

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 6, 2018

Ms. Christina Henderson
President
Suncor Energy
1715 Fleischli Parkway
Cheyenne, WY 82001

CPF 5-2018-5006M

Dear Ms. Henderson:

On May 14 through 17, 2018, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Suncor Energy's written Operator Qualifications (OQ) Program in Cheyenne, Wyoming.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Suncor Energy's (operator) plans or procedures, as described below:

- 1. §195.505 Qualification Program**
Each operator shall have and follow a written qualification program. The program shall include provisions to:
(a) Identify covered tasks; ...

The operator's program fails to identify a process that illustrates how it ensures the addition, revision, or deletion of covered tasks to incorporate changes to operations, maintenance, or regulatory requirements.

- 2. §195.505 Qualification Program**
Each operator shall have and follow a written qualification program. The program shall include provisions to:
(a) . . .

(b) Ensure through evaluation that individuals performing covered tasks are qualified; ...

The operator's program identified methods used to qualify individuals. However, the methods are not clearly stated to indicate which methods are used for initial qualification versus re-qualification. Additionally, the program identified an 80% cut score for written tests, but fails to identify a pass/fail criterion for other evaluations (i.e. oral, performance, etc.).

Furthermore, the provisions in the operator's program fails to ensure that contractors or third-party OQ programs are thoroughly evaluated, and that the pass/fail criteria of third-party programs are comparable to the operator's criterion.

Specifically, the evaluation methods fail to provide adequate information (i.e. operation and maintenance (O&M) procedure requirements, or specific steps/procedure checklist(s) that correspond with the actual procedures, and identification of equipment used) for evaluators to use to objectively verify knowledge, skills, and ability (KSA) during performance evaluations. The OQ program also fails to require that performance evaluations and/or hands-on tests be conducted in a one-on-one setting rather than as a group exercise to ensure each individual is qualified.

Section 4 - Management of Contractor/Non-Employee Qualifications states that it will review the third-party vendor, and determine whether the qualification provided through these entities are acceptable to the operator. However, the operator stated this process was initially written when the OQ regulations came into effect, but are unsure if it still utilizes the same process.

Finally, Section 4.2, Contractor/Non-Employee Qualifications Methods states that if a covered qualification task requires certification from an external source (i.e. NACE, API, etc.), that contractors will provide proof of said qualifications. However, NACE, API, or other certifications are not a substitute for being qualified under the operator's program.

3. §195.505 Qualification Program

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(a) ...

(c) Allow individuals that are not qualified pursuant to this subpart to perform a covered task if directed and observed by an individual that is qualified; ...

The operator failed to include an inadequate procedure to establish span of control ratios, and did not consider or address factors that influence span of control, such as distance, noise levels, and unqualified worker's ability to comprehend English. Furthermore, the operator could not explain how the span of control ratios were established.

Additionally, the operator's wording is "directly observe" rather than direct and observe, making it inconsistent with the language in §195.505(c).

4. §195.505 Qualification Program

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(a) ...

(d) Evaluate an individual if the operator has reason to believe that the individual's performance of a covered task contributed to an accident as defined in Part 195; ...

The operator's program fails to provide a process to determine or consider if the task that contributed to an incident was a covered task and/or the qualification process for the covered task was ineffective.

5. §195.505 Qualification Program

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(a) ...

(e) Evaluate an individual if the operator has reason to believe that the individual is no longer qualified to perform a covered task; ...

The operator's program fails to describe or include provisions for the re-evaluation process if an individual is no longer considered qualified, or if a qualified individual fails an evaluation. Additionally, the time frame for repeating an evaluation is not defined.

6. §195.505 Qualification Program

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(a) ...

(f) Communicate changes that affect covered tasks to individuals performing covered tasks; ...

The operator's program fails to identify how changes to the program or changes that affect covered tasks will be communicated to qualified individuals, including contractors. The operator's program uses terminology for categories of changes (i.e. low, medium, and high impact, significant changes, or critical changes), but fails to define or provide criteria for the terms, nor identify the time frame for communicating changes.

7. §195.505 Qualification Program

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(a) ...

(h) After December 16, 2004, provide training, as appropriate, to ensure that individuals performing covered tasks have the necessary knowledge and skills to perform the tasks in a manner that ensures the safe operation of the pipeline facilities; ...

Section 3.0 of the operator's program states the requirement of "additional training and self-study", but fails to expand or define what this requirement includes. Additionally, training for development of new hires is not clearly defined.

The operator has not performed a gap analysis to assure that the procedures used by Suncor Energy are the same or consistent as used by the contractor organizations/other entities. Because the operator's program fails to have a process to ensure the procedures used by contractor organizations/other entities are consistent with the operator's procedures, proper training and evaluation of vendor's qualified personnel could not be determined.

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 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).

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 45 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 Suncor Energy maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Kim West, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 5-2018-5006M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Kim West
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 D. Fehling (#158179)