

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 4, 2015

Mr. George Grau
Vice President - Operations Crude and NGL
Crestwood Dakota Pipeline LLC
807 Cherry Street Suite 3800, Unit 20
Fort Worth, TX 76102

CPF 3-2015-5001M

Dear Mr. Grau:

On August 26 through 28, 2014, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) Central Region pursuant to Chapter 601 of 49 United States Code inspected the Pipeline Control Room Management (CRM) Plan, in Epping, North Dakota.

On the basis of the inspection, PHMSA has identified apparent inadequacies found within Crestwood Dakota Pipeline LLC plans or procedures, as described below:

1) **§195.446(a) General**

General. 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. The procedures required by this section must be integrated, as appropriate, with the operator's written procedures required by § 195.402. An operator must develop the procedures no later than August 1, 2011, and must implement the procedures according to the following schedule. The procedures required by paragraphs (b),

(c)(5), (d)(2) and (d)(3), (f) and (g) of this section must be implemented no later than October 1, 2011. The procedures required by paragraphs (c)(1) through (4), (d)(1), (d)(4), and (e) must be implemented no later than August 1, 2012. The training procedures required by paragraph (h) must be implemented no later than August 1, 2012, except that any training required by another paragraph of this section must be implemented no later than the deadline for that paragraph.

Crestwood Dakota Pipeline did not have adequate procedures to review and identify control rooms applicable to this regulation.

2) §195.446(a) – See above

§195.446(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) A controller's authority and responsibility to make decisions and take actions during normal operations;**

Crestwood Dakota Pipeline did not have adequate procedures to protect the controller's consoles from use by unqualified personnel.

3) §195.446(a) – See above

§195.446(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:

- (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; and**

a) Crestwood Dakota Pipeline did not have adequate procedures to address control room evacuation and the ability to either continue operations or shut down of the pipeline in the event of an evacuation.

- b) Crestwood Dakota Pipeline did not have adequate procedures to address the operation of the pipeline during loss of communication. The procedures did not define when the pipeline would be shut down or operated manually without SCADA communication.

4) §195.446(a) – See above

§195.446(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:

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

Crestwood Dakota Pipeline did not have adequate procedures to address temporarily unattended consoles by qualified personnel during short breaks.

5) §195.446(a) – See above

§195.446(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:

- (2) Conduct a point-to-point verification between SCADA displays and related field equipment when field equipment is added or moved and when other changes that affect pipeline safety are made to field equipment or SCADA displays.**

- a) Crestwood Dakota Pipeline did not have adequate procedures to defining safety related points and which devices are safety related points.
- b) Crestwood Dakota Pipeline did not have adequate procedures to address the thoroughness required for a point-to-point survey.

6) §195.446(a) – See above

§195.446(d) Fatigue mitigation

Each operator must implement the following methods to reduce the risk associated with controller fatigue that could inhibit a controller's ability to carry out the roles and responsibilities the operator has defined:

- a) Crestwood Dakota Pipeline did not have adequate procedures that define who the responsible person is to manage Hours-of-Service (HOS) and fatigue countermeasures.
- b) Crestwood Dakota Pipeline did not have adequate procedures to address deviations from maximum HOS for emergency situations.

7) §195.446(a) – See above

§195.446(e) Alarm management

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

- a) Crestwood Dakota Pipeline procedures did not adequately identify the safety-related alarms the same as they were designated in the SCADA system.
- b) Crestwood Dakota Pipeline did not have adequate procedures to address stale data. The procedure should define stale data and what to do with that data.

8) §195.446(a) – See above

§195.446(e) Alarm management

(3) Verify the correct safety-related alarm set point values and alarm descriptions when associated field instruments are calibrated or changed and at least once each calendar year, but at intervals not to exceed 15 months;

- a) Crestwood Dakota Pipeline did not have adequate procedures to address the review of set points and determine if they are set to function correctly.
- b) Crestwood Dakota Pipeline did not have adequate procedures to address the controller's ability to establish administrative set points and alarms, nor did they define the extent of those set point and alarms.

9) §195.446(a) – See above

§195.446(e) Alarm management

- (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;**

Crestwood Dakota Pipeline did not have adequate procedures to address what persons will perform the procedure review and how the effectiveness review will be accomplished.

10) §195.446(a) – See above

§195.446(e) Alarm management

- (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 exceeding 15 months,**

Crestwood Dakota Pipeline did not have adequate procedures to address how work load assessments will be performed.

11) §§195.446(a) – See above

195.446(e) Alarm management

- (6) Address deficiencies identified through the implementation of paragraphs (e)(1) through (e)(5) of this section.**

Crestwood Dakota Pipeline did not have adequate procedures to address who is responsible for addressing the deficiencies identified in the review and how deficiencies will be corrected and documented.

12) §195.446(a) – See above

§195.446(g) Operating Experience

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

Crestwood Dakota Pipeline did not have adequate procedures for incorporating lessons learned for events that did not result in a DOT reportable incident.

13) §195.446(a) – See above

§195.446(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.

- a) Crestwood Dakota Pipeline did not have adequate written procedures for the controller training program.
- b) Crestwood Dakota Pipeline did not have an adequate procedure that identified who is responsible for reviewing the training program and for making improvements.
- c) Crestwood Dakota Pipeline did not have adequate procedures that addressed abnormal situations that may occur sequentially or simultaneously.
- d) Crestwood Dakota Pipeline did not have adequate procedures for infrequent operations.

14) §195.446(a) – See above

§195.446(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.

Crestwood Dakota Pipeline did not have adequate procedures that defined the roles of the personnel responding to regulatory agency requests.

15) §195.446(a) – See above

§195.446(j) Compliance and deviations

- (2) Address deficiencies identified through the implementation of paragraphs (e)(1) through (e)(5) of this section.**

Crestwood Dakota Pipeline did not have adequate procedures that required documentation of any deviations from the CRM plan and that deviations can only be performed when it is required for the safe operation of the pipeline.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. 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). If you do not respond within thirty (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 a Final Order.

In correspondence concerning this matter, please refer to **CPF 3-2015-5001M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Subsequent to PHMSA's inspection, Crestwood Dakota Pipeline LLC provided revised procedures. Central Region personnel have reviewed the revised procedures and determined that the revisions satisfy the deficiencies identified in all of the above items. Therefore, no further action is required and this enforcement action is considered closed.

Sincerely,

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

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