



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

NOTICE OF AMENDMENT

VIA E-MAIL TO MR. TODD DENTON

September 17, 2021

Mr. Todd Denton
Vice President Midstream
Phillips 66 Pipeline LLC
2331 Citywest Blvd, N820-05
Houston, TX 77042

CPF 5-2021-047-NOA

Dear Mr. Denton:

From April 26 through 30, 2021, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected Phillips 66 Pipeline LLC's ("Phillips 66") control room procedures.

On the basis of the inspection, PHMSA has identified the following apparent inadequacies found within Phillips 66's procedures, as described below:

1. § 195.446 - Control room management.

(a)...

(b) *Roles and responsibilities.* Each operator must define the roles and responsibilities of a controller during normal, abnormal, and emergency operating conditions. To provide for a controller's prompt and appropriate response to operating conditions, an operator must define each of the following:

(1)...

(4) A method of recording controller shift-changes and any hand-over of responsibility between controllers...

Phillips 66's procedures are inadequate to assure safe operation of a pipeline facility. Specifically, Phillips 66's written procedures did not adequately implement the requirement in § 195.446(b)(4) that operators define the roles and responsibilities of a controller during normal, abnormal, and emergency operating conditions, including a "method of recording controller shift-changes and any hand-over of responsibility between controllers." Phillips 66's Procedure P66-GEN-0009 [Rev. 9, Effective Date: 2020-07-10], Section 5.1 Short-Term Shift Turnover does not define what length of time constitutes a short-term shift turn over. Phillips 66 must revise its procedure to clearly define the length of time that constitutes a short-term shift turnover.

2. § 195.446 - Control room management.

(a)...

(b) *Roles and responsibilities.* Each operator must define the roles and responsibilities of a controller during normal, abnormal, and emergency operating conditions. To provide for a controller's prompt and appropriate response to operating conditions, an operator must define each of the following:

(1)...

(5) The roles, responsibilities and qualifications of others who have the authority to direct or supersede the specific technical actions of controllers.

Phillips 66's procedures are inadequate to assure safe operation of a pipeline facility. Specifically, Phillips 66's written procedures do not adequately implement the requirement in § 195.446(b)(5) that operators define the roles, responsibilities and qualifications of others who have the authority to direct or supersede the specific technical actions of controllers. Phillips 66's procedure P66-CRM-0001 [Rev. 5, Effective Date: 2021-03-11], Section 4.2 Control Center Personnel Roles and Responsibilities states that, "operator qualified Console Supervisors and qualified Lead Controllers have authority to direct actions of controllers." The text of the procedure states that only operator qualified console supervisors and lead controllers can direct the actions of the controller. However, during the inspection, Phillips 66 stated to PHMSA that in practice, console supervisors and lead controllers are not qualified on all 17 consoles and therefore cannot direct or supersede the specific technical actions of all controllers. Phillips 66 must revise its procedure to clearly define which console supervisors and lead controllers are qualified on each of the 17 consoles.

3. § 195.446 - Control room management.

(a)...

(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:

(1) Review SCADA safety-related alarm operations using a process that ensures alarms are accurate and support safe pipeline operations;

Phillips 66's procedures are inadequate to assure safe operation of a pipeline facility. Specifically, Phillips 66's written alarm management plan does not adequately implement the

requirement in § 195.446(e)(1) that operators review SCADA safety-related alarm operations using a process that ensures alarms are accurate and support safe pipeline operations. Phillips 66's procedure P66-CRM-2000 [Rev. 5, Effective Date 2021-03-11], Section 8.5 Rationalization and Documentation, quotes API RP 1167 but does not include guidance for rationalization. Phillips 66 staff explained that they conduct the rationalization process according to the process in API 1167. Phillips 66 must amend its procedure to state that the rationalization process is conducted by following the process in API RP 1167 and provide a method to document the rationalization process.

4. § 195.446 - Control room management.

(a)...

(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:

(1)...

(4) Review the alarm management plan required by this paragraph at least once each calendar year, but at intervals not exceeding 15 months, to determine the effectiveness of the plan;

Phillips 66's procedures are inadequate to assure safe operation of a pipeline facility. Specifically, Phillips 66's written alarm management plan does not adequately implement the requirement in § 195.446(e)(4) that operators review the alarm management plan required at least once each calendar year, but at intervals not exceeding 15 months, to determine the effectiveness of the plan. Phillips 66's procedure P66-CRM-2000 [Rev. 5, Effective Date 2021-03-11], Section 13 Audit - Alarm Management Improvement Process states, "(t)his Alarm Management plan and its effectiveness will be reviewed once each calendar year at an interval not to exceed 15 months." However, Section 13 does not contain a procedure on how to conduct the effectiveness review for the alarm management plan. Phillips 66 must amend its procedure to include a procedure on how to conduct and document the effectiveness review for the alarm management plan.

5. § 195.446 - Control room management.

(a)...

(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...

Phillips 66's procedures are inadequate to assure safe operation of a pipeline facility. Specifically, Phillips 66's written procedures do not adequately implement the requirement in § 195.446(h) that operators review the training program content to identify potential improvements at least once each calendar year, but at intervals not to exceed 15 months. Phillips 66's procedure P66-CRM(h)-3500 [Rev. 7, Effective 2021-04-16] Section 1.2.4 Maintaining

Regulatory Compliance does not contain or reference a procedure on how to conduct the review of the training content to identify potential improvements. During the inspection, Phillips 66 informed PHMSA that, in practice, the Phillips 66 SAP system creates a work order when a review is due. Phillips 66 uses the Annual DOT Document Review: Maintenance and Operational Procedure Review Guidelines Form and Procedure to conduct the review. Phillips 66 must amend its procedure for reviewing the training content to identify potential improvements that references the Annual DOT Document Review: Maintenance and Operational Procedure Review Guidelines Form and Procedure and creation of a SAP work order.

6. § 195.446 - Control room management.

(a)...

(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)...

(6) Control room team training and exercises that include both controllers and other individuals, defined by the operator, who would reasonably be expected to operationally collaborate with controllers (control room personnel) during normal, abnormal or emergency situations. Operators must comply with the team training requirements under this paragraph no later than January 23, 2018.

Phillips 66's procedures are inadequate to assure safe operation of a pipeline facility. Specifically, Phillips 66's written procedures do not implement the requirement in § 195.446(h)(6) that operators include both controllers and other individuals, defined by the operator, who would reasonably be expected to operationally collaborate with controllers (control room personnel) during normal, abnormal or emergency situations in its training program. Phillips 66's procedure P66-CRM-0001 [Rev. 5, Effective Date: 2021-03-11], Section 13.2.3 Control Room Team Training states, "controllers will participate in Team Training annually not to exceed 15 months. In Team Training, Controllers will learn skills to collaborate as a team involving abnormal and/or emergency operating conditions. The training is structured to focus on communication and soft skills in situations that require team collaboration. Control room team includes Controllers, Lead Controllers, Console Supervisors, Operating Excellence Supervisor, Leak Detection Engineers, and Control Center Manager." Phillips 66 does not include other individuals, defined by the operator, who would reasonably be expected to operationally collaborate with controllers (control room personnel) during normal, abnormal or emergency situations in the team training sessions. Instead, during the inspection, Phillips 66 informed PHMSA that it routinely has a CRM staff member stand in for the "other individual" during the team training sessions. Phillips 66 must amend its procedure to require both controllers and other individuals, who would reasonably be expected to operationally collaborate with controllers during normal, abnormal or emergency situations, to attend the Team Training sessions.

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 60 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 Phillips 66 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 5-2021-047-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

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

cc: PHP-60 Compliance Registry
PHP-500 J. Dunphy (#21-202104)