

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO MR. JOHN HILL:

July 19, 2023

Mr. John Hill
VP of Natural Gas System Safety
Black Hills Energy
7001 Mt. Rushmore Road
PO Box 1400
Rapid City, SD 57709

CPF 5-2023-032-NOA

Dear Mr. Hill:

From April 25 through 29, 2022, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Black Hills Shoshone Pipeline, LLC (Black Hills) procedures for control room management in Council Bluffs, Iowa.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Black Hills plans or procedures, as described below:

1. § 192.631 Control room management.

(a)

(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:

(1)

(3) Test and verify an internal communication plan to provide adequate means for manual operation of the pipeline safely, at least once each calendar year, but at intervals not to exceed 15 months;

Black Hills procedures were inadequate to assure the safe operation of a pipeline facility. Specifically, Black Hills Operations & Maintenance 135 Control Room Management, Section 6.4 Internal Communications Plan, did not contain procedures or references to procedures for the actual manual operation of the pipeline. Section 6.4 B.1.b simply stated "[i]f required, notice of potential manual operation of affected area." Black Hills must amend its procedure to provide instructions on how to operate the pipeline manually or provide references to the procedures so that the controllers will know how to operate the pipeline manually.

2. § 192.631 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)

(3) A controller's role during an emergency, even if the controller is not the first to detect the emergency, including the controller's responsibility to take specific actions and to communicate with others;

Black Hills procedures were inadequate to assure the safe operation of a pipeline facility. Black Hills Operations & Maintenance 135 Control Room Management, Section 5 Roles and Responsibilities, did not contain instructions for controllers in the event of evacuation of the control room. Black Hills must amend its procedure to provide instructions on controller actions in the event of evacuation of the control room.

3. § 192.631 Control room management.

(a)

(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:

(1) ...

(5) Establish and implement procedures for when a different controller assumes responsibility, including the content of information to be exchanged...

Black Hills procedures were inadequate to assure the safe operation of a pipeline facility. Black Hills O&M 135 Control Room Management, Section 6.6 Shift Change, failed to establish and implement procedures for when a different controller assumes responsibility, including the content of information to be exchanged. Section 6.6 shift change simply stated "[a]ll shift change documentation shall be communicated in writing (electronically or handwritten if

required) and may also be communicated verbally.” In practice, Black Hills uses two electronic shift change logging systems, one for the transmission pipelines console and one for the distribution pipelines console. Black Hills must amend its procedure to provide instructions on the use of the two electronic shift change logging systems including the content of information to be exchanged.

4. § 192.631 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;

Black Hills procedures are inadequate to assure the safe operation of a pipeline facility. Black Hills Operations & Maintenance 135 Control Room Management, Section 8, did not specify procedures and practices for managing stale or unreliable data. Black Hills must amend its procedure to provide instructions and guidance for managing stale or unreliable data.

5. § 192.631 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)

(3) Verify the correct safety-related alarm set-point values and alarm descriptions at least once each calendar year, but at intervals not to exceed 15 months;

Black Hills procedures were inadequate to assure the safe operation of a pipeline facility. Black Hills Operations & Maintenance 135 Control Room Management, Section 8, did not have procedures to clearly address how and to what degree controllers can change alarm limits or setpoints, inhibit alarms or take points off-scan. In practice Black Hills has a good documentation and monitoring system for changing alarm limits or setpoints, inhibiting alarms, or taking points off-scan. Black Hills must amend its procedure to provide instructions and guidance on the documentation and monitoring system for changing alarm limits or setpoints, or inhibit alarms, or take points off-scan.

6. § 192.631 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)

- (5) Monitor the content and volume of general activity being directed to and required of each controller at least once each calendar year, but at intervals not to exceed 15 months, that will assure controllers have sufficient time to analyze and react to incoming alarms;**

Black Hills procedures were inadequate to assure safe operation of a pipeline facility. Black Hills Operations & Maintenance 135 Control Room Management, Section 8.4 Activity Review, failed to address the full content and volume of general activity of the controller. Specifically, the process did not address phone calls, administrative activities, training time and other non-pipeline control activities a controller may conduct during a shift. Black Hills must amend its procedure to provide instructions and guidance on the documentation and monitoring of general activity being directed to and required of each controller.

7. § 192.631 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) Responding to abnormal operating conditions likely to occur simultaneously or in sequence;

Black Hills procedures were inadequate to assure safe operation of a pipeline facility. Black Hills Operations & Maintenance 135 Control Room Management, Section 11 Controller Training, failed to identify abnormal operating conditions that are likely to occur simultaneously or in sequence. Additionally, Section 11 failed to adequately describe the Black Hills controller training program. Section 11 provided a general training policy but did not contain the details of the controller training or reference other documents that do. In practice, the Black Hills training program follows a training syllabus that uses computer based training, reading of individual system description manuals, 1to1 training on the console and exams. Black Hills must amend its procedure to identify abnormal operating conditions that are likely to occur simultaneously or in sequence and document its controller training practices and documentation methods.

8. § 192.631 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 by no later than January 23, 2018.

Black Hills procedures were inadequate to assure safe operation of a pipeline facility. Black Hills Operations & Maintenance 135 Control Room Management, Section 11 Controller Training, failed to identify individuals, defined by the operator, who would reasonably be expected to operationally collaborate with controllers (control room personnel) during normal, abnormal or emergency situations. Specifically, Section 11.2 A contained a general list of functional groups within Black Hills but failed to identify the specific positions within those functional groups that would collaborate with the controllers. Additionally, Section 11 failed to define the frequency of new and recurring team training. Black Hills must amend its procedure to identify individuals who would reasonably be expected to operationally collaborate with controllers during normal, abnormal or emergency situations and define the frequency with which the team training will take place.

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 **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 Black Hills 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 5-2023-032-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
PHP-500 J. Dunphy (#22-239213)
Randy Seman, Director Gas Control – Randy.Seman@blackhillscorp.com