including its requirements for inspections and report filing. In addition, incident information and relevant regulatory requirements pursuant to the Administrative Rules of Part 615, Supervisor of Wells, of the Natural Resources and Environmental Protection Act (NREPA) are provided below. An updated MPSC/EGLE Staff contact list is enclosed for your convenience.

2026 Planned UNGS Inspections

The MPSC/EGLE will conduct inspections throughout 2026 to continue to ensure safe operations of UNGS facilities and to enforce pipeline safety regulations in 49 CFR Part 192 for underground natural gas storage facilities. The following are the types of inspections that are conducted along with a brief description of each inspection type:

1. **Standard Inspections**: Standard inspections include an evaluation of the UNGS Program and Records for each storage field and onsite inspections of select wellheads/well sites at the associated field. Currently, Standard inspections are conducted on a four-year cycle for each UNGS field and Storage Integrity Management Program (SIMP). Operators are expected to reserve a full week to accommodate these inspections. The Standard inspection may be conducted in-person at the operator's locality, virtually, or a combination thereof.

i. Procedure Inspection: This is a review and assessment of the operator's written SIMP and associated procedural documentation. Procedure inspections include questions relevant to construction and operational procedures.

ii. Records Inspection: This is a review and assessment of the operator's records and retention associated with their UNGS Program. Each field/asset requires pertinent records to be demonstrated and retained.

iii. Observation Inspection: This is an onsite review and assessment of wellheads and well sites that includes, but is not limited to, observations for leaks, overpressure protection and pressure regulating equipment, corrosion, emergency response, observance of operator's well maintenance/inspection procedures, signage, and barriers.

In 2026, MPSC/EGLE will continue transitioning towards a new inspection schedule. Whereas PHMSA's established schedule required inspection of SIMP procedures and individual storage field records every five years, Staff intends to meet with every operator each year moving forward. Annual inspections will entail reviewing a subset of SIMP procedures, and associated records, for each of the operator's storage fields; the entirety of SIMP procedures, and associated records, will be reviewed within a four-year cycle. In order to comply with PHMSA requirements, and to transition into this new inspection schedule, it is necessary to complete the full SIMP procedures and records inspection this year to reset each operator into the new inspection schedule. Accordingly, MPSC/EGLE will inspect UNGS OPERATOR's SIMP procedures, and associated records, pertaining to all of its storage fields with a focus on the following storage field-type topics:

- API RP 1170 – Salt Caverns
  - Gas Storage Operations – API RP 1170, 2nd Edition, Section 10
  - Integrity Monitoring – API RP 1170, 2nd Edition, Section 11
  - Well Design – API RP 1170, 2nd Edition, Section 6
  - Drilling – API RP 1170, 2nd Edition, Section 7
- API RP 1171 – Depleted Reservoirs
  - Integrity Monitoring – API RP 1171, 2nd Edition, Section 9
  - Integrity in Reservoir Design – API RP 1171, 2nd Edition, Section 5
  - Integrity in Well Design & Construction – API RP 1171, 2nd Edition, Section 6

Furthermore, UNGS OPERATOR is due for an on-site observation inspection for the following storage fields: .

Relevant inspection questions are enclosed.[1]

2. **Specialized Inspections:** Specialized inspections include the observation of UNGS related tabletop exercises and a combination of construction and integrity activities including, but not limited to, the drilling of new wells, conversion and well workover activities, maintenance/repair activities, logging, well remediation, plugging and well abandonment activities. Operators are required to file notifications for these specialized activities as indicated below per R 460.20504 Reports. Planned well activities that will result in

[1] The rules/questions which are enclosed are the minimum to be inspected. Additional inspections may be necessary as findings or concerns arise.

downhole changes are also required to be submitted to EGLE for review/approval on Form EQP 7200-06 Application to Change Well Status. This Form is required for both Intrastate and Interstate wells. Further EGLE requirements are indicated below under Report Filing for Administrative Rules of Part 615, Supervisor of Wells, of the Natural Resources and Environmental Protection Act (NREPA). In addition, MPSC/EGLE requests to be notified of construction/integrity activity that does not rise to a PHMSA notification level. These additional notifications will allow further opportunities to conduct specialized inspections. Please file notifications for these additional specialized activities as indicated below per R 460.20504 Reports. Each UNGS Operator will be notified by MPSC/EGLE in advance of any well activity selected for specialized inspections so that mutually convenient dates/times can be selected for these inspections. Relevant inspection questions will be sent prior to the inspection date.[2] Other specialized inspections, such as Drug and Alcohol inspections, will be conducted by MPSC Pipeline Safety on the appropriate inspection cycle with participation from MPSC/EGLE UNGS Staff.

3. **Wellhead Inspections:** Wellhead inspections include items as indicated under Observation Inspection above. These inspections are conducted by MPSC/EGLE Staff independent of the UNGS operator participation or notification. Operators will be notified of concerns and/or unsatisfactory findings.

Data/Report Submittals

Submission Addresses

The Michigan Gas Safety Standards (MGSS) require that any report filed with PHMSA must be concurrently filed with the MPSC. Per R 460.20504 Reports, the MPSC/EGLE Staff requires paperless submission of all correspondence to our e-mail address: LARA-MPSC-Operations@michigan.gov. If responding to an existing case, please use the same email address (LARA-MPSC-Operations@michigan.gov) and include the case reference number (ref:_xxxxxxx:ref) in the email so that your response will be directed to the appropriate case. As noted below, additional reports specific to wellbores are required to be filed pursuant to the Administrative Rules of Part 615, Supervisor of Wells, EGLE GRMD. If you have questions regarding report filing, please contact Mr. Kevin Spence (MPSC) by email at spencek@michigan.gov or by phone at 517-643-7795 or Mr. Eric Kimber (EGLE) by email at kimbere@michigan.gov or by phone at 269-491-4106.

The MPSC offices are located at the following address:

Michigan Public Service Commission
7109 West Saginaw Hwy
Lansing, MI 48917

[2] The rules/questions which will be sent are the minimum to be inspected. Additional inspections may be necessary as findings or concerns arise.

The EGLE offices are located at the following address:

Michigan Department of Environment, Great Lakes, and Energy
525 W Allegan St.
Lansing, MI 48933

Annual Reports

The annual reports for UNGS operators can be found on PHMSA's website at: https://www.phmsa.dot.gov/forms/operator-reports-submitted-phmsa-forms-and-instructions. The calendar year 2025 annual reports for all regulated operators are due by March 15, 2026. These forms should be electronically submitted to PHMSA at: http://portal.phmsa.dot.gov/.

When initially submitting your annual reports for calendar year 2025, please provide them electronically to LARA-MPSC-Operations@michigan.gov. The MPSC/EGLE Staff would like a new case created for each operators' calendar year 2025 reports, so for the initial submission, please send a new email using LARA-MPSC-Operations@michigan.gov without any reference numbers or responding to any previous emails (no further action is required if UNGS annual reports are provided along with the other annual reports referenced in the 2024 Gas Safety Pipeline Inspections and Program Updates letter). Supplemental or corrected filings should be submitted using the reference number generated from the initial submittal, so the information is directed into the appropriate case.

Contact List

Please provide the MPSC/EGLE Staff with an updated contact list for your company (no further action is required if UNGS contacts have already been provided in response to the 2026 Gas Safety Pipeline Inspections and Program Updates letter). You can provide this electronically to LARA-MPSC-Operations@michigan.gov or mail it to the attention of the Gas Safety & Operations Division at the Lansing office address.

Updated Pipeline Safety Regulations

On July 1, 2025, the PHMSA published in the Federal Register a Direct Final Rule (DFR) titled "Pipeline Safety: Standards Update – API RP 1170 and API RP 1170." The DFR incorporates by reference into 49 CFR 192 the second editions of API Recommended Practice (RP) 1170, Design and Operation of Solution-mined Salt Caverns Used for Natural Gas Storage, and API Recommended Practice (RP) 1171, Functional Integrity of Natural Gas Storage in Depleted Hydrocarbon Reservoirs and Aquifer Reservoirs, effective as of January 1, 2026.

On April 22, 2025, the Commission filed a Request for Rulemaking (RFR) with the Michigan Office of Administrative Hearings and Rules (MOAHR) to amend the rules governing gas safety

standards. MOAHR approved the RFR on April 28, 2025. The Commission submitted the draft rules to MOAHR, which were approved on July 17, 2025. The Regulatory Impact Statement was approved by MOAHR on August 11, 2025.

One of the primary purposes of these amendments to the existing ruleset is to adopt by reference current federal regulations governing gas safety. The proposed rules will be published in the Michigan Register on October 15, 2025.

On November 30, 2023, the 26th Edition of the MGSS became effective adopting PHMSA standards 49 CFR Part 40, 49 CFR Part 191, 49 CFR Part 192, and 49 CFR Part 199 as published on October 1, 2023. The Guide for the 26th Edition of the MGSS is under development and will be published soon. The final rules contained in the 26th Edition of the MGSS can be found on the MPSC website and the federal rules can be found on the eCFR.gov website.[3]

Record and Report Filing Requirements for Administrative Rules of Part 615, Supervisor of Wells, of the Natural Resources and Environmental Protection Act (NREPA)

MCL 324.61506 empowers the Supervisor of Wells to require specified wellbore operating reports and records to be submitted for Interstate and Intrastate UNGS wells existing in the State of Michigan, including the records referenced below:

1. **Bridge Plug Documentation** - As of the date of this letter, and thereafter, for any well located within an UNGS storage facility where a bridge plug or other isolation device is set for the purpose of isolating the wellbore due to a safety related condition, the operator shall submit a Record of Change of Well Status (RCOWS) (EGLE, GRMD Form EQP 7200-08). The RCOWS is due within 60 days of setting the device and shall include the date, depth, and purpose for setting the bridge plug or other isolation device.

   As of the date of this annual letter, for any well located within an UNGS storage facility that has an existing bridge plug or other isolation device remaining set within the wellbore, the operator shall submit a RCOWS within 90 days of the date of this annual letter. The RCOWS shall include the date, depth, and purpose for setting the bridge plug or other isolation device.

2. **Temporary Abandonment Status (TA)** - For any well not utilized for its intended purpose for greater than 12 consecutive months, the operator shall submit an Application to Change Well Status (ACOWS) (EGLE, GRMD Form EQP 7200-06) requesting TA status. A RCOWS form is not required to be submitted for TA status.

3. **Annual Well Fee Assessment Report** - UNGS operators are required to submit Form EQP 7141, Gas Storage Operations Annual Well Fee Assessment Report, on an annual basis by January 31 of each year. This Form requires reporting of each well status during the year.

[3] https://www.michigan.gov/mpsc/regulatory/natural-gas/michigan-gas-safety-standards and https://www.ecfr.gov/current/title-49.

4. **Submittal of Well Logs** - Electric and Radiation Logs run on UNGS wells are to be submitted within 30 days of the logging run.

    a. The logs shall be submitted as digital copies by email to EGLE-GeologicalRecords@Michigan.gov; if size limitations prohibit submission by email (generally if cumulative file size is greater than 20 MB), digital copies shall be submitted by mail on a USB flash drive or CDR/DVDR to the following address: Geologic Resources Management Division, P.O. Box 30256, Lansing, MI 48909-7756
    b. All log files shall be submitted in Log ASCII Standard (LAS) and Tag Image File (TIF) format. PDF files and paper copies may be accepted with prior approval by EGLE GRMD. Files shall be named using the well permit number, well name, and log type. All files are to be submitted as single page TIF and/or single page PDF.

The records and reports indicated above are required to be exclusively sent to: EGLE-GeologicalRecords@michigan.gov. Instructions for filing requirements and the applicable Forms are available from EGLE's website: https://www.michigan.gov/egle/about/organization/oil-gas-and-minerals/oil-and-gas/oil-and-gas-forms. If you have questions regarding report filing, please contact Mr. Eric Kimber (EGLE) by email at KimberE@michigan.gov or by phone at 269-491-4106

Attachments

An updated MPSC/EGLE UNGS Staff Contact List dated February 13, 2025. Please exclusively use the incident notification phone number (517-284-8230) for reporting incidents to the MPSC and the hotline phone number (800-292-4706) for reporting incidents to the Pollution Emergency Alerting System (PEAS).

UNGS inspection question list covering each planned inspection, noted above.

This information has been provided to facilitate inspections. If you have any questions regarding this letter, please contact Mr. Eric Kimber (kimbere@michigan.gov) or Mr. Kevin Spence (spencek@michigan.gov).

Enclosures:

- Contact list for MPSC/EGLE Staff

- UNGS inspection question list

cc: MPSC/EGLE UNGS team