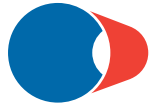
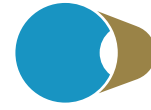


# Panorama CPC



CJSC Caspian  
Pipeline  
Consortium-R



JSC Caspian  
Pipeline  
Consortium-K

Caspian Pipeline Consortium Corporate Edition

May 2013



**Nikolay  
Brunich:**  
“Working as  
one team”

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Caspian Pipeline Consortium







## “As You Name a Boat...”

A today' man spends most of his life at work. Work is, actually, almost all our life, and the staff members are the “second family”. People are brought together by common cause, shared objective, related interests. We hope that the corporate edition you are now holding in your hands will serve the good turn, providing information on the activities of various Consortium's teams and directing the employees to achieving common goals. The Magazine will help us to get to know each other better irrespective of our geographical location, the language we speak and which line of the Consortium's business has been entrusted to us.

The corporate edition is an excellent ground for employees' communication, exchange of views, actualization of creative potential of each of us. Let's use this ground to the maximum advantage!

Something about the new magazine. “CPC Panorama” is a successor edition to the quarterly corpo-

rate newspaper “CPC News” issued earlier. The Company's life is rich in events; the magazine format allows including more materials and gives additional opportunities for their modern design and presentation to a reader.

Press Service has been set up in the Company, and one of its tasks is to issue the corporate magazine. In filling in the issues we cannot do without the staff's help, your proposals and informed criticism. Feedback is needed. As the results of the survey conducted when selecting an edition name demonstrated the feedback already exists: 468 persons participated in voting on the Intranet site. We thank all for cooperation!

The name is a destiny. It has been well said: “As you name a boat, so it will sail”. The name “CPC Panorama” selected for the magazine by a majority vote assumes the broadest coverage of subjects related to the Consortium's business and its staff's life.

**Alexey Khardykin,**  
Deputy General Director,  
RF Government Relations, CPC

**Нефтепроводный вестник**  
**Oil Pipeline News**

Number of answers **34 (7 %)**

////

**Магистраль**  
**The Mainline**

Number of answers **60 (13 %)**

////////

**Энергия нефти**  
**Oil Energy**

Number of answers **33 (7 %)**

////

**От Каспия до Черного моря**  
**From the Caspian to the Black Sea**

Number of answers **160 (34 %)**

//////////

**Панорама КТК**  
**CPC Panorama**

Number of answers **181 (39 %)**

//////////

**Total: 468**

//////////



## Nikolay G. Brunich

Born on March 3, 1955.

**In 1983** he graduated from Dnepropetrovsky Institute of Railway Transport Engineers, in 1996 he graduated from Plekhanov Russian Academy of Economics. He is a PhD in Economics.

He started his working career in Usinsk **in 1983** as a foreman of Usinskstroi design and construction company.

**In 1989** he became an engineer and **in 1998** – Director, Economic Affairs and Finance, Komineft.

**In 1999** he was appointed Deputy General Director, Finance and Capital Projects, LUKOIL-Usinsky gas processing plant.

**From 2001** he was Deputy General Director, Board member of Rosshelf.

**From 2002** he held managerial positions in the Department of Finance and Economics and Department of Project Development and Implementation of Zarubezhneft.

**From 2006** he was CEO of Nenetskiy Oil Company.

**In 2007–2012** he was head of Zarubezhneft.

**In 2013** he was elected by CPC shareholders for the position of Consortium's General Director.

He was awarded Honorary Certificate of the USSR Ministry of Transport Construction, he holds the titles of 'Honorary Oilman', 'FEC Honorary Worker', he was awarded Order of Friendship of the Socialist Republic of Vietnam (SRV), SRV Order of Labour of I Degree, Order of Honour, Order of Merit for the Fatherland of IV Degree.

# Nikolay Brunich:

## "Working as one team"

ON FEBRUARY 27, 2013 AT THE CPC-R BOARD MEETING AND CPC-K EXTRAORDINARY SHAREHOLDERS MEETING, NIKOLAY BRUNICH WAS ELECTED GENERAL DIRECTOR OF BOTH COMPANIES. HE WAS NOMINATED BY TRANSNEFT THAT REPRESENTS THE INTERESTS OF RUSSIAN GOVERNMENT SHAREHOLDER, AND WAS SUPPORTED BY ALL CPC SHAREHOLDERS.

NIKOLAY BRUNICH ASSUMED THE POST OF THE CONSORTIUM DIRECTOR ON MARCH 4. ONE MONTH LATER, HE GAVE THIS INTERVIEW TO THE CORPORATE PUBLICATION.

**– Mr. Brunich, you have dedicated almost three decades to the oil sector, but up until now worked mostly with upstream facilities. CPC represents logistics. How are you adapting to the new environment?**

– There is serious oil export infrastructure in upstream sector as well, therefore I cannot say that everything is new to me. The facilities are practically identical. However, CPC has its specific nature. The facilities that are new to me are Shore Facilities and Single Point Mooring at the Marine Terminal near Novorossiysk. I am still to learn about that in detail. I don't see this to be an issue, since there are highly professional and experienced specialists working at the Terminal, they can quickly introduce me into the situation.

**– What were your recommendations at the meetings during the drip?**

– It was not my goal to recommend anything. I needed to understand the main reasons for

Expansion Project delays and to propose a project management interface scheme. I managed to see and to assess the actual situation, find the common grounds for interface and ensure that today everybody 'speaks the same language' and understands each other. This is necessary work, which will help optimize project costs.

**– You made inspection trips to the regions where CPC-R is operating. What are your impressions of the Consortium's facilities? To which extent did what you saw live up to your expectations?**

– At the first working meetings at CPC some specialists convinced me that we are facing critical slippage under the Expansion Project. Schedule delay at the facilities under construction is due to serious and objective design changes.

When I visited the construction sites, I saw the professional contractors that are engaged there, which have implemented more than one Expansion Project facility with

due quality. Yes, there are equipment delays. Deliveries of the pumps that were to be supplied at least 6 months ago will begin only in June. They represent major equipment, installation of which will be followed by all auxiliary pipe-work installation.

I have returned from my first inspection trip with a conviction that despite the objective difficulties, we will be able to prepare the facilities to export additional volumes of our partners' crude oil. The contractors will carry out all the necessary work, and Operations will accept the new facilities.

*– What do you see as the unique nature of CPC?*

– CPC is an international oil export company, and this is not only based on the shareholder structure, but also the fact that oil export pipeline crosses two countries: Russian Federation and the Republic of Kazakhstan.

CPC applies best international design practices, this is very important. For Russian specialists there is a lot to learn from.

There are two priority areas in the operation of Consortium: Safety and Environment, which is characteristic of Western companies, in particular, Russian Transneft and Chevron, which is the main oil Shipper to the CPC system and a major Shareholder.

Stringent health requirements have been implemented and are 'working' perfectly in the environment of Russia and Kazakhstan, so that incident and injury rates at CPC facilities are very low: one hundredth of percent.

*– Which CPC's operational and social problems should General Director and Shareholders, in your opinion, give special priority to?*

– It is necessary to optimize the costs and develop schedules in such a way as to not to exceed Expansion Project budget, and possibly, even reduce the costs, in order for the Consortium to move to profitability.

*– In your opinion, an ideal atmosphere within an efficiently working international team is ...*

– ...this is an atmosphere of one team, despite the differ-

this there is no full understanding and favorable atmosphere in the team.

I believe that working as one team we will be moving more successfully in order to repay the debt and to bring value for the shareholders that are now interested in return on the investment in the project.

*– In the course of your trip to the regions where CPC-R is operating you met with a number of managers at different levels. What did you discuss?*

– The meetings were mostly related to CPC's input into



*Inspection at PS Kropotkin*

ent mindsets of the people from different countries. While teamwork means an equally high degree of responsibility for own work and single approach to assessment of each person's contribution. Without

social sphere of the regions. It was noted that throughout its operation the Consortium has earned the reputation of a socially responsible enterprise and a reliable partner. Consortium's Base Business has been »



for many years supporting the communities within the regions which the pipeline crosses through implementation of special purpose programs ‘CPC for first year pupils’, ‘CPC for talented children’, ‘CPC for veterans and disabled’.

CPC funds provision of medical and educational facilities with modern equipment and vehicles. In connection of Expansion Project implementation, agreements were executed with federal entities, and additional funds were allocated for social development of the regions, which are committed to upgrade and construction of new educational and healthcare facilities.

While in Novorossiysk, I participated in the handover of

medical equipment bought with CPC funds for 1st District Hospital. It was worth seeing the medical team, hear their words of gratitude saying that they can now provide better quality services to the patients.

In Stavropol Krai I participated in the groundbreaking ceremony for the Treatment and Diagnostic Building at Ipatovo District Hospital. This autumn we are planning to erect the building and equip it with modern medical equipment. I hope, this CPC’s investment into development of healthcare services in the district will be appreciated by all people, adults and children.

Apart from considerable investment into social sphere of the regions, CPC is a budget payer

for budgets of various levels, it provides work places and a source of income for local people.

*– Mr. Brunich, we happened to witness your extremely busy schedule today... Where are you finding the strength to work at such a pace? What do you do to relax?*

– I suggest leaving this question for the next interview, as there is really lots of work and it is too early to think about relaxation. I guess taking a rest will only be possible when the well-coordinated team will allow this. There is simply no free time while the team is being built. ■

*Interviewed by  
Ekaterina Suvorova*

### Just as the issue was going to print

After this interview following his first familiarization trip to the regions as General Director of CPC, Nikolay Brunich left for his next trip which was packed with events, meetings and new experiences. In particular, he visited Expansion Project facilities: PS Komso-molskaya (1) and A-PS-5A (2), had a working meeting in the Central Office of CJSC CPC-R (3), met with Astrakhan Region Governor Alexander Zhilkin (4). Nikolay Brunich does not seem to practice arm-chair management style. Let’s wish him success in the new position!



1



2



3



4

## CPC-R Board and CPC-K Shareholder Meetings

Caspian Pipeline Consortium-R Board and Caspian Pipeline Consortium-K General Shareholder Meetings were held on April 25.

The CPC-K General Shareholders Meeting elected a new Board which included General Director Nikolai Brunich.

The agenda included CPC financial & business matters, specifically the execution of a contract with a new security contractor for existing and new facilities of the CPC pipeline system in Kazakhstan. A CPC Capacity Expansion progress update was presented.

## Steel giants in construction

Work on Expansion Project implementation at the CPC Marine Terminal is going at full speed. The main focus is on phase 1 facilities: 100,000 m3 oil tanks # 4, 6 and 8. They are planned to be commissioned in 2014. We visited the Marine Terminal Tank Farm at the end of April and witnessed construction at a really gigantic scale. The work is ongoing round the clock, where around 1,000 manpower and almost 250 heavy vehicles are engaged. 2.2 Million cubic meters of excavated rock have been removed.

Owing to the teamwork of General Contractor (CJSC Koxokhimmontazh) and subcontractors, in cooperation with specialists from Chevron Neftegaz Inc., fifth ring and almost 90 % of the floating roof of tank #8 have been assembled. Sewage and firefighting utilities are being built, dike piling is ongoing.

For tank #6, where sand/gravel foundation is being built, workers have started concrete work for the ring tank foundation, upon completion of which steel structures installation will begin. Floating roof pontoons pre-fabrication and tank dike work are ongoing.

At tank # 4 construction site, gravel pad piling for waterproof layer is in progress, cathodic protection system installation is ongoing. Waterproof layer installation is planned to be performed shortly, to be followed by steelwork installation. Floating roof pontoon pre-fabrication is currently in its final phase.

Foam firefighting facilities are being built for all three tanks, and two valve pits are being installed between

tanks # 4 and 6. This is also where process piping welding is performed.

Support facility and fire station are also being built at the Tank Farm. At treatment facilities site, reinforcement of the walls for future evaporation pond # 1 is ongoing, and concrete will be poured soon. Drain pump facility is in construction.

At Substation # 1 under construction, concrete is poured for the walls up to level one, and at Substation # 2 foundation work is in progress.



Foundations are ready for lightning arrester towers (three each at tanks # 8 and # 4, and one at tank # 6). From mid-May, contractors will start installation of the actual lightning arrester structures.

Alexander Detkov

# Stepping up the pace

IMPLEMENTATION OF PHASE ONE OF CPC CRUDE OIL PIPELINE EXPANSION PROJECT HAS ENTERED ITS FINAL STAGE. RECENTLY NIKOLAY BRUNICH, GENERAL DIRECTOR OF THE CONSORTIUM, ADVISED MEDIA REPRESENTATIVES THAT COMMISSIONING OF PHASE ONE EXPANSION PROJECT FACILITIES IS SCHEDULED FOR QUARTER 3, 2013.



## Expansion Project Facilities:

- 1, 7 – PS Atyrau
- 2, 3 – PS Komsomolskaya
- 4, 6 – Marine Terminal
- 5 – PS Astrakhanskaya
- 8, 9 – PS Tengiz

Currently construction is approximately six months behind. Specialists explain reduction of construction progress by numerous changes made in the design. All project stakeholders make every effort, the right way, however substantial process changes in the design, revision of design and estimate documentation have impacted construction timelines. Vendors and contractors received additional scopes, additional equipment was procured. Obviously, timelines have shifted. The slippage has been gradually diminishing lately.

We contacted **Vyacheslav Sergeev, General Manager, Expansion Project** for details on the progress of the works related to upgrade of CPC operating facilities in RF and RoK. The technical group which reports to him is a kind of engineering center during Project implementation.

*– Vyacheslav, how is it going in Kazakhstan? There was information that construction of two additional tanks at PS Atyrau has been suspended. What is the reason?*

– PS Atyrau is a “bottleneck” in our pipeline system; until upgrade of this pump station is complete we cannot talk about increased throughput related to Early Capacity. Therefore, facilities required at Early Capacity phase have been identified as Early Capacity Facilities. Currently main attention should be paid to mainline pump facility where installation of two main mainline pumps with Siemens turbine units is ongoing, booster pump station, electrical utility facilities, surge relief system, lease automatic custody transfer units where the actual supply of Kashagan oil to our pipeline system. All the efforts were focused on these facilities and the works related to





construction of additional tanks did slow down a bit, yet were not stopped or excluded from the facility scope.

***– What is the main problem which the project faced in Kazakhstan?***

– First off, it is insufficient work progress which is due to changes in design documentation and delays with long lead items. Therefore, we are presently within very tight time constraints with regard to work at PS Atyrau. You might as well say that it is a kind of a critical point for the project in Kazakhstan. However, if work schedule is strictly followed, work completion in September is clearly seen as realistic.

***– What about the status at PS Tengiz?***

– The works at PS Tengiz are carried out as planned, but

I admit that there is still some slippage from the contract schedule. However, PS Tengiz is a pump station which pumps oil, and introduction of additional facilities such as the new mainline pump facility, booster pump facility, electrical utilities will be required at the second phase of project implementation when oil throughput is considerably higher. Currently we can manage with the available throughput capacity.

***– How is it going at the main pipeline?***

– The works on pipeline replacement at 116–204 km are in progress. Notably, we are replacing pipes which remained since the times of USSR. After replacement the entire oil pipeline from PS Tengiz to the Marine Terminal in Novorossiysk will have 1000 mm diameter (instead of the previous 700 mm at the last 88km segment

which remained since the time of USSR). Meanwhile, the works related to laying the pipeline are practically complete, now development of platforms, valves is in progress. However, there are specific problems. For example, the work package related to installation of 90 km fiber-optic communication line which has not been carried out completely. A decision was made to support the contractor by engaging a subcontractor. Everyone is very hopeful that this 88 km segment including installation of communication cable will be complete by the scheduled September shut-down. All the new pipeline valves will be connected to the control systems and will be operated from Novorossiysk. Thus, we expect to get pipeline which fully complies with Shareholders' requests. The new 88 km segment in the Republic of Kazakhstan is scheduled to be connected in September. »

*– Major works are ongoing at PS Astrakhan. What is the reason for their complexity?*

– The fact that PS Astrakhan is operating around-the-clock. For this reason, all the works in the operating pump station are linked to compliance with a number of safety requirements. For example, in order to carry out works in the vicinity of the operating pump equipment, special shelters, barriers dividing the work area and operating pump area are required, etc.

Upgrade of the existing facilities at PS Astrakhan includes replacement of 4 MW electric motors with 5 MW electric motors, replacement of impellers, construction of auxiliary buildings and structures, construction of production and administrative facilities (canteen, administrative building). It is planned to complete mainline pump station upgrade in the third quarter, complete the full work package related to the four electric motors (three of them have already been replaced, commissioned, currently replacement of the fourth electric motor is in progress).

I would like to make a special note about the existing lease automatic custody transfer unit (LACT unit). It was designed for a completely different throughput and physically cannot meter 67 million ton of oil (without Drag Reducing Agents) which is the volume expected to be transported upon completion of Expansion Project. The new LACT unit which will allow us to considerably increase the



throughput and metering of oil transported from the Republic of Kazakhstan to Russia has already been installed and now the final pre-commissioning and installation are in progress, its testing remains to be done.

On the whole, it is planned to achieve overall mechanical completion by May 1, 2013 and commence the work cycle related to pre-commissioning.

Our task is to ensure the pump station meets all safety requirements. For example, a warehouse for storage of equipment and materials required for Emergency Spill Response (ESR) was built on the bank of the Volga (PS Astrakhan is located on the right one) under Expansion Project. Despite the fact that the risk of spill is hypothetical this warehouse was constructed in line with the legislative requirements due to the planned increase of throughput since the Volga is a strategic water source in Russia.

An entire range of energy supply works was carried out. In order to put the four new electric motors into operation and therefore provide a greater power supplied to the mainline pump station an agreement was signed for upgrade of electrical sub-station of Federal Grid Company of Unified Energy System of RF which

*1 – Vyacheslav Sergeev, Expansion Project General Manager, at a Safety Day at Marine Terminal*

**Expansion Project Facilities:**

*2 – PS Komsomolskaya*

*3 – PS Astrakhanskaya*

*4 – PS Tengiz*



is located in the immediate vicinity of PS Astrakhan. The upgrade was carried out by Federal Grid Company. All the works were performed in strict compliance with the detailed design, upon authorization of the Russian Technical Supervisory Authority.

**– Vyacheslav, is PS Komsomolskaya ready for pre-commissioning?**

– Mechanical works at PS Komsomolskaya are in the final stage, all the necessary hydrotests were performed including the two constructed tanks with floating roofs, 4800 m<sup>3</sup> each. The final stage of electrical, instrumentation work, installation of communication systems for the new equipment, its integration into SCADA control system are in progress. CS&C contractors were mobilized to the site and they will soon start their work. Appraisal of readiness for installation of

control cabinets is ongoing. The contractor that provides fire and gas systems to CPC will also begin their work. It is planned that pre-commissioning stage will start on July 1 and this process will take several months.

**– What are the distinctive features of PS Kropotkin?**

– There are no external power supply sources at this station, it means that it is not powered from the grids of electrical grid companies. Power is generated with gas which is the fuel for electricity generation at the two gas turbine units (a spare one, a duty one).

Within the framework of Expansion Project at PS Kropotkin we must install three new pumps driven by Siemens turbine units in addition to the three existing ones.

**– Which event of Expansion Project Phase 1 would you call a milestone event?**

– Undoubtedly, it is the work package performed in Novorossiysk at the Marine Terminal Shore Facilities. Particularly, the unique project for installation of third SPM and 4.1 km offshore pipeline which is tied in to the pipeline segment laid at the initial construction phase. Diagnostics of the old pipeline was performed, a conclusion certifying its compliance with all the safety standards and absence of any corrosion defects was obtained. Six anchors keep SPM-3 in the same position.

The works within area No. 42 related to installation of pig launcher/receiver with all the piping were carried out onshore. The necessary tie-ins were made during the scheduled shutdown, the next thing to do is re-programming of communication systems. After the package of permit documents is signed maybe in August this year we will be able to put these facilities into operation. ■

*Interviewed by  
Alexander DETKOV*

**A-PS-5A**



*In the Marine Terminal Tank Farm*







## Company's main value

CREATING THE SAFEST PROJECT IN RUSSIA AND KAZAKHSTAN IS THE GOAL OF CPC-R COMPREHENSIVE SAFETY PROGRAM.

### A vital issue

The peculiarity of CPC is the highest responsibility for the life of every employee. Hence, a very serious attitude to occupational safety and compliance with the rules of safe work execution. To ensure maximum involvement of personnel in achieving this goal, special activities are organized, target programs are implemented. Instruction cards with 12+1 Life-Saving Rules are placed at the facilities. In-vehicle monitoring system is working, driver's training is carried out. A rule is in place where each company's employee can stop the work if they see a threat for the life and health of people.

To confirm contractors' commitment to safe operation, develop the relationships between representatives of Expansion Project senior management, achieve alignment and cooperation in safe Expansion Project implementation, a Contractors' Forum was held in Novorossiysk on April 9, 2013. About 30 people took part in the event including the managers of Koksochimmontazh, Telvent, Vympel Plus and other contractors and also representatives of CPC departments, management companies Transneft and Chevron Neftegaz Inc. responsible for the Project. The forum was arranged by Expansion Project HSE Group from CPC-R jointly with JMJ and was chaired by

William Simpson, Deputy General Director, Engineering and Projects, CPC-R.

### Economic effect

Brett Randall, representative of American oil and gas giant ExxonMobil, one of CPC shareholders, CPC Project Advisor made a welcome speech at the opening of the forum. When congratulating the participants on incident and injury free work over a long period of time he pointed out that working safe prevents injuries and nobody wants to get hurt leaving for work every day.

***"Even minor injuries can afterwards have an impact on physical and moral health. Safety is a substantial value in a large company's operation. It should be viewed as a special type of culture – a culture of an employee's work behavior", – Brett Randall pointed out.***

He shared a vivid example which proves economic effectiveness of investing money in labour safety. Several years ago a new CEO joined the largest canadian aluminium concern Alcoa who noted the injury statistics in this company. Injury level did not have an impact on the high profit of the enterprise and its massive profits. However, the new director proposed a Program to achieve maximum labour safety. According to it, worker suggestion boxes were installed at the enterprise, every incident was investigated and the workers got bonuses for working safe. Many shareholders disapproved of the manager's actions and sold their stock. However, just one year later the other shareholders saw that the approach to labour safety was correct. And within 2 years Alcoa's profit increased five times! Now it is one of the safest aluminium companies in the world.

### 100 % safety!

CPC Expansion Project is a great number of contractors and around 1 000 people working at construction sites. Contractors ought to share CPC's approach to ensuring safe work for every employee. This can only be achieved if everyone without exception is committed to a common goal: creating the safest Project in Russia and Kazakhstan.

Kevin Nance, Caspian Pipeline Expansion Project Director from Chevron Neftegaz Inc. in Novorossiysk addressed the audience:

*“Many people believe that high labour safety culture cannot be achieved in Russia. But are we so different at genetic level that we do not care for our relatives? Cultural differences of people are not so great for one nation as opposed to other nations for them to neglect people's health and lives. High labour safety level can be achieved both in Russia and Kazakhstan. Care for others and willingness to go home healthy to the family and friends – is inherent to us. If we achieve 99 % labour safety it means that out of a thousand workers working at the Project 10 were prone to injuries. It is unacceptable! The main goal is that all 100 % of them must be safe!”*

can only benefit from the high safety level. High work safety culture without injuries and incidents will invariably lead to timely execution of works.

### A positive attitude

According to Igor Lisin, Coordinator, PS (RF), CPC-R, at first Expansion Project team was clearly skeptical about Incident and Injury Free (IIF) Program which he shared to a certain degree.

*“Program development had a serious effect”, Igor Lisin believes. A new approach of managers and employees to safety issues was formed. Today we have no people who do not care about safety at*



The participants of the Forum pointed out a substantial point: the funds allocated for labour safety should be viewed not as costs but as investment into achieving the project goals. We

*construction sites. During the three years of project activities safety issue is constantly mentioned. Previously we visited one of the safest sites in the world for gas and fuel oil »*

*production which belongs to Shell. Around 100 thousand people work there. The things we saw there convinced us of the benefits of work safety system which was created for em-*



*ployees representing different nationalities and cultures”.*

*“We are on the right path and many things have already been done in order to make the conditions of Expansion Project employees comparable with other leading projects. In view of this, I am happy to make positive conclusions about our relevant activities in 2013 and work on achieving new goals in 2013. We must direct all the positive attitude to promoting safety culture at our Project”, – Igor Lisin pointed out.*

### Lessons learned and conclusions

William Simpson, Deputy General Director, Engineering and Projects, CPC-R, summarized 2012 incident and injury free

performance. There was a single injury case at the Kazakhstan territory of the project but the injured worker has already recovered and is back to work. The manager urged everyone to

ensure work safety at the Project, to learn lessons and prevent any injuries and incidents in the future.

### Awards for the best ones

PS Astrakhan, Tank Farm and the entire Marine Terminal were named among Expansion Project facilities which had no injuries last year. Besides, PS Astrakhan was awarded for the best road safety indicators, almost 700 days without MVAs.

W. Simpson and K. Nance awarded diplomas, certificates of merit and certificates for incident and injury free performance were to I. Pesterev, General Director, OJSC Complex, S. Malchikov, Director, OJSC Uralmetallurgmontazh, A. Pantikov, Director, LLC Vympel Plus and also V. Mezer, Deputy General

Director, Project Director, Trust Koksochimmontazh who made a wish shared by everyone: “Let Expansion Project be incident and injury free until its completion in 2015!”.



Diplomas, certificates of merit and certificates also went to Contractors working at PS: STK, Promstroy, UTP, while flags for safe performance were also awarded to Velesstroy, Spetsstroykontrakt, Promstroykomplekt and PS Astrakhan. Marco Bosich, PS Construction Manager, Velesstroy, when awarded a certificate for personal contribution to ensuring labour safety, philosophically noted: “Life itself must be like safe work”.

Closing the Forum Emile Kerkoerle, HSE Manager, CPC-R drew the attention of Project stakeholders to the key goals for 2013: incident-free driving, safe work at construction sites, IIF Program integration in the key HSE processes and maintaining near-miss reporting. ■

Igor Vinogradov



# In the Atmosphere of Trust

The KPV (Kazakhstan Pipeline Ventures) Security Forum gathered more than 40 attendees, most of them were contractors' top managers and key professionals, such as: Aidyn Zhamanakov, PromStroiEnergo Director; Beket Ospanov, Neftestoiservis Director; Bernard Caldwell, Kazstoiservis Project Director; Supratim Ghosh, Kazstoiservis Project HSE Manager, Marat Tusupbekov, Kazstoiservis HSE Manager; Oleg Myasoyed, PromStroiEnergo Project Foreign Economic Relations Manager; Alibek Khibatov, SPMK-123 Project Manager, Alek Khibatov, ZhPM Director, etc.

Caspian Pipeline Consortium was represented by Bill Simpson, Emile van Kerkoerle, Igor Sayapin, Mikhail Ivanov and Ruaida Aysa. Charlie Sirs, KPV Construction Director, and Nick 'Klyne from JMJ Associates acted as hospitable mediators.

The fruitful discussion of Expansion Project safety issues took place. The Forum attendees shared their experience of implementing fundamental HSE tools. The mutual understanding of problems and concurrence of the 2013 Incident & Injury Free (IIF) Program key actions were achieved, and commitments to further improve the IIF culture were undertaken. The contractors without lost time incidents in 2012 were awarded for their adherence to occupational health and safety.

The Forum atmosphere encouraged trust-based discussions as nobody experienced linguistic barrier due to professionalism of CPC and KPV interpreters.

**Ruaida Aysa**, IIF Lead Coordinator, shared her impressions of this event in Atyrau:

*– Presentations of contractors' top managers how*



*they implemented IIF, what problems and challenges they faced, and what success they achieved were of particular interest for all attendees. This event was conducted for the first time but enthusiastic feedback clearly shows that it is rather beneficial. According to contractors, they were previously unaware of the IIF implementation by other contractors. The information exchange as well as face-to-face discussions had the consolidating effect in achieving the common goal – the work at CPC sites should be safe and bring only joy and satisfaction. ■*

## Just as this issue was going to print

The subject of occupational safety is relevant all over the world. Life itself dictates its importance. Terrible news about explosion of ammonia tanks at a fertilizer plant came from the American state Texas. As a result, not only the enterprise itself was de-

stroyed but also the nearby town of West. There were multiple casualties and many people were injured.

We feel deep compassion for those who were affected by Texas disaster. Such disasters have no nationality, it is universal grief. It is also an additional reason for each of us at work and in everyday life to increase our vigilance and personal responsibility

for the lives of our colleagues and friends and for our own safety as well. ■



Foto by Vesti.ru

# Developing a Specialist

SUCCESS OF AN ENTERPRISE IS BASED ON COMPETENT SELECTION OF PERSONNEL AND THEIR PROFESSIONAL SKILLS. THE BEST WAY TO ACQUIRE A SPECIALIST POSSESSING KNOWLEDGE AND SKILLS THE COMPANY NEEDS IS TO TRAIN SUCH SPECIALIST YOURSELF. THIS IS EXACTLY THE PURPOSE OF INTERNSHIP PROGRAM FOR YOUNG SPECIALISTS.

## How it all began

There were several reasons for this type of personnel training emerging in the Consortium. The Company needs employees of certain professions and quali-

employees is 40 years, and it is still higher at pump stations.

The starting point for the internship program introduction was the decision to expand the CPC oil pipeline system

In total, **43 people** were hired as interns between **2009 and 2012**



- – 19 first year interns
- – 3 second year interns
- – 21 hired as permanent employees



Deputy HR Manager  
Alexei Surazhsky

fications, however CPC does not have own training centers, and training with specialized educational institutions is often separated from practice. Also, internship makes it possible to tackle the task of maintaining the optimum age composition of personnel. The issue of generation change is not critical, but current: average age of CPC

throughput. From the very beginning it was clear that after implementation of the Expansion Project the Company would face a shortage of personnel for some specialities, primarily, PS operations.

Currently, internship in the Company has the most positive record. The program involves

several CPC units with a common goal of acquiring a specialist trained in compliance with the Consortium requirements.

## Internship test

Positions of interns are intended for young specialists, who are this or last year graduates of relevant specializations still remembering the university-acquired knowledge. The maximum duration of internship is two years.

The first year of training ends with an exam, where the intern proves his/her professional competence. The examination commission comprises relevant specialists, line supervisors,



HR employees. Traditionally, the commission is chaired by regional managers, imparting a special status to the exam. Upon its results, the intern faces three options: "go home" (in case of unsatisfactory results), get hired by CPC (specialist is ready and there is a vacancy for him/her) and complete the second year of internship (results

are good, but so far no relevant vacancy). For the period from 2009 to 2012 inclusive, 43 intern positions were filled, out of them 19 were in the first year of training, 21 hired and 3 took the second year of internship. However, presently the no-vacancy option is practically out of the question for the specialist due to higher specialist demand related to construction of new PSs.

Interns plunge into professional environment, get familiar with state-of-the-art equipment, master main PS and pipeline systems. They receive salary and work exclusively under supervision of mentors, who are responsible for their mentees.

**«We have a unique opportunity to offer to fresh university graduates actually a life-time job, There is just one thing required of them – responsible attitude and efficient labor. Moreover, in good conditions provided by CPC for the time of internship and further on at operations positions»**

Alexei Surazhsky

### Time makes corrections

The Expansion Project has made its corrections in the internship program. So, since January 2013 the Interns Regulations has had an additional provision for intern training with a prospect of taking the position of Shift Supervisor and PS Deputy Manager. This is caused by an increasing requirement in personnel due to new PSs coming up. Thus, in the Western Region four more PSs will be added soon to the existing Kropotkin PS. The Region is not able to train on its own the required number of shifts. In order not to compromise on the level of requirements to future Shift Supervisors and PS Deputy Managers, the internship »



#### Kropotkinskaya PS:

Most interesting work awaits current interns at Kropotkinskaya PS and other pump stations being refurbished under the Expansion Project!



#### Intern and mentor:

Alexei Petrov – a graduate of the North Caucasus State Technical University, majoring in “Designing, Construction and Operation of Gas/Oil Pipelines and Gas/Oil Storages”. In March 2012 he was accepted as a CPC intern. After the exam Alexei was directed to take the second year of training. The young man faces a prospect of making a career with the international oil pipeline company. His mentor, Kropotkinskaya PS Operator Ivan Andreev helps him to learn specifics of the profession and adjust to the staff. He shares willingly his great industrial experience with his mentee. Andreev's total service with the industry amounts to 21 years, in 2001 he became the winner of the OAO “Chernomortransneft” competition “Best in Profession”. The present-day youth mentor joined CPC in 2002. Over the time of his working for the Consortium Ivan was awarded with a commemorative gift, CPC Certificate of Merit and Certificate of Merit of the Krasnodar Krai Fuel and Energy Complex.



program was expanded. It acquired a new area focusing on outside candidates already possessing managerial skills and industry experience, including similar facilities. Here, emphasis is placed on development of available specialist's knowledge regarding CPC equipment and regulations.

### Geography matters

The program is much popular in the Eastern and Central Regions, where there are always several contenders for one intern position. The situation is different in the Western Region and Marine Terminal, because there university graduates have job alternatives. So, Novorossiysk has a prestigious Marine Academy opening up job prospects in world ports and international shipping. Major opportunities for young people are provided by Krasnodar – a region attractive for investments and requiring qualified local manpower.



Nevertheless, there are more than enough young people wishing to join CPC, all intern positions are filled. An international company providing stability and career development prospects always remains attractive for young specialists. ■

## Mutually Beneficial Cooperation

NOW CASPIAN PIPELINE CONSORTIUM CAN PICK POTENTIAL EMPLOYEES LITERALLY FROM UNIVERSITY AUDITORIUM. THIS WAS MADE POSSIBLE DUE TO EXECUTION OF COOPERATION AGREEMENTS WITH RELEVANT REGIONAL UNIVERSITIES.

In July last year the Consortium signed a strategic partnership agreement with the Astrakhan State Technical University providing for assistance in conducting a training, industrial and pre-graduation practice for students. In the Central Region it is intended to execute one more agreement with the Kalmykia State University.

In the Western Region the Consortium established partner relations with the North Caucasus Federal University and signed an agreement with late February 2013. The purpose of cooperation is to enhance quality of professional training of university students, to organize their practical training and internship, as well as to develop the CPC succession pool.

The signed agreements enabled the Consortium to perform its own appraisal of graduates, motivate them to join the Company by telling about CPC activities and select out of them future interns through production practice.

– We meet interested students, get their resumes and the university provides data on their academic performance, – says Deputy HR Manager Alexei Surazhsky. – Then, we select practice participants and out of them later on form a candidates pool for interns. Now we have a unique opportunity to “track” students, starting from the third year.

Such cooperation is beneficial not only for the Consortium, but relevant universities as well. In the time of tighter control over higher education in Russia agreements with industrial companies are an extra advantage for any educational institution, because this cooperation is not only on paper, but in deed. Companies provide an opportunity for students to undergo actual practical training at their industrial facilities. After the existing CPC pump stations are upgraded under the Expansion Project, it will be feasible to organize production practice for students there. ■

*Materials of the column  
prepared by Ekaterina Krapivko*

## Respect and care

THE STORY OF THE INITIAL YEARS OF CPC'S OPERATION IS NOT JUST THE INITIAL CONSTRUCTION, FIRST TANKER LOADING, AND START OF COMMERCIAL OPERATION. IT IS ALSO THE COMPANY'S CHARITABLE ACTIVITIES IN THE HOST REGIONS DATING WHICH STARTED BACK IN 1998.

*Let the wisdom of the elder guide the vigor and strength of the young,  
Let the vigor and strength of the young support the wisdom of the elder.*

*Konstantin Stanislavskiy*

The purpose of the Consortium's charitable activities is the support of persons of merit and the underprivileged who are in need of care and attention. These primarily include World War II veterans, veteran laborers, the disabled, and lone old-age citizens in social institutions.

By 2002 CPC developed a harmonized approach to charity using all its previous experience. It combined supporting social, health, education, cultural and sports institutions in CPC host regions, on the one hand, and special support

to the underprivileged, on the other.

All-around efforts to find effective forms for that to work resulted in a CPC to War Veterans and the Disabled charity program being initiated in 2002. On the eve of WWII Victory in Europe Day, the CPC Program facilitator organized formal dinners for war veterans and the disabled. Banquet rooms were decorated in a festive manner and local amateur talent groups were invited to perform. Representatives of local authorities attended to congratulate the war veterans. Everything was

done to create an atmosphere of festive mood for socializing and comfortable recreation for the war veterans.

At the end of the event all attendees were presented with food baskets and gifts in kind from CPC. Events under the program were successfully held in the Krasnodar Krai and since then have become traditional for all CPC host regions in Russia.

As time has shown, the CPC to War Veterans and the Disabled program is evoking a broad public response from the local community. Words of gratitude to the Consortium for its attention and help to war veterans are often heard from the mouths of local district and village administration leaders attending the events who proactively assist in organizing and managing the program.

Hardly anyone of those attending the formal dinners under the program can help being touched by the atmosphere of universal unity and »





heartfulness while listening to the master of ceremony's recital the feats of arms and labor achieved by the war and home front veterans and pages from their heroic biographies.

These meetings leave the attendees with unforgettable memories and allow old-age people to feel real support and care, as indicated by their letters full of gratitude to the company. Such feedback from the war veterans is used by CPC to derive important information for improving the format of the program next year.

*– Every year after the program events are over we receive dozens of letters from war veterans, – says Victor*



*Volgin, CPC's key regional government relations representative in the Western Region. – All of them express profound gratitude to our company for care demonstrated. Some authors not*



*only share their thoughts about the program but also have specific requests for solving domestic problems. For us these letters are the best indicator of how effective our war veterans program is. ■*

## Holiday as a Gift

*In faith and hope the world will disagree,  
But all mankind's concern is charity.*

*Alexander Pope*

The Consortium also supports the disabled and lone old-age citizens by another charity program, just as significant in its

essence, called "New Year and X-mas Holidays with CPC". It was first introduced on the eve of 2004. Since then this New



Year's eve program has become much loved and waited for by not only children but also adults in social institutions in the CPC host regions.

A format interesting in its own way has developed from New Year/X-mas events for old-age citizens who live in nursing homes and community shelters. The program's organizers have tried to factor in some peculiarities of life led by the elderly in social institutions and make such events "feel like home", create a real holiday for old-age people and fill their hearts with joy and happiness. At the end of the event all charges are presented with gifts from CPC: sweet baskets and some things useful in daily life. All that is designed to get them into a festive mood and remind them all year round that there is a company and some people who remember and care about them. ■

*Dmitry Gerasimuk*





# Alexander Nosov's North and South



ALEXANDER NOSOV'S WORKING BIOGRAPHY MAY BE CONSIDERED IN MANY RESPECTS TYPICAL FOR THOSE REPRESENTATIVES OF THE PRESENT QUINQUAGENARIAN GENERATION (AND IT WAS EXACTLY FIFTY THAT HE TURNED THIS YEAR!) WHO HAVE CHOSEN OIL INDUSTRY TO BE THEIR LIFE PATH IN THE PERIOD OF ACTIVE DEVELOPMENT OF THE WEST SIBERIAN OIL FIELDS.

Having been asked, "How did it happen that you, educated as construction engineer, were sent by your fortune to the North?", Alexander replied with the exclamation: "That was in mid-80's after all! ..."

*the specialty of metrologist at an oil metering station. Later on, I had to move more to the north, to the town of Nyagan, for arranging a crude oil custody transfer process at a new Oil and Gas Production Division."*

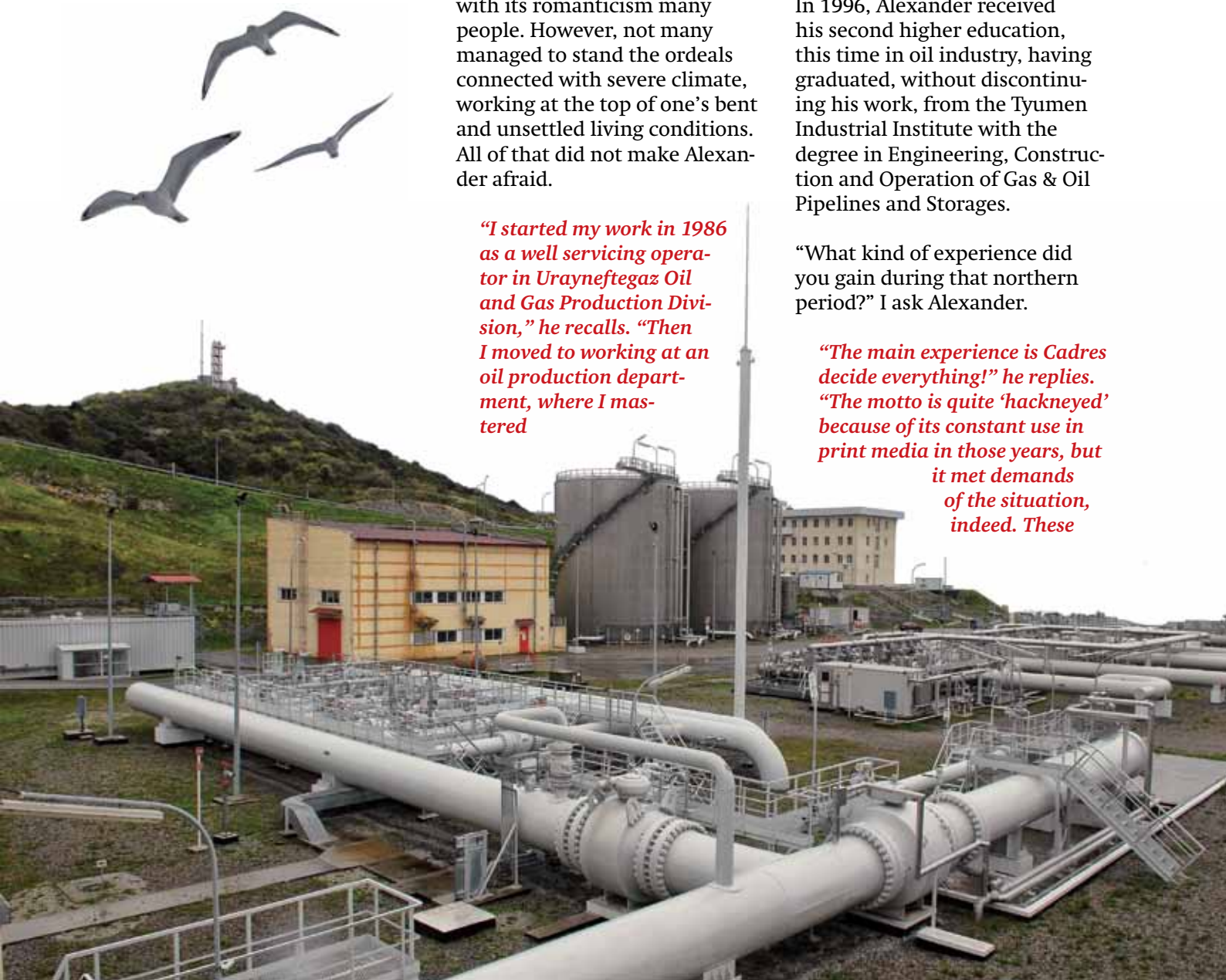
The North at that time attracted with its romanticism many people. However, not many managed to stand the ordeals connected with severe climate, working at the top of one's bent and unsettled living conditions. All of that did not make Alexander afraid.

In 1996, Alexander received his second higher education, this time in oil industry, having graduated, without discontinuing his work, from the Tyumen Industrial Institute with the degree in Engineering, Construction and Operation of Gas & Oil Pipelines and Storages.

"What kind of experience did you gain during that northern period?" I ask Alexander.

*"I started my work in 1986 as a well servicing operator in Urayneftegaz Oil and Gas Production Division," he recalls. "Then I moved to working at an oil production department, where I mastered*

*"The main experience is Cadres decide everything!" he replies. "The motto is quite 'hackneyed' because of its constant use in print media in those years, but it met demands of the situation, indeed. These*



*were not machines or enginery but exactly people with their grip, professionalism, cooperativeness, and unlimited endurance that developed the North. Machines had been stopping at -60 °C. In the wind, metal became fragile, while people continued accomplishing their tasks. However, even today, working in a far more comfortable climate, I can say: it is exactly people, specialists, that decide success of any matter. Isn't it so?"*

On cannot but agree with my conversation partner. By the way, Alexander Nosov himself, with his sound 23-year experience of work in the oil industry and a vast professional experience, is reckoned by the CPC Marine Terminal team among those specialists on whom success of a matter greatly depends.

Alexander started his career with CPC-R in 2001, as an operator of the Marine Terminal Tank Farm. In 2005, he was transferred to the position of Dispatcher of the CPC Operations Control Center (OCC). In January 2011, he was appointed a Senior Dispatcher of OCC. As the staff members with whom he works told, Alexander



Nosov contributed to formation of the main principles of CPC OCC operation. With his participation basic documents for CPC oil pipeline dispatching control were developed.

In April 2011, a new critical area of operations was entrusted to Alexander – he became a Lead Pipeline Dispatcher.

Owing to his attitude to work and readiness to continuously advance and gain knowledge of new things, Alexander earned authority and respect among his colleagues. The CPC Management repeatedly made special mention of his work. Thus, in 2007 A. Nosov was awarded a commendation for high performance, and in 2012 he was awarded a CPC-R commemorative gift.

***"It is exactly people, specialists, that decide success of any matter"***

*Alexander Nosov*

"During his years of work Alexander showed himself as a professional possessing a profound knowledge in the area of managing a technological process of crude oil acceptance and pumping, able to successfully solve diverse operational problems. With his accumulated work experience and heedful attitude to his colleagues, he exerts positive influence on new staff members," speaks of Nosov his supervisor Igor Mischenko, Head Dispatcher.

If a job is to one's liking a work turns out well, however complicated it may be.

***"All Consortium units are 'tied to' the OCC Dispatcher," tells Alexander. "Fulfillment of the Company plans and safe operation of all system depend on the sound work of our team. The work here is extremely responsible and very interesting. And relevant members gathered here in our team. These are the highest class professionals, having two or three higher educations and continuously***



***keeping on their training at advanced training courses. And beyond working hours my colleagues are people of paramount interest, with very diverse pursuits."***

"That one is happy who leaves with pleasure one's home for one's job and comes back home with joy," I steer the conversation towards the topics of home and family.

***"Probably, this exactly concerns me," smiles Alexander.***

"And who is on your 'home front'? ..."

***"My wife and daughter are. By the way, my daughter has graduated from an institute and works for the first year with no outside help as an accountant in Gelendzhik – a wonderful gift for my 50th birthday!"***

"How do you prefer to rest after your strenuous work shifts at the dispatcher console?"

***"The best rest is fishing, mountain hiking ... There are many beautiful places in Krasnodar Krai that I would like to visit."*** ■

*By Ekaterina Suvorova*



Working on this issue of the publication we asked you, its future readers, a question: "What would you like the corporate magazine to look like?" The answers are different. But the main wish is to make it **INTERESTING!** Well, we will do our best...

*Your Press Service*

### **Akmaral Aituarova, Zhanna Zhanalyeva and Almagul Kemalova, Atyrau:**



CPC is a large company and unfortunately we know little about each other when communicating by phone and e-mail. Please publish more articles about people! It is interesting to learn about the colleagues from different regions, what they are up to, including their life away from work, see their photos not only at their workplace but with their family, doing something interesting

which is their hobby. This will contribute to mutual understanding among the employees, improve the environment in the Consortium and will promote more productive work.

We would also like to see more information about CPC, about the activities of each department and colleagues working in these departments, their everyday life.



### **Dmitry Bogdanov, Moscow:**

I receive excessive work-related information through various channels. What would I like to see in the corporate newspaper? First of all, the latest mate-

rials on IIF, although CPC already has a newsletter on this subject. There is no such thing as too much safety.



### **Anna Varentseva, Moscow:**

The corporate publication of a company like CPC needs a section dedicated to history: the history of the company itself as well as the history of pipeline

industry, implementation of large local and foreign projects related to fuel and energy complex.



### **Alexandr Barkov, Moscow:**

Reports about various competitions can be published in the corporate magazine. For example, a competition for CPC hymn. Since an official Company hymn is still not available. It would be interesting to create a section

where creative works of the employees will be published: photos, literary works and also other creative works. It would be interesting to see a section dedicated to funny and just interesting stories which happen in our work.



### **Ayshat Tekeeva, Moscow:**

The magazine format allows publishing interesting materials about our colleagues – about their hobbies,

journeys, pets, etc. It will be interesting and will help to see our colleagues in a different way.



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