



**Shell Pipeline Company LP**  
WCK Bldg A  
150 North Dairy Ashford Road  
Houston, Texas 77079

June 30, 2023

Mr. Bryan Lethcoe  
Director, Southwest Region, Office of Pipeline Safety  
Pipeline and Hazardous Materials Safety Administration  
8701 S. Gessner, Suite 630  
Houston, TX 77074

**SUBJECT: Notice of Probable Violation, Proposed Civil Penalty and Proposed Compliance Order CPF 4-2023-010-NOPV**

Dear Mr. Lethcoe:

On June 2, 2023, Shell Pipeline Company LP (SPLC) received a Notice of Probable Violation, Proposed Civil Penalty and Proposed Compliance Order from the May 9 through November 22, 2022 Integrated Inspection of all of the interstate assets operated by SPLC in Texas, Louisiana and in the Offshore Gulf Of Mexico under Operator ID 31174. There were four potential findings in the Notice of Potential Violation and three Proposed Civil Penalties.

SPLC responds to each Probable Violation below:

**1. § 195.420 Valve Maintenance**

The first probable violation states that Shell failed to inspect each listed mainline valve to determine that it is functioning properly at intervals not exceeding 7 ½ months but at least twice each calendar year for 35 mainline valves in 56 instances from 2020 to 2022.

While SPLC does admit to issues with documentation of the inspections, SPLC did inspect each of the listed valves at the appropriate interval during the time mentioned in accordance with SPLC's Inspection and Maintenance (I&M) Manual inspection procedures. SPLC understands that documentation is key to providing evidence of inspections, and deeply regrets that recent changes to the way that inspection data is captured led to gaps in the data that was available to show the inspector in the inspection database.

The history of these data gaps goes back to 2020 when SPLC transitioned to a new SAP instance for data management. This Computerized Maintenance Management System (CMMS) system is used to track inspection and maintenance tasks then sends notifications to the appropriate individuals when inspections are due. The technician bases their work on these notifications and must close out the notification in SAP when the work is completed. This CMMS system therefore captures when an inspection is complete, but it does not allow for capturing additional detailed information. Therefore, SPLC developed a secondary tool in Microsoft Power Apps, called the MEC Forms App,

that is used to capture more detailed information associated with each inspection. The SPLC Mechanical Inspection and Maintenance Manual was updated in 2022 to designate the MEC Forms App the official record for the inspection documentation. The MEC Form App is filled out by the responsible technician after completion of the inspection and after closed out in the SAP tool.

The MEC Form App was implemented to the technicians in the field in 2022. Technicians had some issues with loading data and at the time of the PHMSA inspection, work was still underway to review the data for inspections that had been completed from 2020 through 2022 and coordinate with the technicians to populate missing data. When reviewing the MEC Form database with the PHMSA inspector it became clear that there were more data gaps than had been anticipated. There was difficulty explaining the SAP tool vs the MEC Form App and quickly link the data in the two demonstrating the inspections were complete.

Screenshots of the SAP close out dates for the valve inspections that were not showing in the MEC Form App were provided and reviewed but clearly there was still misunderstanding. Since the time of the inspection, further work has been done to close the data gaps in the MEC Form App database. A screenshot of each inspection for each piece of equipment mentioned in the Notice of Potential Violation is attached to this response as proof of completion (Attachment 1). These screenshots show the maintenance plan as shown in the MEC Form dashboard for each piece of equipment. Below that screenshot is the complete listing of inspection documentation pulled from the database. The dashboard has limited space on the screen to show the multiple inspections over the years which is why the data is listed below the screenshot. This data was pulled directly from the database and copied onto the provided document. In the case of a few pieces of equipment, the technician is no longer available to provide their paperwork which has the data needed to enter the information in the MEC Form. In these cases, screenshots of the closed work order information in SAP is included as proof that the inspection was completed.

SPLC deeply regrets that there was a misunderstanding in how SPLC presented the valve inspection paperwork during the inspection. SPLC maintains that the valves were inspected as required but does acknowledge issues with following internal documentation procedures.

Since the PHMSA inspection SPLC has conducted monthly meetings with the responsible supervisors and several additional training classes on the MEC Form App for the technicians. There has also been an ongoing effort to provide assurance that the process is being followed and to check-in with technicians when issues are noted. There has been marked improvement in the timeliness and completeness of the documentation in the system since the inspection and SPLC is confident that going forward the MEC Form App will be used correctly and will yield easy to assure process compliance and easy to inspect records.

Because the inspections were completed and there is evidence of this in the SAP system to provide proof of the completion, and since the inspection, technicians have been able to close most of the data gaps in the MEC form database, SPLC respectfully asks PHMSA to reevaluate the proposed civil penalty and notice of potential violation. SPLC also contends that the mainline valves mentioned are in compliance with the inspection requirements and submits the current inspection for each valve as required.



## **2. § 195.428 Overpressure safety devices and Overfill protection systems**

The second probable violation contends that SPLC did not inspect 7 crude overpressure devices in 11 instances and an additional 7 HVL overpressure devices in 14 instances.

The issue with the overpressure safety devices and overfill protection systems is the same documentation issue as the valve documentation. While SPLC does admit to issues with documentation of the inspections, SPLC did inspect each of the listed overpressure devices at the appropriate interval during the time mentioned. Screenshots with the completion date and who completed each inspection are attached to this letter (Attachment 2).

Because the inspections were completed and there is evidence of this in the SAP system to provide proof of the completion, SPLC respectfully asks PHMSA to reevaluate the proposed civil penalty and notice of potential violation. SPLC also contends that the overpressure devices mentioned are in compliance with the inspection requirements and submits the current inspection for each valve as required.

## **3. § 195.505 Qualification program**

The third probable violation alleges that SPLC failed to follow its written qualification program to ensure through evaluation that individuals performing covered tasks are qualified in accordance with 195.505(b).

SPLC acknowledges that one individual was performing valve inspections without being qualified to the SPLC Operator Qualification Plan, specifically Task 20.00 Inspect Valves. The individual was qualified for all the related valve maintenance and repair tasks and for inspection of pressure limiting devices and overfill devices (see his complete list of qualifications in Attachment 3a) and was qualified for task 20.00 the day after this discrepancy was discovered (qualification paperwork attached in Attachment 3b).

SPLC had recently reorganized and cross trained many technicians to perform new tasks. This was one task for one individual that was inadvertently missed in the change. SPLC has conducted a full review of all other employee task lists and did not find any other similar discrepancies. SPLC deeply regrets this oversight in qualification paperwork and has taken steps, including reminding all responsible supervisors of their responsibilities under the SPLC Operator Qualification Plan to review employee assigned OQ tasks lists, to prevent a similar occurrence in the future. To assist with this task, OQ Supervisors are provided a monthly report of all employees OQ task assignments and status with instructions to review.

SPLC understands that Qualification Documentation is a part of compliance with the OQ rule and performing this task without the qualification is a violation; however, this is a first-time occurrence, and the individual possesses the knowledge, skill, and ability to perform the task correctly (evidenced by qualification of other related tasks) so that there was no risk to pipeline safety with this oversight. Based on the fact that the SPLC OQ Plan manages 330 employees with 4150 total assigned OQ

tasks, has participated in regular PHMSA and State inspections on a yearly basis with only this one occurrence, SPLC contends this first-time oversight does not represent a systemic compliance issue in our OQ program and its effectiveness. SPLC respectfully requests that the amount of the Proposed Civil Penalty be reconsidered.

**4. § 195.573 What must I do to monitor external corrosion control?**

The final proposed violation involves a low pipe to soil value at one location noted on annual inspections in March of 2021 and 2022.

SPLC acknowledges that there were deficiencies on the inspection that was reviewed and that the deficiencies were not corrected in a reasonable time in accordance with § 195.573(e). After investigation, it was determined that the test lead had a faulty connection to the pipeline via mechanical clamp. A new cathodic protection (CP) connection was established, and the pipeline CP potential was measured. CP readings taken during the two most recent field surveys were in compliance with § 195.571.

Based on the above explanations and noted actions taken for process improvement, SPLC asks that the NOPV be reviewed, the Proposed Compliance order be removed, and the Proposed Civil Penalty be reconsidered. SPLC will await your consideration before issuing any Civil Penalty payments. If you have any questions regarding this response or need any additional information, please contact me at (832) 762-2553.

Sincerely,



Deborah Price  
Integrity & Regulatory Services Manager  
Shell Pipeline Company LP

Attachment 1: Valve inspections  
Attachment 2: Overpressure inspections  
Attachment 3a: OQ record  
Attachment 3b: OQ Task demonstration record