

NOTICE OF AMENDMENT

VIA E-MAIL TO MR. CHARLES GATES

July 18, 2022

Mr. Charles Gates
Executive VP of Power Operations
Calpine Company
717 Texas Avenue, Suite 1000
Houston, TX 77002

CPF 5-2022-009-NOA

Dear Mr. Gates:

From November 15 through 17, 2021, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected CPN Pipeline Company's (CPN) written procedures for control room management in Houston, Texas.¹

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

- 1. § 192.605 - Procedural manual for operations, maintenance, and emergencies.**
 - (a) ...**
 - (b) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.**
 - (12) Implementing the applicable control room management procedures required by § 192.631.**

¹ CPN is a subsidiary of Calpine Company.

CPN's procedures are inadequate to assure safe operation of a pipeline facility. Specifically, CPN's Control Room Management Plan (Aug. 2020), Section 3.11.2 *Good Practice Guidelines for Work Environment* note that consideration should be given to "[a]llow time for communication at shift handovers."² CPN's procedures, however, fail to establish what should be communicated during shift handovers. Shift change procedures that explain what information must be exchanged between outgoing and incoming controllers promotes alertness and enhances capabilities for effective decision-making. CPN must amend its Control Room Management Plan to establish and implement procedures for when a different controller assumes responsibility, including the content of information to be exchanged. The procedures should also note that shift changes are documented in CPN's Geo SCADA Journal.

2. § 192.605 - Procedural manual for operations, maintenance, and emergencies.

(a) ...

(b) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(1) ...

(8) Periodically reviewing the work done by operator personnel to determine the effectiveness, and adequacy of the procedures used in normal operation and maintenance and modifying the procedures when deficiencies are found...

CPN's procedures are inadequate to assure safe operation of a pipeline facility. Specifically, CPN's manual does not include procedures for periodically reviewing the work done by operator personnel to determine the effectiveness and adequacy of the procedures used in normal operation and maintenance and modifying the procedures when deficiencies are found, as required by §192.605(b)(8). CPN's Control Room Management Plan (Aug. 2020) Section 3.13 *Effectiveness of Training* does not contain adequate metrics to measure fatigue mitigation program efficacy or a requirement to improve the program if deficiencies are found. Although Section 3.13 lists certain metrics, such as reports of increased fatigue and increased use of fatigue mitigation tactics, the procedures do not describe how many reports of increased fatigue are problematic, or when the use of fatigue mitigation tactics becomes concerning and requires additional action. CPN must amend its procedures to establish data measurement methods for the fatigue management program review, including a requirement to identify deficiencies, and make modifications when deficiencies are found.

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*.

² See also Section 1.7 *Definitions*, noting that a controller's "general activity" includes but is not limited to "conducting shift change."

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 **30** 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 CPN maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Dustin Hubbard, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 5-2022-009-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Dustin Hubbard
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

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

cc: PHP-60 Compliance Registry
J. Dunphy (#21-201438)