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RESPONSE TO NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO MR. DUSTIN HUBBARD:

August 17, 2023

Mr. Dustin Hubbard
U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

Dear Mr. Hubbard:

Please find below Black Hills Energy's response to the PHMSA CRM audit conducted at the Black Hills Energy Council Bluffs office between April 25 and April 29, 2022.

Procedure Inadequacy 1:

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.

Black Hills Energy's Response:

Document GCPD06 (see attached) has been created that provides instructions to the controllers that lists the key personnel that should be contacted and key site locations that would be required to be operated manually. Status updates would be called into the control room at intervals depending on the severity of the situation. Document GCPD06 is now referenced by link within Black Hills Operations & Maintenance 135 Control Room Management manual.

Procedure Inadequacy 2:

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.

Black Hills Energy's Response:

Gas Control Management will review and amend the procedure to provide the necessary instructions to be completed by Q4 2023.

Procedure Inadequacy 3:

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.

Black Hills Energy's Response:

Both BHE gas Control rooms are now using E-Logger as their shift logging software only.

Procedure Inadequacy 4:

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.

Black Hills Energy's Response:

Document GCPD01 Callout procedure (see attached) has been created that provides instructions to the controllers as to when a call out should be made for communication outages or stale data, including recommended time limits. Document GCPD01 is now referenced by link within Black Hills Operations & Maintenance 135 Control Room Management manual.

Procedure Inadequacy 5:

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.

Black Hills Energy's Response:

Document GCPD05 (see attached) has been created that provides instructions to the controllers that only Gas Control management is allowed to change high priority alarm setpoints. The procedure also states the documentation requirements and approvals to be recorded. Document GCPD05 is now referenced by link within Black Hills Operations & Maintenance 135 Control Room Management manual.

Procedure Inadequacy 6:

Black Hills procedures were inadequate to the 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 nonpipeline 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.

Black Hills Energy's Response:

Gas Control Management will review and amend the procedure to provide the necessary instructions to be completed by Q4 2023

Procedure Inadequacy 7:

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.

Black Hills Energy's Response:

Gas Control Management will review and amend the procedure to provide the necessary instructions to be completed by Q4 2023

Procedure Inadequacy 8:

Black Hills procedures were inadequate to the 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.

Black Hills Energy's Response:

Document GCPD04 Emergency Operations (see attached) has been created that provides instructions to the controllers and appropriate personnel to be contacted. Document GCPD04 is now referenced by link within Black Hills Operations & Maintenance 135 Control Room Management manual.

Document GCPD03 Abnormal Operations (see attached) has been created that provides instructions to the controllers and appropriate personnel to be contacted. Document GCPD03 is now referenced by link within Black Hills Operations & Maintenance 135 Control Room Management manual.

Gas Control Management will review and amend the procedure to provide the necessary instructions for Normal Operations to be completed by Q4 2023

Gas Control Management will ensure reoccurring training to be completed by each Gas Controller annually not to exceed 15 months.

Black Hills Energy appreciates the work of the PHMSA Inspectors. If there are any questions or further information required regarding matters in this letter please let me know.

Sincerely,

*Tom Worley
Manager Gas Control*