CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Shell Pipeline Company LP
Two Shell Plaza
P.O. Box 2648
Houston, TX 77002

June 21, 2012

U.S. Department of Transportation
Pipeline and Hazardous Material Safety Administration
Mr. Wayne T. Lemoi
Director, Southern Region
233 Peachtree Street Ste. 600
Atlanta, GA 30303

SUBJECT: NOTICE OF AMENDMENT, CPF No. 2-2012-5006M

Dear Mr. Lemoi,

A Representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) conducted an inspection of Shell Pipeline Company's (SPLC) Capline Pipeline system's written operations and maintenance procedures from April 9-11, 2012.

SPLC received a Notice of Amendment, dated June 5, 2012, outlining an apparent inadequacy found within SPLC's written procedures noted during the inspection. This letter serves as a response to the Notice and is being submitted to PHMSA within the required 30 days of receipt of the Notice.

The Notice identified one apparent inadequacy found within SPLC's written procedures. While SPLC disagrees that this issue represents an inadequacy in its procedure, SPLC is committed to continually improving and addressing PHMSA's evolving expectations. Therefore, we have updated the procedure documentation to address the point identified in the NOA.

Below is an explanation of how the item in the NOA was addressed. Both the revised page from the Manual and the Procedure have been attached. Additionally, the directly applicable text has been highlighted, boxed and labeled.

1. **§195.571 What criteria must I use to determine the adequacy of cathodic protection? Cathodic protection required by the Subpart must comply with one or more of the applicable criteria and other considerations for cathodic protection contained in paragraphs 6.2 and 6.3 of NACE SP 0169 (incorporated by reference, see §195.3).**

   PHMSA Finding:
   Shell's written procedures in its *Corrosion Control Inspection and Maintenance Manual* (i.e. *Procedure 571*) did not adequately address how Shell complied with one or more of the applicable criteria and other considerations for cathodic protection contained in paragraphs 6.2 and 6.3 of NACE SP 0169, which is incorporated by reference in §195.3.

   Shell's written *Procedure 571 – Cathodic Protection Criteria* listed three different cathodic protection criteria to include "*1. -0.850 volts versus Copper/Copper Sulfate half-cell with IR* [voltage drop] *considered.*" The procedure further stated that "*All are defined in NACE Standard Practice SP 0169. Detailed procedures for using these criteria are given in 27TG-001 External Corrosion Considerations from Pipeline Design and Construction.*"

However, neither *Procedure 571 – Cathodic Protection Criteria* or SPLC Standard *27TG-001 External Corrosion Considerations from Pipeline Design and Construction* provided guidance or explanation on how Shell considered IR drop other than those across the structure-to-electrolyte boundary when using the -0.850 volt criteria beyond the reference to NACE SP 0169.

SPLC Response:
While SPLC contends that the reference to NACE Standard Practice SP 0169 was sufficient for compliance, SPLC has revised two documents to provide a more transparent path for the Corrosion staff to follow and to comply with the Notice of Amendment. SPLC has modified the *Corrosion Control Inspection and Maintenance Manual, Procedure 571- Cathodic Protection Criteria* (Attachment 1) to reference *27TP-001, Field Testing on Cathodically Protected Pipelines and Tank.* This Technical Procedure (TP) has been revised to have a section specifically addressing consideration of IR Drop in Structure to Soil Potential Readings. The revised section of this document is included as Attachment 2.

At this point, I believe that SPLC has addressed the item in the NOA. In the event that you believe the proposed revisions do not adequately address the item, we reserve our right to a hearing as outlined in the Notice.

As requested in the NOA, we are also sending an electronic version of this response via e-mail. Please contact me at 713-241-3620 if you have any questions or wish to discuss the item above further.

Sincerely,

Brian Sitterly
Manager, Integrity Engineering

Attachments