U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

8701 South Gessner, Suite 1110
Houston, TX 77074

**NOTICE OF PROBABLE VIOLATION
AND
PROPOSED COMPLIANCE ORDER**

CERTIFIED - RETURN RECEIPT REQUESTED

February 12, 2007

Mr. David A. Justin
Vice President Eastern Area Operations
Sunoco Pipeline, L.P.
525 Fritztown Road
Sinking Springs, PA 19608

CPF No. 4-2007-5002

Dear Mr. Justin:

During August 1-4, 2006 and August 15-17, 2006, a team of representatives of the Pipeline and Hazardous Material Safety Administration (PHMSA), and the New York Public Service Commission, pursuant to Chapter 601 of 49 United States Code, conducted an onsite pipeline safety inspection of your Integrity Management Program (IMP) records and procedures at your headquarters in Honey Brook, 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 violation(s) are:

1. **§195.452 Pipeline integrity management in high consequence areas.**

   (b) What program and practices must operators use to manage pipeline integrity? Each operator of a pipeline covered by this section must:

   (2) Include in the program an identification of each pipeline or pipeline segment in the first column of the following table not later than the date in the second column:

Pipeline	Date
Category 1	December 31, 2001
Category 2	November 18, 2002.
Category 3	Date the pipeline begins operation.

Sunoco Pipeline, L.P. (SPLP) did not complete its HCA analysis for the 24" Wortham to Corsicana pipeline before the pipeline was placed into active service (analysis was completed on 1/16/06; pipeline was placed in service on 12/2/05). SPLP's IM procedures did not include the requirement that HCA analysis be completed prior to placing newly constructed lines into service.

2. **§ 195.452 Pipeline integrity management in high consequence areas.**

(f) What are the elements of an integrity management program? An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:

(6) Identification of preventive and mitigative measures to protect the high consequence area (see paragraph (i) of this section);

(i) What preventive and mitigative measures must an operator take to protect the high consequence area?

(3) Leak detection. An operator must have a means to detect leaks on its pipeline system. An operator must evaluate the capability of its leak detection means and modify, as necessary, to protect the high consequence area. An operator's evaluation must, at least, consider, the following factors–length and size of the pipeline, type of product carried, the pipeline's proximity to the high consequence area, the swiftness of leak detection, location of nearest response personnel, leak history, and risk assessment results.

While an IMP begins with an initial framework, required by March 31, 2002 for Category 1 assets, it is expected at this time that the required processes would be mature and documented in sufficient specificity to ensure consistent application and repeatability.

At the time of the inspection, SPLP (Western Area) had not performed an evaluation of leak detection capabilities and made modifications as necessary to protect HCAs per the requirements of §195.452(i)(3). This evaluation should distinguish between gathering lines and transmission lines given the different operational characteristics of the two pipeline types. A tabulation of leak history should be part of this evaluation to substantiate the HCA spill analysis and prioritize improvements to the leak detection system. A tabulation of leak history would be an indicator of what has happened in the past, not what could happen as identified in the HCA spill analysis, and leak history results are not considered a sole justification for spill analysis results.

Further, SPLP IM procedures did not provide sufficient detail regarding the leak detection capability evaluation to ensure consistent application per §195.452(i)(3), Leak Detection.

Proposed Compliance Order

With respect to items 1 and 2 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to SPLP. 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. 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 4-2007-5002** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous
Materials Safety Administration

Enclosures: *Proposed Compliance Order*
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 Sunoco Pipeline, L.P. (SPLP) a Compliance Order incorporating the following remedial requirements to ensure the compliance of SPLP with the pipeline safety regulations:

1. In regard to Item 1 of the Notice, Sunoco Pipeline, L.P. (SPLP) must modify IM procedures to require that HCA analysis be completed prior to placing newly constructed lines into service.

2. In regard to Item 2 of the Notice, pertaining to leak detection capability evaluation required in §195.452(i)(3), SPLP must perform the evaluation of leak detection capabilities for the Western Area required in §195.452(i)(3); and identify the modifications needed to those capabilities, as necessary, to protect high consequence areas. SPLP must modify IM procedures to provide sufficient detail to the leak detection capability evaluation to ensure consistent application per §195.452(i)(3), Leak Detection.

3. SPLP must submit the documentation of procedural changes required in Item 1 and the outcome of the evaluation of leak detection capabilities for the Western Area and procedural changes in Item 2 and provide a timeline for completion of the identified modifications needed to R. M. Seeley, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration within 30 days after receipt of the final order.

4. SPLP shall maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to R. M. Seeley, Director, Southwest Region, Pipeline and Hazardous Materials Safety Administration. Costs shall 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.