

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

November 6, 2018

Mr. Dan Krueger
President
Bluewater Gas Storage, LLC
231 W. Michigan St.
Milwaukee, WI 53203

CPF 3-2018-1004M

Dear Mr. Krueger:

On May 7-14, 2018, a representative of the Michigan Public Service Commission (MIPSC) acting as an interstate agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Bluewater Gas Storage LLC's control room management and operations and maintenance procedures in Columbus, MI.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Bluewater Gas Storage LLC's (BGS) plans or procedures, as described below:

1. **§192.605 Procedural manual for operations, maintenance, and emergencies**
 - (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) **Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and Subpart M of this part.**
- §192.745 Valve maintenance: Transmission lines.**

(a) Each transmission line valve that might be required during any emergency must be inspected and partially operated at intervals not exceeding 15 months, but at least once each calendar year.

BGS's procedures for inspecting and partially operating transmission line valves that are required for an emergency did not include the process for when the control room operates the valve. BGS's procedures only addressed the inspection of the valve when it is inspected manually. However, the valve can be operated in a time of emergency by the control center and therefore must have inspection procedures for that operation. Also, BGS's valve inspection procedure in Chapter 600 does not require the documentation of the process when the control room activates the transmission line valve.

2. §192.605 (c) Abnormal operation.

For transmission lines, the manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded:

(iii) Loss of communications;

BGS procedures did not address accurately what controllers are doing in the event of a communication failure. Appendix J Section 5.8.1 indicates that during partial communication failures personnel will be dispatched within 30 minutes. However, this does not occur in practice. Additionally, the Appendix did not specify that stations would be manned during a full or partial communications failure on key points within BGS's system or how that would be documented. On August 2, 2018, BGS submitted revised procedures that addressed this item. No further action is required.

3. §192.631 Control room management.

(a) General.

(1) This section applies to each operator of a pipeline facility with a controller working in a control room who monitors and controls all or part of a pipeline facility through a SCADA system. Each operator must have and follow written control room management procedures that implement the requirements of this section, except that for each control room where an operator's activities are limited to either or both of:

(i) Distribution with less than 250,000 services, or

(ii) Transmission without a compressor station, the operator must have and follow written procedures that implement only paragraphs (d) (regarding fatigue), (i) (regarding compliance validation), and (j) (regarding compliance and deviations) of this section.

§192.631 Control room management.

(c) Provide adequate information. Each operator must provide its controllers with the information, tools, processes and procedures necessary for the controllers to carry out the roles and responsibilities the operator has defined by performing each of the following:

(4) Test any backup SCADA systems at least once each calendar year, but at intervals not to exceed 15 months;

BGS's procedures did not indicate that the backup SCADA systems would be tested once each calendar year. Appendix J indicates that the Failover "Hot/Standby" server will be tested every 2 years. On August 2, 2018, BGS submitted revised procedures that addressed this item. No further action is required.

4. §192.631(a) - See above.

§192.631 Control room management.

(e) Alarm management. Each operator using a SCADA system must have a written alarm management plan to provide for effective controller response to alarms. An operator's plan must include provisions to:

(2) Identify at least once each calendar month points affecting safety that have been taken off scan in the SCADA host, have had alarms inhibited, generated false alarms, or that have had forced or manual values for periods of time exceeding that required for associated maintenance or operating activities;

BGS's procedures for alarm management did not have procedures for the monthly alarm reviews. The procedure did not reference the records BGS must produce, and there was no mention of who was responsible for them and what they are required to do. The procedure also did not define time frames to address issues with safety and non-safety related points. Additionally, Table 20 of the control room management plan was not updated to accurately reflect how BGS operates the control room. For instance, the Alarm Metric Reporting Table indicates that controllers can suppress, shelf, and put alarms out of service. However, these actions cannot be done in the Columbus, MI control room.

5. §192.631(a) - See above.

§192.631 Control room management.

(f) Change management. Each operator must assure that changes that could affect control room operations are coordinated with the control room personnel by performing each of the following:

(2) Require its field personnel to contact the control room when emergency

conditions exist and when making field changes that affect control room operations;

BGS's procedure for communication between the controllers and maintenance technician did not have requirements for how the maintenance technician's communications are to be documented when field changes affect the control room operation.

6. **§192.631(a) - See above.**

§192.631 Control room management.

(g) Operating experience. Each operator must assure that lessons learned from its operating experience are incorporated, as appropriate, into its control room management procedures by performing each of the following:

(2) Include lessons learned from the operator's experience in the training program required by this section.

BGS's procedures did not indicate that lessons learned will be incorporated into the training program even if the control room did not contribute to an incident. On August 2, 2018, BGS submitted revised procedures that addressed this item. No further action is required.

7. **§192.631(a) - See above.**

§192.631 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.

BGS did not have procedures for the control room management training. BGS utilizes the OQ training for their controllers, but there is no procedure to specify formal documentation of this training. There were no checklists, no specific training materials, and no tests or other performance based indications to demonstrate that one has reached the level of a fully trained controller. The control room procedures must address this aspect of training for the controllers.

8. **§192.631(a) - See above.**

§192.631 Control room management.

(i) Compliance validation. Upon request, operators must submit their procedures to PHMSA or, in the case of an intrastate pipeline facility regulated by a State, to the

appropriate State agency.

BGS's procedure did not accurately specify the company personnel responsible for submitting the procedures to PHMSA or the appropriate state agency. The procedure indicated that the compliance coordinator was responsible for this duty. However, it appears that both the Compliance Coordinator and the Asset Manager are actually responsible for this. On August 2, 2018, BGS submitted revised procedures that addressed this item. No further action is required.

9. §192.631(a) - See above.

§192.631 Control room management.

(j) Compliance and deviations. An operator must maintain for review during inspection:

(1) Records that demonstrate compliance with the requirements of this section;

BGS's procedures include fatigue mitigation strategies [§192.631(d)(2)], but did not require that the use of fatigue countermeasures be documented. Additionally, the documentation of when fatigue countermeasures are used, especially in the ninth shift hour and beyond, is necessary to perform an adequate review of incidents to determine if control room actions contributed to the event [see §192.631(g)(1)(i)] and assure that lessons learned about fatigue mitigation are incorporated into the control room procedures based on BGS's operating experience. [See also FAQ D.07 #8]

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 90 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 Bluewater Gas Storage, LLC maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Allan C. Beshore, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2018-1004M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Allan C. Beshore, PE
Director, Central Region, OPS
Pipeline and Hazardous Materials Safety Administration

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