

Management Review and Continuous Improvement

Shannon McClure & Chuck Bard
Plains All American Pipeline



Personal Introduction

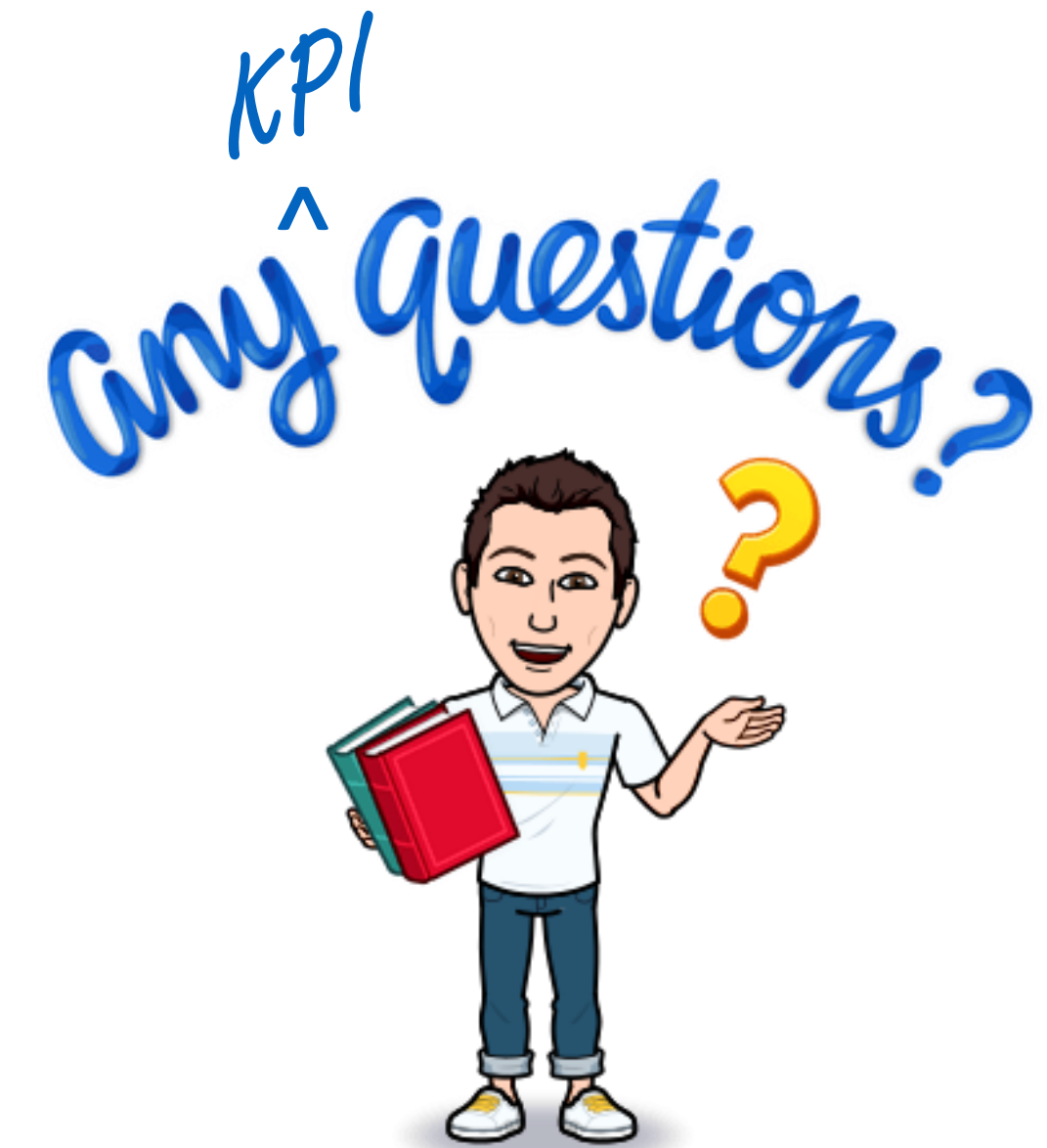


Shannon McClure
Manager, OMS Governance

Operations management System Sub-Element
Owner of the following:

- OMS Responsibility, Accountability, and Authority
- Assessments*
- Audits*
- Management Review

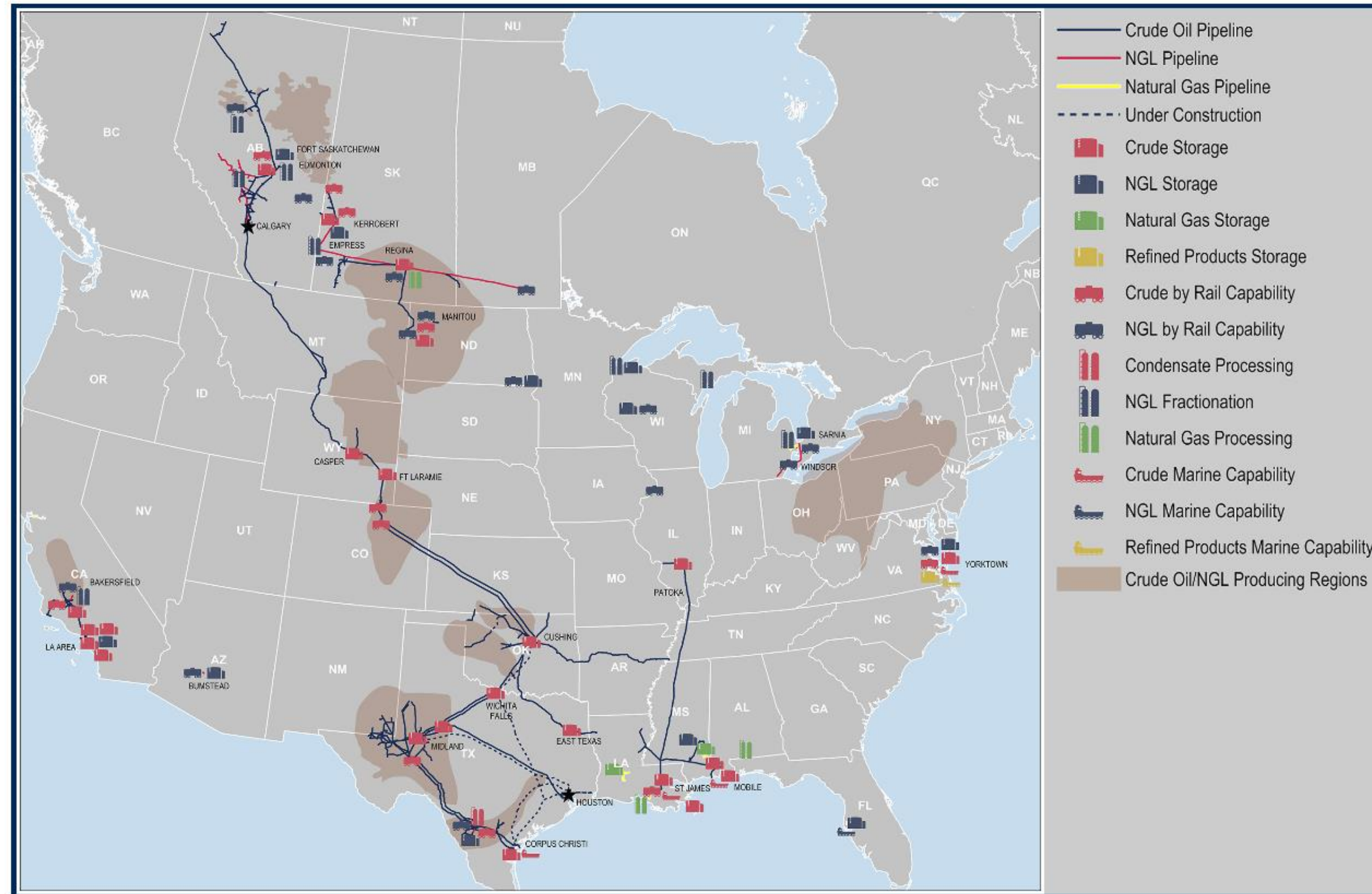
*Owner, as of October 1



Chuck Bard
Manager, Operational Performance Metrics

Operations Management System Sub-Element
Owner of Performance Management

PAA Asset Map



In the Beginning

- **Getting Started:**

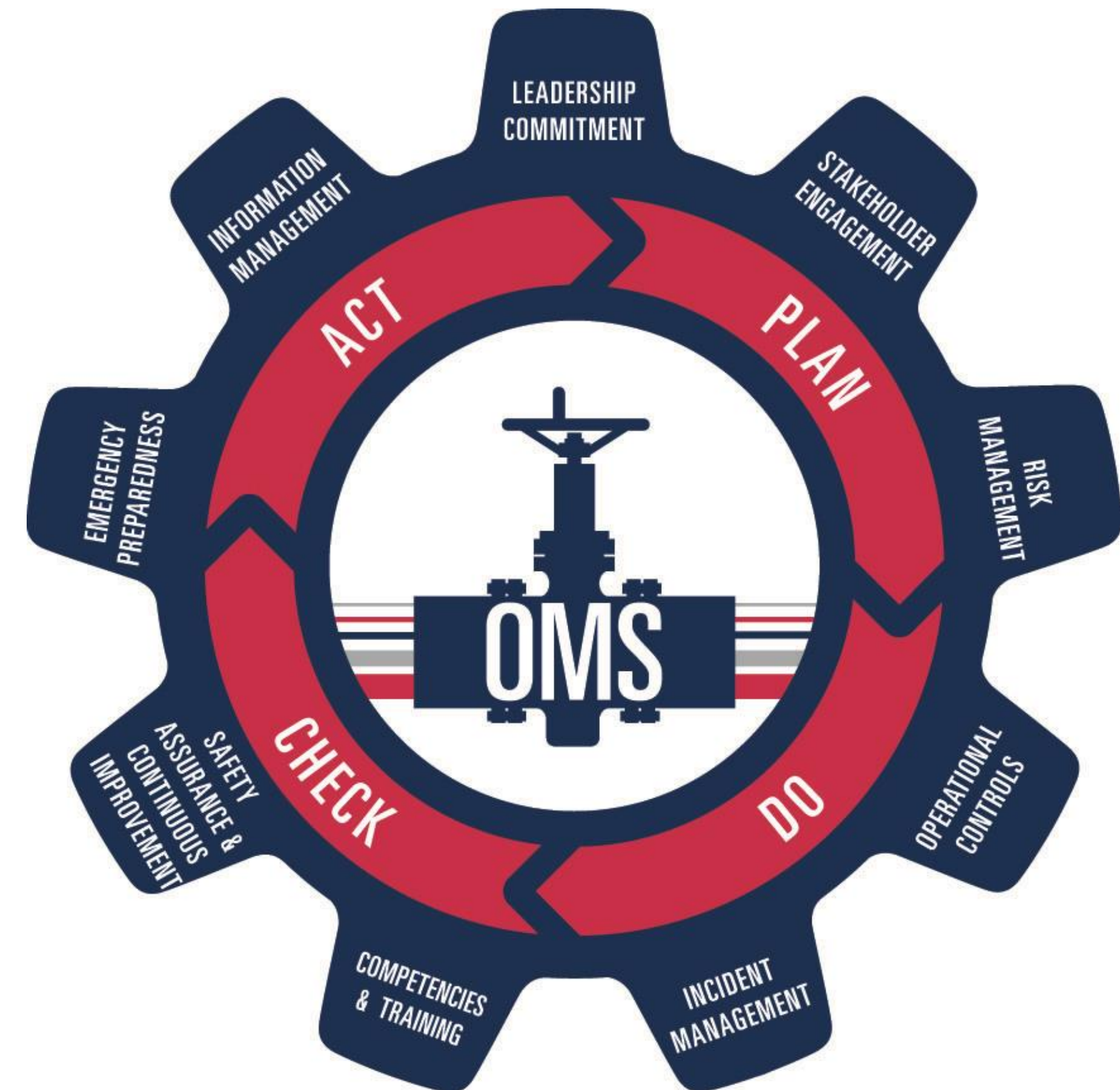
- **Plan**

- Understand the API RP 1173 requirements
 - Determine best approach for our organization

- **Do** - Just do it – get started and continuously improve

- **Meetings and Impact:**

- Monthly Operations Leadership Team (OLT)
 - Bi-weekly Operations Management Team (OMT)
 - Quarterly OMS Responsible for Oversight Meetings
 - Quarterly Management Reviews



Adjustments

- **Check** – OMS Management Review Survey
- **Act** – Reformat and refocus the OMS Governance Meetings which improved efficiency and effectiveness of Management Reviews:
 - Q4 OMS Responsible for Oversight Meeting transitions to Sub-Element Management Review
 - Q1 OLT transitions to OMS Annual Management Review



Making it Real Management Review Today



- Quarterly Oversight Meetings serve as building blocks for Annual Sub-Element Management Reviews
- Focus for each quarter includes:
 - Q1
 - Performance Metrics/KPIs & Targets
 - Sub-Element Plan Status
 - Q2
 - Assessment and Survey Results
 - Planning
 - Q 3 - Sub-Element Maturity Ratings and Targets
 - Q4 – Annual Sub-Element Management Review
 - Performance against Plan
 - KPIs/Metrics Scorecards
 - Decisions
- First Quarter OLT Meeting now serves as the OMS Annual Management Review (Top Management Review) and includes review and approval of OMS Annual Report and OMS Annual Plan.



Performance Scorecards

- KPI Scorecards are used to review performance during Management Reviews

| 2024 Q4 Performance Scorecard | | | | | | | | | | | | | | Confidential |
|---|---|-------------|-------------|---|------|------|------|------|------|------|------|------|------|--------------|
| Strategic Goals & Objectives | Key Performance Indicators (KPIs) | 2024 Target | 2024 Actual | Notes | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct |
| Safety, Health, and Environment (SHE) - Protect people and the environment, drive to achieve zero incidents, and meet our financial obligations. | | | | | | | | | | | | | | |
| Recordable injuries trend to zero | Employee Recordable Injury Rate (Overall OSHA) | < 0.05 | 0.08 | All recordable injuries through December 2024 resulted in the highest number of recordable injuries for 2024 (5). Pipeline has achieved over 20% improvement in OSHA recordable injuries this year. The most common causes of injury are motor vehicle incidents (3) and slips, trips and falls (2). The Employee Recordable Rate includes Canada and ended at 0.08 for 2024. | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 |
| | Contractor Recordable Injury Rate (Overall OSHA) | < 0.05 | 0.05 | All recordable injuries through December 2024 with 10 occurring to engineering contractors and seven occurring to operations contractors. Note: Target and all values updated based on revised near-miss calculation method. | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 | 0.05 |
| | Reportable Pipeline Releases (Pipeline, Gas) | < 10 | 10 | Three reportable pipeline releases were Pipeline Gas (1), 27 reportable facility releases were Pipeline Gas (1), 27 reportable facility releases were Pipeline Gas (1). | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Incidents trend to zero | Spill Catch + Close Call to Preventable Incident Rate (Pipeline, Gas) | < 0.5 | 0.5 | Spill Catch and Close Call + Close Call to Preventable Incident Rate (Pipeline, Gas) (1), 27 reportable facility releases were Pipeline Gas (1). | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| | Spill Catch + Close Call to Preventable Incident Rate (Pipeline, Gas, Trucking) | < 0.5 | 0.5 | Spill Catch and Close Call + Close Call to Preventable Incident Rate (Pipeline, Gas, Trucking) (1), 27 reportable facility releases were Pipeline Gas (1). | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| | Spill Catch + Close Call to Preventable Incident Rate (Pipeline, Gas, Trucking) | < 0.5 | 0.5 | Spill Catch and Close Call + Close Call to Preventable Incident Rate (Pipeline, Gas, Trucking) (1), 27 reportable facility releases were Pipeline Gas (1). | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Regulatory Compliance - Consistently operate in a manner in which builds trust in our operations, giving highest compliance with regulatory and regulatory requirements. | | | | | | | | | | | | | | |
| Environmental and Regulatory Requirements are Met / Exceeded | NEC Notification Time (Pipeline, Gas) | < 24 hours | 1-24 hours | Notification times met NEC 24-hour rule for all releases in 2024. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Construction Work Plans/Permits | New Preferred Contractor Usage (Pipeline, Gas, Trucking) | > 90% | 90% | There were 20 instances of new preferred contractor usage in 2024. 8 of the 20 instances were for work performed without an agreement. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Operational Excellence - Consistently perform and deliver as a recognized leader through leadership, collaboration, continuous improvement, and personal responsibility. | | | | | | | | | | | | | | |
| Assets are Operated and Maintained Reliably and Safely | Reportable Releases due to Equipment Failure (Pipeline) | < 10 | 10 | All reportable releases due to equipment failure occurred in 2024, total release volume 200 MWh. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Reportable Releases due to Operator Error (Pipeline) | < 10 | 10 | No reportable releases due to operator error occurred in 2024, total release volume 200 MWh. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Controller Errors (Pipeline) | < 10 | 10 | 27 controller errors occurred in 2024, 87% of which were due to valve alignments. Controller error lessons learned were for control in a loop during the last safety meeting. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| O&G Continuous Improvement is Sustained | Improvement Action Status (Pipeline, Gas) | > 90% | 90% | 90% of 100 improvement actions forecasted for completion are closed. 2024 forecast was met as a result of management review on Aug 7. (Monthly data shown as a running total) | 90 | 90 | 90 | 90 | 90 | 90 | 90 | 90 | 90 | 90 |
| | Gap Status (Pipeline, Gas) | < 10 | 10 | 100 gaps are closed, leaving a total of 10 verified gaps. 2024 goal to close 100% of the 100 gaps identified as of January 1st has been met, as 10 gaps have been closed. (Monthly data shown as a running total) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Our Vision: To be a recognized leader within the industry through safe, compliant, reliable operations. Use of performance metrics will help drive our continuous improvement, working to prevent and reduce our risks. | | | | | | | | | | | | | | |

Organized by goals and objectives

Consolidated set of KPIs

Status against annual targets

Identification of trends and issues (performance gaps)

Monthly performance data

Lessons Learned



- **Key Success Factors:**

- Active engagement
- Clear decisions on improvement activities and other OMS business
- Continual progress in implementation of improvement activities
- KPIs linked to OMS goals to track progress and guide decisions

- **Continuous Improvement ... Going Forward:**

- Implement automate action and gap management workflows to assist Sub-Element Owners in ownership of information used to develop governance meeting materials
- Implement integrated Management Review - Implementation of individual Sub-Element Management Reviews has improved planning and engagement, but feedback from Leadership included a desire for an integrated, succinct Management Review to include all Sub-Element Owners.
- Continue to improve the content of the OMS Annual Report and Plan using information gathered from the Annual Management
- Continue to refine performance metrics to assess effectiveness of Sub-Element processes/activities





THANK YOU!

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Workshop Take-Aways



Pipeline SMS



Risk Management, Management Review and Continuous Improvement



Key Take-Aways



Operational Controls



- A lot to this element, better to take it piece by piece
- Fit for purpose is key, example MOC
- No matter your maturity level, benefits to assessments
- Recognizing the role of the contractor is critical



Stakeholder Engagement



- Engagement needs to be a two-way street
- Capturing, evaluating and sharing lessons learned
- Critical upfront to find right approach to get your employees involved
- Journey not a destination, never truly arrive continuous improvement
- Important to understand not another program, thus a drain on resources



Documents & Record Keeping



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Roundtable Q & A



Pipeline SMS

