

## WARNING LETTER

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 10, 2019

Greg Smith  
President  
Shell Pipeline Co., L.P.  
150 North Dairy Ashford, Woodcreek Bldg. A, 2<sup>nd</sup> Floor  
Houston, Texas 77079

**CPF 4-2019-5025W**

Dear Mr. Smith:

From February 4, 2019 to November 6, 2019, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected your hazardous liquid pipeline systems in Texas, Louisiana, and the Gulf of Mexico.

As a result of the inspection, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The item inspected and the probable violation is:

**1. §195.430 Firefighting equipment**

**Each operator shall maintain adequate firefighting equipment at each pump station and breakout tank area. The equipment must be—**

**(a) In proper operating condition at all times;**

Shell failed to ensure that their firefighting equipment was in proper operating condition by failing to perform monthly visual inspection as require by 195.430 (a).

During the field inspection PHMSA inspectors observed three fire extinguishers at the Colex East tank facility that had not been inspected in the months of July and August 2019.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item(s) identified in this letter. Failure to do so will result in Shell Pipeline Co., L.P. being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 4-2019-5025W**. 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).

Sincerely,

Mary L. McDaniel, P.E.  
Director, Southwest Region  
Pipeline and Hazardous Materials Safety Administration