

**NOTICE OF PROBABLE VIOLATION
PROPOSED CIVIL PENALTY
and
PROPOSED COMPLIANCE ORDER**

OVERNIGHT EXPRESS DELIVERY

June 20, 2016

T. Scott Collier
VP, Performance Assurance & Asset Integrity
West Shore Pipeline Co.
Five TEK Park
9999 Hamilton Boulevard
Breinigsville, PA 18031

CPF 1-2016-5004

Dear Mr. Collier:

From May 19, 2014 through July 31, 2015, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, inspected Buckeye Partners, L.P.'s procedures and records for the West Shore Pipeline Company (Buckeye West Shore) in Breinigsville, PA.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

- 1. §195.402 Procedural manual for operations, maintenance, and emergencies.**
 - (a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.**

Buckeye West Shore failed to follow its procedures for monitoring electrical isolation at casings along its pipeline system.

Buckeye West Shore's Corrosion Manual procedure *A-02 External Corrosion Control*, versions 12/2012, 09/2012, and 12/2011, and procedure *J-02 External Corrosion Control* version 09/2010, Section 9.4 states: "Annually during the corrosion control survey, installed electrical isolation devices shall be inspected for proper operation."

The PHMSA inspector reviewed Buckeye West Shore's External Corrosion records for Line Segment EB252US-US254GT. The records indicate that Buckeye West Shore failed to inspect electrical isolation devices for proper isolation at 6 locations. In an email dated July 31, 2015, Buckeye West Shore provided additional details on the missed readings:

1. At the first 5 locations noted in the table below, casing vents and test leads did not exist until 2012, leading to the missed readings in 2011 and 2012. Readings were taken in 2013 at these 5 locations.
2. At MP 131.890, the 2013 Casing P/S reading was missed due to failure to acquire lane closures for safe access to the test point.

Location MP	Date	Carrier Pipe P/S (V)	Casing P/S (V)
125.790	2011	NR	NR
	2012	NR	NR
	6/27/13	-1.337	-0.745
127.250	2011	NR	NR
	2012	NR	NR
	6/27/13	-1.593	-0.947
130.300	2011	NR.	NR
	2012	NR	NR
	6/27/13	-1.399	-0.703
130.800	2011	NR	NR
	2012	NR	NR
	6/27/13	-1.417	-0.766
131.250	2011	NR.	NR
	2012	NR	NR
	6/27/13	-1.356	-0.711
131.890	5/23/11	-1.160	-1.086
	5/25/12	-1.237	-0.736
	2013	-1.312	NR

2. §195.575 Which facilities must I electrically isolate and what inspections, tests, and safeguards are required?

(c) You must inspect and electrically test each electrical isolation to assure the isolation is adequate.

Buckeye West Shore failed to inspect and electrically test each electrical isolation at two casings along its pipeline system to assure the isolation is adequate.

Buckeye's Corrosion Manual procedure *A-05 Shorted Casing*, issued 6/2013, 12/2011, and procedure *J-05 Shorted Casing*, issued 9/2010, Section 2.7 of each procedure states in part:

“The following procedures and evaluations determine whether or not a shorted condition exists, and if the condition detrimentally affects the level of pipeline cathodic protection. . . [that when comparing the potentials of the pipeline and its casing] if the potential difference is 100 millivolts or less, a shorted condition may exist”.

Section 1.5 of each procedure states in part that: “Casings that are determined to be directly (metallically) shorted as a result of the testing described in this policy shall be cause to initiate a corrective action plan for remediation. This plan shall be initiated within six months of the evaluation by the Lead Corrosion Engineer. . . ”

The PHMSA inspector reviewed Buckeye West Shore’s External Corrosion records for Line Segment EB252US-US254GT. The records indicated that there were two locations (five instances) in which the potential difference between the pipe-to-soil readings on the casing and carrier pipes was less than 100 millivolts.

In an email dated July 31, 2015, PHMSA asked Buckeye West Shore to provide additional information for the two locations. Buckeye West Shore responded as follows:

Location 39.880: “This casing was tested using the Panhandle Eastern test method in 2010 (WO 640030) and found to be shorted. The casing is being monitored by ILI and last inspected in 2013. There has been no growth of external features within the casing and maximum pit depth is less than 15%. The pipeline displays adequate cathodic protection at this crossing.”

Location 48.280: “This casing was tested using the Panhandle Eastern test method in 2008 and found to be shorted. The casing is being monitored by ILI and last inspected in 2013. No external corrosion features have been identified in this casing. The pipeline displays adequate cathodic protection at this crossing.”

Monitoring the casings with ILI in lieu of repairing the shorted casing fails to meet the intent of §195.575(c).

Location MP	Date	Carrier Pipe P/S (V)	Casing P/S (V)	Δ (mv.)	Days since confirming short
39.880	6/27/11	-1.183	-1.181	2	
	5/22/12	-1.328	-1.325	3	
	6/10/13	-1.361	-1.364	3	715
48.280	6/28/11	-1.217	-1.214	3	
	5/30/12	-1.342	-1.332	10	
	7/2/13	-1.315	-1.308	7	736

3. §195.402 Procedural manual for operations, maintenance, and emergencies.

(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:

(3) **Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

Buckeye West Shore’s procedure for monitoring atmospheric corrosion does not provide specific

guidance on how to give particular attention to pipe under thermal insulation in accordance with §195.583(b).

During the investigation, the PHMSA inspector reviewed Buckeye West Shore's Corrosion Manual procedure A-04 Visual Pipe Inspection, issued 9/2013. The procedure states in part:

“1. Policy

1.1 Visual inspections shall be conducted by trained and qualified field personnel to provide information concerning:

1.1.3 Condition of piping under thermal insulation or disbanded coating, at splash zones, or deck penetrations.”

The procedure does not provide sufficient details on what areas of the insulated piping should be inspected, such as damaged insulation, low points on vertical runs, areas where pipe supports penetrate the insulation jacketing, or areas with caulking deterioration. In addition, the procedure did not provide adequate guidance on when portions of insulation should be removed to evaluate potential issues identified by visual observations.

Buckeye West Shore stated that there was no other guidance on inspecting piping under thermal insulation in its written procedures.

In addition, the PHMSA inspector reviewed Buckeye West Shore's triennial atmospheric corrosion inspection records at its Granville Terminal, dated April 2013. The feed lines into West Shore Pipeline's Granville Terminal are insulated.

1. There are seven jurisdictional pipelines running into the tank area.
2. According to the plant manager and the corrosion technician, the insulation has been in place since 2006.
3. There are no ports for viewing the condition of representative pipe segments.
4. There is no mention of inspecting the pipe under the thermal insulation.

Buckeye West Shore stated that it had not removed the thermal insulation, nor inspected the piping under the insulation for corrosion since it has been installed in 2006.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation(s) and has recommended that you be preliminarily assessed a civil penalty of \$ 105,400 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$61,200
2	\$44,200

Proposed Compliance Order

With respect to items 2 and 3, pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to West Shore Pipeline Company. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. All material submitted in response to this enforcement action may be 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). 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 a Final Order.

In your correspondence on this matter, please refer to **CPF 1-2016-5004** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Byron Coy, PE
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

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

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to West Shore Pipeline Company (Buckeye West Shore) a Compliance Order incorporating the following remedial requirements to ensure the compliance of Buckeye West Shore with the pipeline safety regulations:

1. In regard to Item Number 2 of the Notice, pertaining to Buckeye West Shore's failure to inspect and electrically test each electrical isolation, Buckeye West Shore must review and update its procedure *A-05 Shorted Casing* to provide guidance on remediating shorted casings. The procedures shall be revised within 30 days of receipt of the Final Order.
2. Buckeye West Shore shall remediate the shorted casings at the 2 locations identified in Item Number 2, in accordance with the revised procedures, within 12 months of issuance of the Final Order.
3. In regard to Item Number 3 of the Notice, pertaining to Buckeye West Shore's failure to give particular attention to pipe coating under thermal insulation during atmospheric corrosion monitoring, Buckeye West Shore must review and update its procedure *A-04 Visual Pipe Inspection* to provide guidance for performing atmospheric corrosion inspections on pipelines under thermal insulation. The procedures shall be revised within 30 days of receipt of the Final Order. Buckeye West Shore shall inspect the piping under thermal insulation at the Granville Terminal, in accordance with the revised procedures, within 12 months of issuance of the Final Order.
4. Buckeye West Shore must complete the requirements as outlined above. All documentation demonstrating compliance with each of the items outlined in this proposed compliance order must be submitted to Byron Coy, PE, Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration, Suite 103, Bear Tavern Road, West Trenton, NJ for review.
5. It is requested (not mandated) that Buckeye West Shore maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Byron Coy, PE, Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.