



U.S. Department of Transportation
**Pipeline and Hazardous Materials
Safety Administration**

8701 S. Gessner, Suite 630
Houston TX 77074

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: sean.guillory@shell.com

December 2, 2025

Sean Guillory
President / Chief Executive Officer
Shell Pipeline Company, L.P.
Woodcreek Building A, 4th Floor
150 N. Dairy Ashford Rd
Houston, Texas 77079

CPF 4-2025-008-NOA

Dear Mr. Guillory:

From February 24 through June 13, 2025, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Shell Pipeline Company L.P.'s (SPLC) Corrosion Control Inspection and Maintenance Manual in Houston, Texas.

As a result of the inspection, PHMSA has identified the apparent inadequacy found within SPLC's plans or procedures. The item inspected and the inadequacy is described below:

1. **§ 195.402 Procedural manual for operations, maintenance, and emergencies.**
 - (a)
 - (c) **Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**
 - (1)
 - (3) **Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

§ 195.571 What criteria must I use to determine the adequacy of cathodic protection?

Cathodic protection required by this 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).

SPLC's written procedures for conducting operations and maintenance activities, specifically corrosion control, were inadequate to provide for safe operation of a pipeline facility in accordance with § 195.402(c)(3). Specifically, SPLC's *Corrosion Control Inspection and Maintenance Manual* (09/01/2024), and SPLC's *27TG-007 Field Testing on Cathodically Protected Pipelines and Tanks* (05/2024), procedures are too general and lack detailed guidance on calculating and applying the target potential to determine the adequacy of cathodic protection in situations where current on the pipeline cannot be interrupted, in accordance with § 195.571.

Section 5.4.1 of *27TG-007 Field Testing on Cathodically Protected Pipelines and Tanks* states that for measuring structure-to-electrolyte potentials to determine the adequacy of cathodic protection, the measured potential "may be either a direct measurement of the polarized potential or a current applied potential. Interpretation of the current-applied measurement requires consideration of the significance of voltage drops in the earth and metallic paths." Paragraph 2 of Section 5.4.1 of *27TG-007* further states that "there are situations where all the current on the pipeline may not be interrupted. In these cases, the IR must be accounted for in the measurement. The most common application of this is with the use of a Target Potential. An interrupted survey is taken on average of every 3 years and used to calculate what the potential shift would be required to maintain the -850 polarized potential criterion." The procedure provides neither a definition for the term "target potential" nor a methodology or process for calculating the target potential, which is used to measure structure-to-electrolyte potential when current to the pipeline cannot be interrupted.

Therefore, PHMSA proposes that SPLC revise its manual of written procedures to include the definition of a target potential, as well as specific actions for calculating and applying target potentials when measuring current applied structure-to-electrolyte potentials.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 CFR § 190.206. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement 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 CFR § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 60 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 SPLC maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Bryan Lethcoe, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2025-008-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Bryan Lethcoe
Director, Southwest Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

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

cc: Deborah Price, Integrity and Regulatory Services Manager, Shell Pipeline Company,
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