



Shell Pipeline Company LP

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

RE: CPF 4-2025-060-NOPV

Mr. Lethcoe,

On November 4, 2025, Equilon Enterprises LLC, DBA Shell Oil Products received Notice of Probable Violation CPF 4-2025-060-NOPV from the Integrated Inspection conducted on the Sewaren Facility in May 30-December 5, 2024. Below is Shell's response to the allegations contained in it.

1. *Annual Report – Shell failed to submit an accurate 2024 annual report in accordance with § 195.49. Specifically, Shell's DOT Form F 7000-1.1, filed on June 11, 2024, failed to include any of the 31 breakout tanks in operation at Shell's Sewaren Terminal.*

It was identified during the inspection that there was a discrepancy with the numbers reported on the annual report. The issue was reviewed, and the report was corrected as soon as that review was completed. The GIS where the annual report is generated from has been updated and this will not be an issue going forward.

2. *Inspection of In-Service Breakout Tanks - Shell failed to inspect the physical integrity of in-service atmospheric and low-pressure steel above-ground breakout tanks according to API Std 653 in accordance with § 195.432(b). Specifically, Shell failed to conduct an internal inspection for Tank #202 at its Sewaren Terminal as stated in its May 2, 2008, internal inspection report.*

Since the 2008 inspection report there had been a change in the way work was scheduled and a change in staff responsible for the tank program. The specifics of the results from the 2008 inspection had been missed in the change. Once this issue was discovered, the

inspection was scheduled and completed by the end of 2024. All other tank reports were reviewed to ensure that no similar issues existed, and this was the only one identified.

3. *What must I do to monitor external corrosion control? - Shell failed to correct any identified deficiency in corrosion control in accordance with § 195.573(e). Specifically, Shell failed to correct low cathodic protection (CP) potential at the Sewaren Terminal for three consecutive inspection cycles in 2022, 2023, and 2024 in accordance with § 195.401(b)(1).*

Shell's procedure Inspection & Maintenance Practice 02-001 (Document Number D00-CAT0001-02), Appendix E – CP Survey requires that pipelines, assets, and facilities meet a potential of -850 millivolts or greater. Shell's procedure Inspection & Maintenance Practice: Cathodic Protection Systems (May 2011), Section 4.9 states that when low potentials are detected that are either significantly lower than the previous survey, are less negative than the criterion for protection, or indicate the need to evaluate the cathodic protection status between test leads, Shell will follow its troubleshooting procedures to investigate the cause. However, Shell's annual survey reports for cathodic protection for 2022, 2023, and 2024 indicate that the tanks numbered T-80, T-81, T-89, T-127, T-202, T-211, T-213, and T-214 did not meet the established cathodic protection potential criteria of -850 millivolts for any of those three years.

Shell does not contest that some CP readings were not sufficient in parts of the facility and has been working to address the deficiencies since they were discovered.

Tanks T-80, T-81 and T-89 are double bottom tanks with HDPE liners. Per the notes in the 2024 survey document, tanks with double bottoms with a non-conductive poly liner do not require CP. They will be resurveyed in the 2025 survey, which is scheduled to begin December 2, 2025.

Per the recommendations of the 2024 survey, conducted December 3-10, 2024, the reference cell under Tank T-127 was tested and work was completed in early 2025 to correct the CP. Results of the 2025 annual survey in December will determine if any additional work is required.

Per the recommendations of the 2024 survey, there is an ongoing project, started in 2025, that is almost complete, to upgrade the cathodic protection system for all of Area D, the location of tanks 202, 211, 213 and 214. The AC disconnect switches and rectifiers in the area have been fixed. Additionally, 132 new anodes have been installed and will be connected and energized with the system in February 2026. The project is pending delivery of long lead time explosion proof enclosures.

Regarding the safety improvement costs associated with compliance, the costs for the CP upgrades part of overall asset maintenance and included with other unrelated work. It would be difficult to extract only those costs associated with the CP.

Shell takes safety and compliance seriously and has already been working diligently to correct the CP issues that were noted during the inspection. If there are any questions or concerns about the work that has already been completed let us know. We understand that a final order will be issued once these comments are reviewed.

Sincerely,

Debbie Price
Integrity and Regulatory Manager
Shell Pipeline Company LP