



Sunoco Logistics

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Bruce D. Davis, Jr.

Vice President, General Counsel and Secretary

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December 5, 2007

May Chiranand, Esq.
Presiding Official
U.S. Department of Transportation
Pipeline and Hazardous Materials
Safety Administration
1200 New Jersey Ave., S.E.
Washington, DC 20590

Re: CPF Nos. 1 – 2007 – 5001

Dear Ms. Chiranand:

Pursuant to your instructions issued at the November 14, 2007 hearing on the above referenced matter, Sunoco Pipeline L.P. submits the following for your consideration:

1. Excerpts from the transcript of the testimony of Tom Mulé, Instrumentation Technician.
2. Excerpts from the transcript of the testimony of Dave Kaighn, Head Operator.
3. A copy of Work Order No. 05-04930, dated October 14, 2005, which documents that the Roof Top Alarm System on Tank 24 at the Darby Creek Farm was inspected on 10/14/2005.

The testimony was provided before the American Arbitration Association, in the Matter of Arbitration Between USW Local 10-100 and Sunoco Pipeline, L.P., Case No. 14-300-00364-06, Grievance: Dave Kaighn - Unjust Termination. At your request, and that of Byron Coy, I have included only the excerpts of the testimony in which Messrs. Kaighn and Mulé indicated the alarms were working on November 22, 2005. I can provide the full transcript at your request.

Finally, Sunoco Pipeline offers the following assessment considerations in accordance with 49 CFR Section 190-225:

1. As noted in PHMSA's Pipeline Safety Violation Report (the "PHMSA Report") on the incident, Sunoco Pipeline L.P. had in place all required manuals and procedures for the operation of the Darby Creek Tank Farm.

2. All Sunoco Pipeline L.P. personnel involved in the incident were properly trained and qualified on the procedures.
3. Although Sunoco Pipeline L.P. considers the incident to be serious, there were minimal impacts to the environment and absolutely no impact outside the immediate tank dike area. The public was not impacted.
4. Sunoco Pipeline's spill containment facilities operated properly, the dike permeability worked, the procedures for keeping dike drains closed except when discharging storm water worked, the clean up response actions were effective and conducted without incidents or injuries. All of these contributed to the minimal environmental impact of the incident.
5. As noted in the PHMSA Report:
 - Sunoco Pipeline has a thorough safety program and is traditionally responsive to safety and compliance issues;
 - Sunoco conducted a very extensive accident investigation;
 - Sunoco Pipeline initiated several significant changes to its procedures to ensure the incident is not repeated.
6. Sunoco Pipeline fully cooperated with PHMSA investigators and made employees and documents available.
7. Sunoco Pipeline took strong actions against the employees involved; one was suspended and another was terminated.
8. Sunoco Pipeline received no economic benefit from the violation. In fact, Sunoco Pipeline spent approximately \$250,000 to clean up the crude oil released and repair certain equipment damaged in the incident.
9. In short, two properly trained and qualified employees simply chose to ignore Sunoco Pipeline's manuals and procedures and their own extensive training and qualifications.

Accordingly, for the foregoing reasons, Sunoco Pipeline respectfully requests that the proposed penalty of \$150,000 be reduced to \$25,000.

If you have any questions, or require additional information, please call me.

Sincerely,



Bruce D. Davis, Jr.

BDD:rw
Enclosures

cc: David Justin
Byron Coy

BEFORE THE

2 AMERICAN ARBITRATION ASSOCIATION

3 -----x
IN THE MATTER OF ARBITRATION :

4 BETWEEN: : CASE NO.

5 USW LOCAL 10-100 : 14 300 00364 06

6 : Grievance: Dave
and : Kaighn - Unjust

7 : Termination

SUNOCO PIPELINE, L.P. :

8 :
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9

10

Friday, October 20, 2006

11 10:05 a.m.

American Arbitration Association

12 230 South Broad Street

Philadelphia, Pennsylvania

13

14

BEFORE: STANLEY L. AIGES, Arbitrator

15

A P P E A R A N C E S :

16

SPEAR, WILDERMAN, BORISH, ENDY, SPEAR &
RUNCKEL

17 BY: CHARLES T. JOYCE, ESQUIRE

18 230 South Broad Street - Suite 1400

Philadelphia, Pennsylvania 19102

19

Counsel for the Union

20

BALLARD, SPAHR, ANDREWS & INGERSOLL

21 BY: JOHN B. LANGEL, ESQUIRE

1735 Market Street - 51st Floor

22 Philadelphia, Pennsylvania 19103

23

Counsel for the Company

TOM MULE, having been duly sworn

2 as a witness, was examined and testified

3 as follows . . .

4 DIRECT EXAMINATION

Q. How long were you employed by

3 Sunoco Logistics?

4 A. Four years.

5 Q. So you started in 2002?

6 A. Yes.

7 Q. And what was your position at

8 Sunoco Logistics?

9 A. I was an instrumentation technician.

10 Q. What were your responsibilities as an

11 instrumentation technician?

12 A. All the instrumentation that ran all the

13 processes. I have sites that I was responsible for,

14 they were my own sites, and Darby Creek was one of

15 them. So I took care of all the instrumentation at

16 Darby Creek.

Q. Prior to the incident on the 22nd

22 and 23rd, on or about November 1st, 2005, you

23 conducted an annual Department of Transportation

24 check on DC 24 and other tanks?

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Mule - cross 269

1 A. Correct.

2 Q. That included the testing and
3 verification of the high-tank alarm system, correct?

4 A. Correct.

5 Q. And you tested to see whether the SOR
6 alarm worked on or about November 1st?

7 A. Correct.

8 Q. And then post-incident, and in fact
9 you said it was maybe 2 or 3 weeks later, in fact,
10 it was the end of the month, the tank, there came a
11 point in time when the tank was safe to climb?

12 A. Yes.

13 Q. And you and Hank Alexander and
14 John Legge went up on the tank to inspect the damage
15 and instrumentation, correct?

16 A. Correct.

17 Q. And before doing so, you told Dave
18 Kaighn what you'd be doing on DC 24, correct?

19 A. Correct.

20 Q. And Dave was the only person in the
21 office at that time, right?

22 A. At the time that I told him, or the --

23 Q. Yes.

24 A. No, Dave wasn't the only one in the office

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Mule - cross 270

1 at the time. There was quite a few people in there.

2 Q. And you went up on the tank, and you
3 found that that high level switch displacer had been
4 damaged and wedged into a support pipe, correct?

5 A. Correct.

6 Q. And that got damaged and wedged when
7 the oil went over the top, right, that night?

8 A. Well, no. It got damaged from the roof
9 pushing up on it.

10 Q. So when the oil pushed the roof that
11 night, which we know set off the alarm, because the
12 alarm light was on, that's when it got damaged?

13 A. Yes.

14 Q. And you dislodged it, right?

15 A. Yes.

16 Q. You freed up the chain?

17 A. Mm-hmm.

18 Q. As soon as you dislodged it, and it

19 freed up the chain, the high-level alarm siren

20 sounded again, right?

21 A. Not as soon as I dislodged the chain, no.

22 I had to put the displacer up again.

23 Q. So it was still functional?

24 A. Yes.

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Mule - cross 271

1 Q. It was functional on November 1 when
2 you did your tests. It was functional that night,
3 because we know the light went on, correct? You are
4 nodding your head and he needs to --

5 A. Yes, correct.

6 Q. And it was functional as soon as you
7 were able to dislodge the mechanism, correct?

8 A. Yes.

Q. Now, you arrived at about a little

19 more than an hour later?

20 A. Mm-hmm.

21 Q. And you found the speakers were

22 unplugged to the SAAB computer system?

23 A. Yes.

24 Q. Now, those speakers actually were put

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Mule - cross 274

1 on that computer system to make the sound a little

2 bit louder?

3 A. Correct.

4 Q. Because there's also another sound,

5 and that's the sound that just comes out of the

6 computer when an alarm goes off, right?

7 A. Yes. Basically you can hardly hear that.

8 Q. But there is a sound out of the

9 computer, and there's a sound out of these speakers?

10 A. Right.

11 Q. And these speakers were purposely put

12 there to make the sound louder, right?

13 A. Yes.

14 Q. And when you got there, you found that
15 the speakers had been unplugged?

16 A. Yes.

17 Q. Correct?

18 A. Correct.

19 Q. And it's part of your normal equipment
20 check to check speakers, correct?

21 A. Correct.

22 Q. And you had been at the tank farm
23 during the day?

24 A. Yes, I was.

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Mule - cross 275

1 Q. On the 22nd?

2 A. Mm-hmm.

3 Q. You were there for some routine work?

4 A. Right.

5 Q. And when you left for lunch around
6 12:00 o'clock that day, the speakers were plugged,
7 weren't they?

8 A. Correct.

9 Q. And they were plugged into the SAAB

10 system?

11 A. Yes.

DAVE KAIGHN, having been duly

4 sworn as a witness, was examined and

5 testified as follows . . .

6 DIRECT EXAMINATION

7 BY MR. JOYCE:

8 Q. Mr. Kaighn, are you currently

9 employed?

10 A. No.

11 Q. By whom were you last employed,

12 Mr. Kaighn?

13 A. Sunoco Logistics.

14 Q. When did you first start working for

15 either the Sunoco Logistics or the company's

16 predecessor?

17 A. March 17th of '80.

18 Q. What was your first position?

19 A. Marine terminal worker at Fort Mifflin.

20 Q. Where did you go from that position?

21 A. I went to the Harbor Pipeline, which is a

22 pump station in Woodbury, New Jersey, as a station

23 operator.

24 Q. How long did you stay there?

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Kaighn - direct 434

1 A. Six years.

2 Q. And then where did you go?

3 A. Darby Creek Tank Farm.

4 Q. What was your first position at Darby
5 Creek Tank Farm?

6 A. Head operator.

7 Q. And you remained in that position
8 until you were terminated?

9 A. Yes, sir.

Kaighn - cross 458

Q. You also heard Mat Dennison say that

8 at no time during the night did he hear a SOR alarm?

9 A. Is that what he said?

10 Q. You don't recall?

11 A. No, I don't. I have a lot on my mind
12 today.

13 Q. So if he said that, that at no time
14 during the night did he hear a SOR alarm until
15 two-oh something, that would be counter to what

16 you've said, that a SOR alarm went up at some nine

17 something?

18 A. A leak-detection siren went off.

19 Q. That's a siren?

20 A. That is correct.

21 Q. So if his testimony was that at no

22 time during that night until two-oh something did he

23 hear the siren alarm go off, that would be

24 inconsistent with what you are telling me?

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Kaighn - cross 459

1 A. That is correct.

2 Q. You are qualified as a lead operator?

3 A. Yes, sir.

4 Q. You took an annual operator's

5 certification test, correct?

6 A. Yes, sir.

7 Q. You passed it in 2005, right?

8 A. Is that the OQ testing you are talking?

9 Q. Yes.

10 A. Yes.

1 A. I don't feel I missed that.

2 Q. Well, it was on the screen in front of

3 you.

4 A. Well, I don't feel I missed that, and I

5 will tell you why.

6 Q. I thought you had to do a rate check.

7 A. As an operator -- now walk in my steps a

8 little bit here.

9 Q. I'm trying to.

10 A. And I'm trying to educate you here.

11 Q. All right.

12 A. We have so much going on that night with

13 alarms, and sirens, and buzzers. Now --

14 Q. Alarms, sirens, and buzzers. The

15 sirens is that 9:00 o'clock SOR that you heard and

16 Mat didn't?

17 A. Right.

Equipment No. E.DCTF-RTA-TK22
 Equipment Description ROOF TOP ALARM SYSTEM DC10
 Serial No.
 Cost Center
 General Ledger No.
 Department
 Region 1
 District FTMN
 Line Segment DCTF-HUB
 Facility DCTF
 Reason for Failure

User-defined field 1
 User-defined field 2
 User-defined field 3
 Set Point (psi)
 Range (psi)
 Line Shutdown Date
 Line Shutdown Time
 Line Startup Date
 Line Startup Time
 User-defined field 10 WEST OF NORTH 1ST ST

Must Be Down No
 Estimated Down Time Act Y
 Down Time Loc Y
 NOTES Rem Y
 Comments

Equipment No. E.DCTF-RTA-TK23
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 Cost Center
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User-defined field 1
 User-defined field 2
 User-defined field 3
 Set Point (psi)
 Range (psi)
 Line Shutdown Date
 Line Shutdown Time
 Line Startup Date
 Line Startup Time
 User-defined field 10 WEST OF NORTH 1ST ST

Must Be Down No
 Estimated Down Time Act Y
 Down Time Loc Y
 NOTES Rem Y
 Comments

Equipment No. E.DCTF-RTA-TK24
 Equipment Description ROOF TOP ALARM SYSTEM DC10
 Serial No.
 Cost Center
 General Ledger No.
 Department
 Region 1
 District FTMN
 Line Segment DCTF-HUB
 Facility DCTF
 Reason for Failure

User-defined field 1
 User-defined field 2
 User-defined field 3
 Set Point (psi)
 Range (psi)
 Line Shutdown Date
 Line Shutdown Time
 Line Startup Date
 Line Startup Time
 User-defined field 10 WEST OF NORTH 1ST ST

Must Be Down No
 Estimated Down Time Act Y
 Down Time Loc Y
 Rem Y
 Comments