

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 17, 2016

Mr. Daniel Withers
President
Cogent Energy Solutions LLC
3100 Timmons Lane, Suite 210
Houston, TX 77027

CPF 5-2016-6002M

Dear Mr. Withers:

On February 9-11, 2016, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Cogent Energy Solutions LLC's Cheyenne Rail Hub operation and maintenance procedures and implementing records at your facilities in Cheyenne, WY.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Cheyenne Rail Hub's plans or procedures, as described below:

1. §195.446 Control Room Management

(h) Training. Each operator must establish a controller training program and review the training program content to identify potential improvements at least once each calendar year, but at intervals not to exceed 15 months. An operator's program must provide for training each controller to carry out the roles and responsibilities defined by the operator. In addition, the training program must include the following elements:

(1) Responding to abnormal operating conditions likely to occur simultaneously or in sequence;

- (2) Use of a computerized simulator or non-computerized (tabletop) method for training controllers to recognize abnormal operating conditions;
- (3) Training controllers on their responsibilities for communication under the operator's emergency response procedures;
- (4) Training that will provide a controller a working knowledge of the pipeline system, especially during the development of abnormal operating conditions; and
- (5) For pipeline operating setups that are periodically, but infrequently used, providing an opportunity for controllers to review relevant procedures in advance of their application.

Cheyenne Rail Hub's Control Room Management program did not address the requirement of 195.446(h) to review the training program content to identify potential improvements at least once each calendar year, but at intervals not to exceed 15 months. Cheyenne Rail Hub needs to add the requirement to "identify potential improvements at least once each calendar year, but at intervals not to exceed 15 months" to their control room management program. The required review must at minimum address items 195.446(h)(1) through (5).

2. §195.110 External loads

- (a) Anticipated external loads (e.g.), earthquakes, vibration, thermal expansion, and contraction must be provided for in designing a pipeline system. In providing for expansion and flexibility, §419 of ASME/ANSI B31.4 must be followed.

Cheyenne Rail Hub's operation and maintenance manual (O&M) does not reference ASME/ANSI B31.4 with respect to §195.110. Cheyenne Rail Hub's O&M manual needs to reference AMSE/ANSI B31.4 with respect to anticipated external loads. The anticipated loads that are expected for your Cogent facility should be identified.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance 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). 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 a Final Order.

If, after opportunity for a hearing, 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. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within [number of days] 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 (not mandated) that Cheyenne Rail Hub maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Chris Hoidal, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 5-2016-6002M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

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

cc: PHP-60 Compliance Registry
PHP-500 Ogirima (#152004)