

AUGUST 30, 2012

Mr. Michael J. Hennigan
President and Chief Executive Officer
Sunoco Logistics Partners, LP
1818 Market Street, Suite 1500
Philadelphia, PA 19103

Re: CPF No. 3-2010-5012

Dear Mr. Hennigan:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and assesses a civil penalty of \$48,700. This is to acknowledge receipt of payment of the full penalty amount, by wire transfer, dated December 22, 2010. This enforcement action is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. David Barrett, Director, Central Region, OPS
Mr. Alan Mayberry, Deputy Associate Administrator for Field Operations, OPS
Mr. David A. Justin, Vice President, Operations, Sunoco Logistics Partners, LP

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

)	
In the Matter of)	
)	
Sunoco Logistics Partners, LP,)	CPF No. 3-2010-5012
)	
Respondent.)	
)	

FINAL ORDER

On June 22-26, July 20-31, and August 17-28, 2009, pursuant to 49 U.S.C. § 60117, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Mid-Valley Pipeline Company in Texas, Pennsylvania, Mississippi, Tennessee, Kentucky, Ohio, and Michigan. Sunoco Logistics Partners, LP (Sunoco or Respondent), owns a controlling interest in and operates the Mid-Valley Pipeline, consisting of approximately 1,100 miles of pipeline that transports crude oil from Longview, Texas, to various refiners in the Midwest.¹

As a result of the inspection, the Director, Central Region, OPS (Director), issued to Sunoco, by letter dated November 23, 2010, a Notice of Probable Violation and Proposed Civil Penalty (Notice), which also included warnings pursuant to 49 C.F.R. § 190.205. In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Sunoco had violated 49 C.F.R. Part 195 and proposed assessing a civil penalty of \$48,700 for the alleged violation. The warning items required no further action, but warned the operator to correct the probable violations or face future potential enforcement action.

Sunoco responded to the Notice by letter December 20, 2010 (Response). The company did not contest the allegations of violation and paid the proposed civil penalty of \$48,700, as provided in 49 C.F.R. § 190.209(a). Payment of the penalty serves to close the case with prejudice to Respondent.

¹ See <http://www.sunocologistics.com/> (last accessed August 28, 2012).

FINDING OF VIOLATION

In its Response, Sunoco did not contest the allegation in the Notice that it violated 49 C.F.R. Part 195, as follows:

Item 4: The Notice alleged that Respondent violated 49 C.F.R. § 195.573(e), which states in relevant part:

§ 195.573 What must I do to monitor external corrosion control?

(a) . . .

(e) *Corrective action.* You must correct any identified deficiency in corrosion control as required by § 195.401(b)....

The Notice alleged that Respondent violated 49 C.F.R. § 195.573(e) by not correcting identified deficiencies in corrosion control, as required by § 195.401(b). The latter regulation requires an operator to repair any condition that could adversely affect the safe operation of the pipeline system within a reasonable time. Specifically, the Notice alleged that Sunoco had identified deficiencies in corrosion control on a portion of its pipeline at the BP refinery in Toledo, Ohio, after performing a close-interval survey in April 2006. Sunoco failed to remediate the deficiencies identified at the BP refinery until July 2009, more than three years later.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.573(e) by not correcting identified deficiencies in corrosion control within a reasonable time.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

WARNING ITEMS

With respect to Items 1, 2, and 3, the Notice alleged probable violations of Part 195 but did not propose a civil penalty or compliance order for these items. Therefore, these are considered to be warning items. The warnings were for:

49 C.F.R. § 195.403(a)(1) (**Item 1**) — Respondent's alleged failure to provide emergency response training to one of its employees in 2008;

49 C.F.R. § 195.412(b) (**Item 2**) — Respondent's alleged failure to inspect each crossing under a navigable waterway, at intervals not exceeding five years. Specifically, the Notice alleged that Respondent failed to inspect its pipeline crossing under the Ohio River between May 2004 and August 2009, an interval longer than five years; and

49 C.F.R. § 195.452(h)(4)(i)(C) (**Item 3**) — Respondent's alleged failure to repair immediate repair conditions in a High Consequence Area prior to removing a

temporary operating pressure reduction. Sunoco had allegedly identified two top-side dents with metal loss on its pipeline on August 7, 2006, and imposed a 20% operating pressure reduction in accordance with the requirements of its integrity management plan and § 195.452(h)(4)(i). Sunoco allegedly later removed this pressure restriction and returned the pipeline to the established maximum operating pressure on August 17, 2007, without first repairing the conditions. Though Sunoco removed the restriction, operating pressure records indicate that the actual operating pressure in the pipeline did not exceed the temporary pressure restriction.

In its Response, Sunoco did not contest these allegations. If OPS finds a violation of any of these items in a subsequent inspection, Respondent may be subject to future enforcement action.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued