



U.S. Department  
of Transportation

**Research and  
Special Programs  
Administration**

400 Seventh St., S.W.  
Washington, D.C. 20590

*Note*  
*# Put on file Close Case*

DEC 31 2003

Ms. Stacy Methvin  
President  
Shell Pipeline Company, LP  
777 Walker Street  
Suite 1500  
Houston, TX 77002

RE: CPF No. 5-2000- 5013

Dear Ms. Methvin:

Enclosed is the Order of Settlement issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It provides for payment of \$250,000 in settlement of this case. Upon payment, this case closes automatically.

Thank you for your cooperation in our joint effort to ensure pipeline safety.

Sincerely,

James Reynolds  
Pipeline Compliance Registry  
Office of Pipeline Safety

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

DEPARTMENT OF TRANSPORTATION  
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
WASHINGTON, DC 20590

In the Matter of )  
)  
)

Shell Pipeline Company LP fka )  
Equilon Pipeline Company LLC, )  
)

Respondent )  
)  
)

CPF No. 5-2000- 5013

ORDER OF SETTLEMENT

Pursuant to 49 U.S.C. § 60117, representatives of the Western Region, Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the Olympic Pipe Line Company's facilities and records at Renton, Washington. As a result of the inspection, the Director, Western Region, OPS, issued to Mr. Carl Gast, Vice President and General Manager, Equilon Pipeline Company LLC, Olympic Pipeline Company, by letter dated June 2, 2000, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. §190.207, the Notice proposed finding violations of 49 C.F.R. Part 195 and proposed assessment of a civil penalty of \$3,050,000 for those violations.

Since the Notice was issued, OPS has determined that significant questions exist whether Equilon Pipeline Company LLC (now Shell Pipeline Company LP) participated in the operational decisions and activities at the relevant facilities that gave rise to the alleged violations.

Respondent Shell Pipeline Company LP specifically denies that it is an appropriate respondent and that it and/or Equilon Pipeline Company LLC was the owner or operator of Olympic Pipeline within the meaning of 49 C.F.R. Part 195. Nothing herein shall be construed as an admission or finding contrary to such denial.

Respondent Shell Pipeline Company LP further does not admit that it and/or Equilon Pipeline Company LLC committed or contributed to the commission of any of the alleged violations or that the facts are as alleged by OPS in the Notice. Payment of the amount provided in this Order is not an admission of any fact, fault or liability with regard to any matters alleged in the Notice.

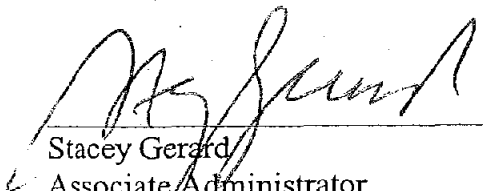
Shell Pipeline Company LP recognizes the importance of compliance with the pipeline safety regulations with respect to pipelines it operates or intends to operate in the future.

In order to avoid further litigation or expense, Respondent and OPS are willing to resolve this case as it pertains to Shell Pipeline Company LP fka Equilon Pipeline Company LLC without further hearing.

Accordingly, it is ordered as follows:

1. Within thirty days of the issuance of this Order, Shell Pipeline Company LP will pay to OPS the amount of Two hundred fifty thousand dollars (\$250,000).
2. Upon payment of the above amount, this case closes automatically with prejudice to any further proceedings against Equilon Pipeline Company LLC and Shell Pipeline Company LP arising out of the alleged violations set forth in the Notice of Probable Violation and Proposed Civil Penalty, or relating to Olympic Pipeline.

This Order is effective upon receipt.

  
\_\_\_\_\_  
Stacey Gerard  
Associate Administrator  
For Pipeline Safety

  
\_\_\_\_\_  
Date Issued