



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

8701 S. Gessner, Suite 630
Houston, TX 77074

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

May 3, 2017

Mr. Greg Smith
President
Shell Pipeline Corp
Two Shell Plaza
777 Walker Street
Houston, TX 77077

CPF 4-2017-2003M

Dear Mr. Smith:

Between June and November 2016, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Shell Pipeline Corp (Shell) procedures for operation and maintenance in Houston, Texas and Houma, Louisiana.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Shell's procedures as described below:

1. §192.605 Procedural manual for operations, maintenance, and emergencies.

(c) Abnormal operation. For transmission lines, the manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded:

(1) Responding to, investigating, and correcting the cause of:

(ii) Increase or decrease in pressure or flow rate outside normal operating limits;

Shell's procedure Section IV: Emergency and Abnormal Conditions Procedures did not account for responding to, investigating and correcting the cause of increases or decreases in pressure or flow rate outside normal operating limits.

Shell needs to modify its procedure Section IV: Emergency and Abnormal Conditions Procedures to include considerations for responding to, investigating and correcting the cause of increases or decreases in pressure or flow rate outside normal operating limits.

2. §192.605 Procedural manual for operations, maintenance, and emergencies.

(e) Surveillance, emergency response, and accident investigation. The procedures required by §§192.613(a), 192.615, and 192.617 must be included in the manual required by paragraph (a) of this section.

§192.613 Continuing surveillance.

(a) Each operator shall have a procedure for continuing surveillance of its facilities to determine and take appropriate action concerning changes in class location, failures, leakage history, corrosion, substantial changes in cathodic protection requirements, and other unusual operating and maintenance conditions.

Shell did not have a procedure for continuing surveillance of its facilities to determine and take appropriate action concerning changes in class location, failures, leakage history, corrosion, substantial changes in cathodic protection requirements, and other unusual operating and maintenance conditions.

Shell needs to modify its operations and maintenance manual to include procedures for continuing surveillance of its facilities in a manner that meets the requirement of §192.613 (a).

3. §192.605 Procedural manual for operations, maintenance, and emergencies.

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(1) Operating, maintaining, and repairing the pipeline in accordance with each of the requirements of this subpart and subpart M of this part.

§192.709 Transmission lines: Record keeping.

(c) A record of each patrol, survey, inspection, and test required by subparts L and M of this part must be retained for at least 5 years or until the next patrol, survey, inspection, or test is completed, whichever is longer.

Shell's Pipeline I&M manual procedure, section 3.31.1 Record Retention did not specify that records for each patrol, survey, inspection and test required by subparts L&M will be maintained for at least 5 years or until the next test, inspection or survey.

Shell needs to modify its procedure Pipeline I&M manual, section 3.31.1 Record Retention to add that records for each patrol, survey, inspection and test required by subparts L&M will be maintained for at least 5 years or until the next test, inspection or survey.

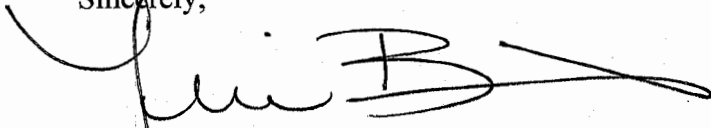
Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §190.211. If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Shell Pipeline Corp maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Terri J Binns, Acting Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2017-2003M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

A handwritten signature in black ink, appearing to read 'Terri J. Binns', with a stylized flourish at the end.

Terri J. Binns
Acting Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*