Magellan Midstream Partners
Compliance Management System
from Conception to Resolution

Fall 2007

MAGELLAN
MIDSTREAM PARTNERS, L.P.

AGENDA

- Introductions
- Problem Statement
- Common Goals
- Common Solution
- Q & A

Magellan Midstream Partners

- Magellan Midstream Partners, L.P. is a publicly traded master limited partnership formed to own, operate and acquire a diversified portfolio of energy assets.
- We began trading on the New York Stock Exchange in February 2001 as Williams Energy Partners L.P.
- Effective Sept. 1, 2003, we changed our name to Magellan Midstream Partners, L.P. and began trading under the ticker symbol MMP.
- Our main business is the transportation, storage and distribution of refined petroleum products.

Enviance History

- Enviance was founded in 1999 by Larry Goldenhersh, a successful Los Angeles attorney.
- As a lawyer, Larry encountered many cases dealing with large corporations confronting regulation burdens. He came to realize that the compliance arena had immensely complex problems that needed to be solved.
- Enviance delivers software that automates and improves the management of environmental, health and safety compliance activities.
- They offer an internet-based compliance solution.
- They strive to help companies reduce the time and cost of managing compliance, retaining institutional knowledge, and confidently certifying compliance.
- Enviance is privately held and is based in Carlsbad, California.

Enviance Tracking

Corporate Compliance	Air	Water	Waste	EPCRA	Health & Safety
KPIs & dashboard reporting	Title V & PAL compliance	NPDES permit compliance	RCRA cradle-to-grave compliance	Tier I and II reporting	Accident, injury, illness tracking and reporting
Incident Mgmt	MACT/ NESHAP applicability and compliance	Storm water pollution prevention	Waste minimization & pollution prevention	Toxics Release Inventory (TRI) reporting	Industrial hygiene
Auditing & corrective action tracking	Emission inventories & reporting	Spill prevention control & counter-measure (SPCC)	Remediation mgmt and compliance	Release tracking and reporting	OSHA reporting
ISO 14001	Greenhouse Gas tracking & reporting	Water usage & quality tracking & reporting	Hazardous and solid waste mgmt	Chemical/ Material inventory tracking	ISO 18001

Why we're here...

- Magellan was in search of a single source web-based solution for meeting compliance needs across multiple departments that ultimately impact the entire organization.
- Magellan had multiple systems for tracking compliance information.
- We wanted a system that was robust, well established, and provided both notifications and escalations to end users.
- The technology on several systems was becoming outdated and the support for the systems was diminishing.
- Additionally the costs to enhance and/or replace the systems that were in place was multiplying.

Meeting the need...

- The need for consolidating compliance information was the next logical step – Enviance otherwise known to Magellan as the Compliance Management System (CMS) was chosen from the interdisciplinary team's research and input.
- The team was comprised of individuals from Environmental, IT, Training, HR, Technical Services and Asset Integrity.
- Project Life Cycle, a step by step process for managing large projects, was utilized throughout the project.

Integration of systems:

- The 16 month project involved migrating each of the existing databases into Enviance:
  - Environmental Compliance Management System
  - Inspection and Maintenance Management System
  - Training Tracking System
  - Action Item Tracking System
  - System Integrity Plan (SIP)
- Magellan and Enviance met to discuss the scope of project, prioritization of functionality implementation, system configuration and the end result was the development of an Implementation Plan by Enviance. Steps included:
  - Project scope and schedule
  - Testing and piloting each functionality area
  - Training power users and end users
  - Functionality acceptance and full implementation

Environmental Health Safety & Security

- The Environmental Compliance Management system tracks all environmental-related requirements and manages all environmental tasks.
- The solution replaced *Ops Environmental* and several custom applications that have been developed.
- Types of tasks include: Title V permits, storm water pollution prevention, emission inventories and reporting

Inspection and Maintenance Management System

- The Inspection and Maintenance Management system tracks all inspection and maintenance related requirements and manages all inspection and maintenance tasks throughout Magellan.
- The solution replaced two Microsoft Access database applications.
- Types of Tasks: equipment inspections, work orders, abnormal operating condition reports

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Training Tracking System

- The Training Tracking system tracks all mandatory training requirements and tasks.
- The system also tracks all training history per individual for the life of their training history.
- The solution replaced *Click 2 Learn (Sum Total)* and various other applications that were used to track training.
- Types of training tasks include: required training classes for OSHA, DOT, EPA, and internal compliance.

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Action Item Tracking System

- The event tracking system tracks each facility's incident management and action item tracking.
- The electronic incident report event log replaced the paper form previously used.
- The Action Item Tracking event log replaced a hosted SQL Server database application that contains the one-time events generated from a variety of existing processes within Magellan.
- Types of Action Item Tasks include: equipment repair, procedure updates, incident resolution

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System Integrity Plan (SIP) Compliance System

- The System Integrity Plan (SIP) is a management system focusing on our environmental, health, safety and security processes within Magellan.
- The SIP compliance system tracks selected requirements in the SIP and manages the associated tasks throughout Magellan.
- The system manages all selected responsibilities in SIP by employee role.
- These tasks are recurring in nature or date driven.
- Types of tasks: internally managed compliance tasks that support Magellan's policies and procedures and assist us in managing our assets

Lessons learned...

- The project team while very diverse did not always understand the intent of the other functionality areas.
- We chose to segregate by functionality area intentionally to save time but it may have helped us in the long run if we had endured the scoping of the project together in the beginning.
- We knew a great deal about Enviance as a company but we knew little about our specific project management team assigned to us and their tenure with the company nor did we know the amount of time it would take for them engineer and build this system.
- Enviance is NOT a learning management system, although they are making it work.

Square peg, round hole...

- The training functionality was definitely the square peg attempting to squeeze into the round hole.
- Enviance typically only deals with equipment, permits or inspections. They were not accustom to dealing with humans.
- We had to teach them how a learning management system (LMS) typically works and they had to engineer a system to function like an LMS.
- We had countless meetings and we still are meeting every weekday to try and resolve a few outstanding issues.

Best Practices...

- Use of Opentext/Livelink as project document storage area
- Enviance project leads onsite during weeks leading up to go live.
- Bi-weekly project sponsor meetings
- Weekly Enviance project meetings during the first 14 months of the project
- Use of dashboard in final stages of project to highlight areas for concern
- QA training/testing for better understanding of the system prior to Magellan verifying the Enviance system model.
- Daily Enviance project meetings during the last 2 months of the project

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Current Usage

– Users: 1424 (all employees)
– Compliance objects: 173,224
– Facilities: 546 (including pipeline sections)
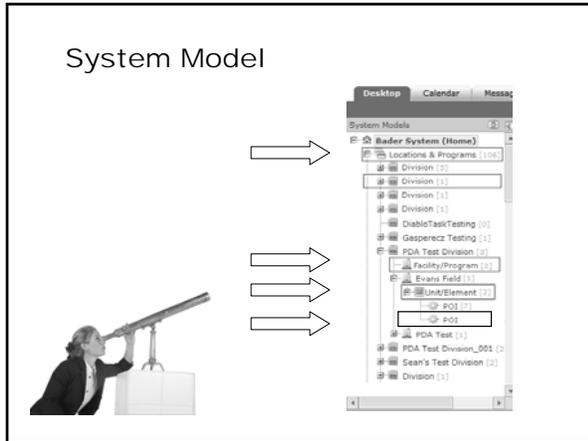– Tasks: 181,191 (majority of them being training tasks)

Future Usage

– Training workflow to add ad hoc training
– Integrate online training course results into Enviance
– Adding additional assets (Marine terminal equipment) that were not part of initial load
– Adding in corrosion inspection tasks (rectifier inspections)
– Welding certification tracking

System
Demonstration

Questions

System Model

Functionality: Data & Calculations

✓ **Count Based Calculations**:

Data Count calculations will now aggregate values of a requirement by data point, rather than by time period.
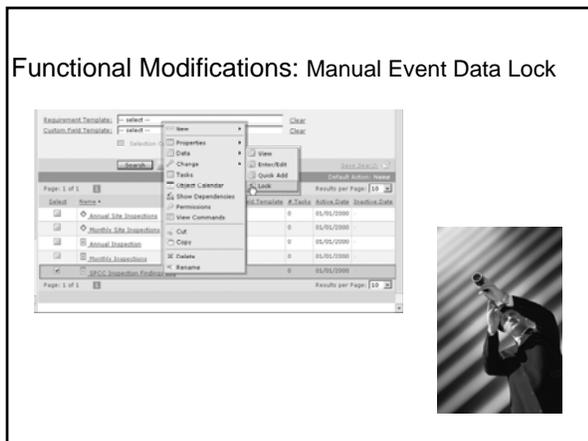
✓ **Numeric data can now be entered for future dates**:

You can now enter data points in the future to allow for forecast calculations.

✓ **Calculations can be self-referencing**:

Requirement calculations can now reference themselves in formulas.

Functional Modifications: Manual Event Data Lock

Functional Modifications: Manual Event Data Lock

Data lock now applies to event data, as well as numeric data.
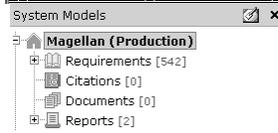

Glossary

System Model

The customized model that allows a company or business unit to track compliance information. The System Model is configured to reflect the company's organizational structure, including regulated facilities, equipment, permits, and conditions.

System Models

Magellan (Production)
- Requirements [542]
- Citations [0]
- Documents [0]
- Reports [2]

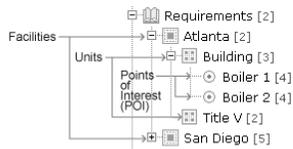
Report Scheduling:

New Features Summary

- ✓ **An interface makeover**
- ✓ **A more flexible System Model**
- ✓ **Customizable desktop features**
- ✓ **Date and time internationalization**
- ✓ **Various modifications within Data Entry, Calculations, Custom Fields, Events and Reports**
- ✓ **Streamlined security management**
- ✓ **And many more features, all to help you make the most of your Enviance System with improved efficiency and organization.**

Glossary

Tree Structure   The cascading file structure of the Enviance System Model. It serves as a navigational device between the various levels of nested data.
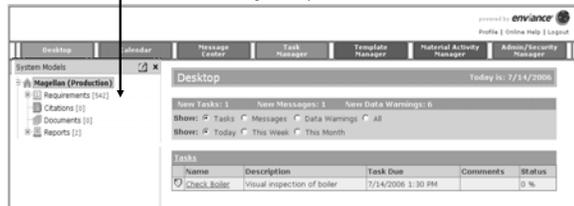
```
                              ⊟ 📖 Requirements [2]
Facilities ─────────→ ⊟ 🖳 Atlanta [2]
         Units ───────→ ⊟ 🖳 Building [3]
              Points ──→ ⊙ Boiler 1 [4]
              of
              Interest ─→ ⊙ Boiler 2 [4]
              (POI)        🖳 Title V [2]
                       ⊞ 🖳 San Diego [5]
```

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Glossary

System Model Frame   The left pane of the Enviance interface is the System Model Frame. From this frame you can navigate to one of four sections: Requirements, Citations, Documents, and Reports, or navigate through the System Tree.

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Glossary

Navigation Frame

The top frame of the Enviance interface is the navigation frame. It contains the main menu items plus links to the user's Profile, Online Help and Logout.

Glossary

Content Frame

The right pane of the Enviance interface. This is the area where most of your interactions take place such as viewing tasks and entering, updating or viewing data.

Glossary

Objects

Every item defined in the Enviance System is an object. (i.e., Facilities, Units, POIs, Requirements and Event Logs).

Object Path

The path indicating where an object is located in the System Model.
< Facility / Unit / POI / Requirement / object >
< Atlanta / Building / Boiler 1 / . . . >

Glossary

Facilities   Level 1

Facilities are the first-level objects in the system model hierarchy. A facility is a parent* to all other system model objects. A facility is a Magellan physical facility or a pipeline segment.

*Parent The level above an object in the System Model. A Facility is a parent to all objects in a system model.

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Glossary

Units   Level 2

Units are divisions - or children* - of a Facility. They will represent equipment groups, job roles, event logs and SIP requirements. A unit is basically an organizational unit under which you can logically group objects you need to track.

*Children The levels below an Object in the System Model. A Unit object is a child of a Facility object.

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Glossary

Points of Interest Level 3

A POI represents one level in the Enviance hierarchical structure, residing as a child within a Unit or Facility. It is basically a folder under which you can logically group objects you need to track. A POI for Magellan is a specific piece of equipment or an individual person.

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Glossary

Requirements

Level 4

Compliance objects set up in the system to allow monitoring and tracking of compliance obligations.

They may pertain to an entire Facility (i.e., an operating permit) or to a specific Unit or Point of Interest. The system allows three broad categories of compliance requirements:

1) Non-numeric requirements

2) Calculated requirements

3) Parameter (numeric) requirements

Glossary

Event Log

Event Logs are used to monitor one or more notebook requirements for periods of time in which they are potentially out of compliance or when further documentation is needed for reporting purposes.

The primary use of Event Logs is to store information about an event like an AOC or a work order.

Another use is to store information about one or more requirements for specific periods, such as records of safety incidents. There are two types of Event Logs:

1) Automatic
2) Manual

Glossary

Event Instance

When an AOC, WO or any other type of Event Log is saved an event instance is automatically created and is sent to the responsible Magellan party for resolution.

Responsible parties within Magellan have been pre-defined for that facility. The task completion form includes the fields necessary to document the instance. The event may be documented by completing the fields on the task completion form.

Glossary

Task

A compliance activity.

It answers the questions **Who, What, Where** and **How Often**, and the underlying requirement provides the **Why**.

Glossary

Notification

An email communication typically called Enviance mailer associated with a task that notifies the assignee (you) or a group of employees when the status of the task changes or when a task is due or overdue.
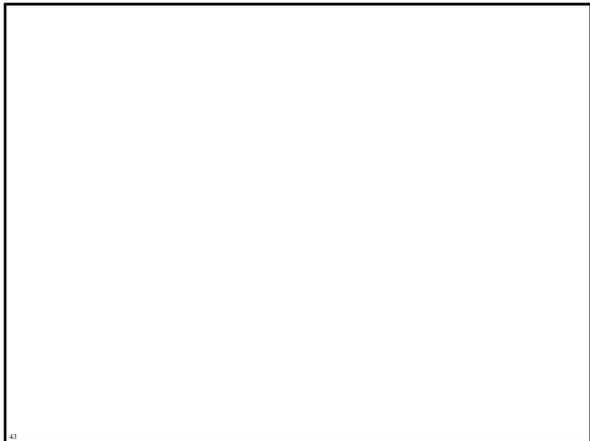

Questions

- **Open the Enviance application.**

The Magellan System Overview

Objectives

- ❑ Overview of the System
- ❑ Understanding Permissions
- ❑ Moving Around in the System
  - ▪ Right Click/Left Click
- ❑ Review of Magellan System Model structure

Demonstration & Guided Exercise: Log in to the system

Demonstration & Guided Exercise: Navigate the system

Tasks

Objectives

- ❑ e-Mail Notifications
- ❑ Finding & Monitoring
- ❑ Calendars
- ❑ Completion & Dismissal

Exercise 2: Respond to an email notification
Demonstration & Guided Exercise: View tasks from different locations

Editing Tasks

❑ Re-assigning Tasks

Exercise: Re-assign a Task

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Event Logs

❑ Event Logs in the Magellan System
❑ Completing an Event Log

Exercise: Complete a Training Request Form

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Reports

Objective

❑ Running a report

Exercise : Run a Report

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Wrap Up and Q & A
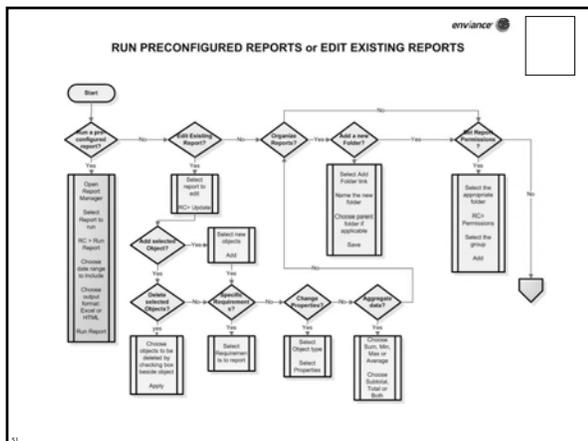*Standard Users*

- ❑ **Next Steps**

- ❑ **Enviance Assistance & Support**
  Online Help link

  robust online
  step by step procedures

  - ❑ **Customer Service**
    1.866.Enviance (368.4262)
    Nathan Bader & Joel Armani

Break
15 minutes

RUN PRECONFIGURED REPORTS or EDIT EXISTING REPORTS

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	Day 3 Agenda – Working in the Enviance System	
2:15 - 2:25	**Afternoon's Agenda** • Introductions and Learning Objectives	*End Users*
2:30 - 2:450	**Enviance Glossary: Using the Same Language** • Review Enviance terminology	*End Users*
1:30 - 2:00	**System Design** • Overview of the System • Moving Around in the System: Right Click/Left Click • Review of Magellan System Model structure *Guided Demonstration: Log in to the system* *Guided Demonstration: Navigate the system*	*End Users*
2:00 - 2:15	**Break**	
2:15 - 3:15	**Tasks and Task Management** • e-Mail Notifications • Finding & Monitoring • Calendars • Completion & Dismissal *Exercise : Respond to an email notification* *Guided Demonstration: View tasks from different locations*	*End Users*
3:15 - 3:45	**Editing Tasks** • Re-assigning Tasks *Exercise: Reassign a task*	*End Users*
3:45 - 4:30	**Event Logs** • Event Logs in the Magellan System • Completing an Event Log *Exercise: Complete a Training Request Form*	*End Users*
4:30 - 4:45	**Reports** • Running Reports *Exercise: Run a report*	*End Users*
4:45 - 5:00	**Wrap-Up and Q & A**	*End Users*

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