



Cheryl F. Campbell
Senior Vice President, Gas
1800 Larimer Street, Suite 1400
Denver, CO 80202

March 5, 2018

Craig Reamann, Program Manager/Inspector
ND Gas Pipeline Safety
North Dakota Public Service Commission, Dept. 0408
600 East Boulevard
Bismarck, ND 58505

RE: Response to Notice of Probable Violation Case No. GS 18-35

Dear Mr. Reamann,

Northern States Power Company – Minnesota (NSPM), a Minnesota company and wholly owned subsidiary of Xcel Energy Inc. values the continued partnership with the North Dakota Public Service Commission in assuring public safety and natural gas regulatory compliance. Maintaining standards, plans and procedures that meet or exceed industry standards and maintaining a culture that proactively promotes and recognizes operational compliance is a top priority at NSPM. We appreciate you providing us the opportunity to follow up on items noted during the Control Room Management (CRM) Company, on February 14, 2018 to review documentation and discuss revisions to our Plan.

Below are responses to the issues identified during the Control Room Management Inspection the week of October 23, 2017. A check will be submitted under a separate cover for the items associated with a civil penalty.

PROBABLE VIOLATION NO. 1

PROBABLE VIOLATION:

Respondent did not perform the required CRM plan review within the specified intervals.

LAWS OR RULES IN EFFECT AT TIME OF PROBABLE VIOLATION:

§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:

(2) The procedures required by this section must be integrated, as appropriate, with operating and emergency procedures required by §§192.605 and 192.615. 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.

§192.605 Procedural manual for operations, maintenance, and emergencies.

(a) General. Each operator shall prepare and follow for each pipeline, a manual of written procedures for conducting operations and maintenance activities and for emergency response. For transmission lines, the manual must also include procedures for handling abnormal operations. This manual must be reviewed and updated by the operator at intervals not exceeding 15 months, but at least once each calendar year. This manual must be prepared before operations of a pipeline system commence. Appropriate parts of the manual must be kept at locations where operations and maintenance activities are conducted.

EVIDENCE:

Documents provided by Respondent showed that a CRM plan review was performed on February 8, 2016 and October 10, 2017. This exceeds the required 15 month maximum interval.

PROPOSED CIVIL PENALTY:

Proposed Civil Penalty: \$1000.00

RESPONSE:

Xcel Energy reviews its Control Room Management Plan each year. The annual review is tracked and is a combined effort between Pipeline Compliance & Standards and Control Room personnel. In 2017 documentation shows a review was performed on October 10, 2017. Although this was the date noted, PC&S and CRM met on several occasions prior in 2017. In addition to meeting the review requirements set forth by code, documentation of the October 10, 2017 review indicated that the following additional items were reviewed: state and federal regulations, past audit results, and Industry Advisories. In 2016 documentation shows the audit occurred on February 8, 2016. This review consisted of the same review process as in 2017. Documents for these reviews were reviewed during the inspection the week of October 23, 2017.

Prior to 2016, Xcel Energy identified that the CRM manual reviews were not documented if no changes had occurred. For this reason, the tracking mechanism was added and completed for all reviews. Our plan is to include the annual review of the CRM plan in the Company's work and asset management system which will automatically generate a work order to complete the review.

PROBABLE VIOLATION NO. 2

PROBABLE VIOLATION:

Respondent did not perform the required alarm management plan review within the required interval.

LAWS OR RULES IN EFFECT AT TIME OF PROBABLE VIOLATION:

§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:

(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.

EVIDENCE:

Documents provided by Respondent showed that an alarm management plan review was performed on February 8, 2016 and October 10, 2017. This exceeds the required 15 month maximum interval.

PROPOSED CIVIL PENALTY:

Proposed Civil Penalty: \$1000.00

RESPONSE:

The requirement to review the alarm management plan annually not to exceed 15 months is in Appendix E. Xcel Energy reviews its Alarm Management Plan each year. The annual review is tracked and is a combined effort between Pipeline Compliance & Standards and Control Room personnel. In 2017 documentation shows a review was performed on October 10, 2017. Although this was the date noted, PC&S and CRM met on several occasions prior in 2017. In addition to meeting the review requirements set forth by code, documentation of the October 10, 2017 review indicated that the following additional items were reviewed: state and federal regulations, past audit results, and Industry Advisories. In 2016 documentation shows the audit occurred on February 8, 2016. This review consisted of the same review process as in 2017. Documents for these reviews were reviewed during the inspection the week of October 23, 2017.

Prior to 2016, Xcel Energy identified that the CRM manual reviews were not documented if no changes had occurred. For this reason, the tracking mechanism was added and completed for all reviews. Our plan is to include the annual review as a work order in SAP.

PROBABLE VIOLATION NO. 3

PROBABLE VIOLATION:

Respondent did not perform an analysis of the controller workload as required to be done each calendar year, but at intervals not to exceed 15 months.

LAWS OR RULES IN EFFECT AT TIME OF PROBABLE VIOLATION:

§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:

(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.

EVIDENCE:

Documents provided by the Respondent showed a Pipeline Performance Group Workload Analysis dated 2/25/2014 and 6/14/2016. This interval exceeds the once each calendar year, at intervals not to exceed 15 months requirement.

PROPOSED CIVIL PENALTY:

Proposed Civil Penalty: \$1000.00

RESPONSE:

The final report from Pipeline Performance Group was received and dated December 26, 2017. An analysis was not conducted in 2015 as Xcel Energy was in the process of addressing appropriate staffing levels based on the findings of the 2014 report. The results of the analysis were reviewed on February 14, 2018. The work load for NSPM controllers shows it's below industry benchmarking.

PROBABLE VIOLATION NO. 4

PROBABLE VIOLATION:

Respondent did not perform a review of the controller training program as required at least once each calendar year, but at intervals not to exceed 15 months.

LAWS OR RULES IN EFFECT AT TIME OF PROBABLE VIOLATION:

§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.

EVIDENCE:

Respondent did not provide documentation to show review of the controller training program to identify potential improvements as is required to be performed at least once each calendar year but at intervals not to exceed 15 months.

PROPOSED CIVIL PENALTY:

Proposed Civil Penalty: \$1000.00

RESPONSE:

A review was conducted and documented in September 2016 and the document was reviewed on February 14, 2018. Xcel Energy will continue to use Supplement H5 to document these reviews.

PROBABLE VIOLATION NO. 5

PROBABLE VIOLATION:

Documentation provided by the Respondent did not show controller fatigue mitigation training for all CRM controllers annually as required by Xcel's CRM plan in effect at the time of the October 23-27, 2017 inspection.

LAWS OR RULES IN EFFECT AT TIME OF PROBABLE VIOLATION:

§192.631 Control Room Management

(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.

(2) Educate controllers and supervisors in fatigue mitigation strategies and how off-duty activities contribute to fatigue.

(3) Train controllers and supervisors to recognize the effects of fatigue.

EVIDENCE:

Xcel Energy Control Room Management Plan – Revisions CRM Plan 16-1

Page D.7 of the CRM plan states that Controllers are educated annually of Fatigue Mitigation Strategies and how off-duty activities directly contribute to fatigue.

Documentation provided by the Respondent showed that six of eight controllers had taken the annual training as required by Xcel's CRM plan, Page D.7 and 49 CFR 192.631(d)(2) and 49 CFR 192.631(d)(3).

PROPOSED CIVIL PENALTY:

Proposed Civil Penalty: \$5000.00

RESPONSE:

Quarterly training is addressed in the CRM Plan and Page D.4 has been revised to address controller fatigue education and countermeasures. The annual education will be completed in the

Company's Learning Management System (LMS). The fatigue countermeasures include education on fatigue and the "low" periods and tools to manage fatigue include (but not limited to) sit/stand desks, exercise bike and anti-fatigue mats. The records were reviewed on February 14, 2018. This training is set up to push out to each controller in March of every year. LMS reports for required training is sent out monthly, management will monitor those reports for pending training.

If you need further information or clarification regarding this matter, please contact Lisa Kallberg at 651-229-2282.

Sincerely,

A handwritten signature in black ink, appearing to read "Cheryl F. Campbell". The signature is stylized and somewhat cursive.

Cheryl F. Campbell
Sr. Vice President, Gas
Xcel Energy

cc:

Mike Falk, Director Gas Transmission
Katie Hellfritz, Sr. Director Gas Governance
Lisa Kallberg, Principal Gas Standards Consultant
Luke Litteken, Vice President, Gas
Jeff Murray, Manager Pipeline Compliance & Standards
Todd Nodes, Manager Gas Control