

WARNING LETTER

ELECTRONIC MAIL - RETURN RECEIPT REQUESTED

March 25, 2021

Greg Smith
President
Shell Pipeline Company, L.P.
777 Walker Street, Two Shell Plaza
Houston, Texas 77002

CPF 4-2021-036-WL

Dear Mr. Smith:

Between December 23, 2020 and March 1, 2021, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) conducted an investigation of a release on Shell Pipeline Company, L.P.'s (Shell) TLDA Pipeline that occurred on December 21, 2020, in Calcasieu, Louisiana. Representatives reviewed the written PHMSA F 7000.1 accident report filed by Shell and interviewed a Shell employee as part of the investigation.

As a result of the investigation, it is alleged that Shell has 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. **§ 195.52 Immediate notice of certain accidents.**
 - (a) **Notice requirements. At the earliest practicable moment following discovery, of a release of the hazardous liquid or carbon dioxide transported resulting in an event described in §195.50, but no later than one hour after confirmed discovery, the operator of the system must give notice, in accordance with paragraph (b) of this section of any failure that:**
 - (3) **Caused estimated property damage, including cost of cleanup and recovery, value of lost product, and damage to the property of the operator or others, or both, exceeding \$50,000;**

Shell failed to notify the National Response Center (NRC) at the earliest practicable moment following discovery, but no later than one hour after confirmed discovery, following a release of hazardous liquid resulting in an event described in § 195.50 that occurred on December 21, 2020, in Calcasieu, Louisiana.

During the investigation, PHMSA reviewed Form PHMSA F 7000-1 (No. 20210006-34691) and interviewed the Shell employee that filed the report. In the report, Shell identified the accident on TLDA Pipeline (TL-PS07 segment) at 15:22 CST on December 21, 2020, and notified the National Response Center at 18:40 CST on December 22, 2020. The accident met the criteria of a reportable event as defined in § 195.50(e) because estimated property damage exceeded \$50,000. The notification was made approximately 27 hours after the discovery. During the interview, Shell personnel admitted that the miscalculation of the operator's property damage resulted in failure to comply with § 195.52(a)(3).

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not 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 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 identified in this letter. Failure to do so will result in Shell Pipeline Company, 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 4-2021-036-WL**. 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