

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

July 31, 2012

Mr. T. Scott Collier
Vice President, Performance Assurance & Asset Integrity
Buckeye Partners, LP
Five Tek Park
9999 Hamilton Blvd.
Breinigsville, PA 18031

CPF 2-2012-6017W

Dear Mr. Collier:

From March 26-28, 2012, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) inspected the Buckeye Partners, LP (Buckeye) Everglades Pipeline in Port Everglades, FL, pursuant to Chapter 601 of 49 United States Code.

As a result of the inspection, it appears that Buckeye has committed probable violations of the Pipeline Safety Regulations, in Title 49 of the Code of Federal Regulations. The items inspected and the probable violations are as follows:

1. §195.404 Maps and records.

**... (c) Each operator shall maintain the following records for the periods specified:
... (3) A record of each inspection and test required by this subpart shall be maintained for at least 2 years or until the next inspection or test is performed, whichever is longer.**

Buckeye did not properly maintain records for the inspection of certain mainline valves.

Mainline valves with remote control capability must be inspected in accordance with §195.420(b) to assure, in part, that the valves will function properly when commanded to by Buckeye's Control Center. Buckeye's valve inspection records for calendar years 2010 and 2011 for seven Everglades Pipeline mainline valves with remote control capability did not convey whether or not the valves had been inspected for remote control functionality.

During the PHMSA inspection, the Buckeye individual who performed some of the above referenced mainline valve inspections stated to the PHMSA inspector that he does not request the control center to remotely operate mainline valves when the pipeline is flowing product. When asked further by the PHMSA inspector subsequent to the field

visit as to which of the 2010 and 2011 mainline valve inspections included testing for remote control functionality, Buckeye's compliance person responded in an email that "...there is no way to determine whether the valve was operated from the control room or not. It's assumed that the procedures were followed for the inspections because nothing is noted in the comments contrary to that."

Notwithstanding the assumption by Buckeye's compliance person that the valves were remotely operated by the control center during the above referenced valve inspections and, coupled with the unclear wording of Buckeye's applicable procedure (i.e. 195 O&M Manual F-27 - *Mainline Valves and Valve Sites*)¹, it was not clear to the PHMSA inspector from reviewing Buckeye's valve inspection records that the valves were inspected for remote control functionality. Therefore, the records were ambiguous.

2. § 195.428 Overpressure safety devices and overfill protection systems.

(a) Except as provided in paragraph (b) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7½ months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.

Buckeye did not adequately inspect and test each pressure limiting device to determine that it functioned properly in accordance with its written O&M procedures (i.e. Procedure F-33 *Pressure Limiting and Control Devices*), which specifically required the testing of "Sequence relays and controllers."

Buckeye did not completely inspect and test overpressure safety devices during the inspections listed below. The Buckeye technician who performed these inspections stated to the PHMSA inspector that he did not test the process logic controller (PLC) to assure that it will send a digital output signal to shut down the pumps, as required to protect the pumps and the 10-inch Port Everglades Pipeline from overpressure.

- 08/31/2010 and 07/06/2011: PEPDS1 Port Everglades Unit 1 Case Pressure High
- 09/03/2010 and 07/06/2011: PEPDS2 Port Everglades Unit 2 Case Pressure High
- 08/31/2010 and 07/06/2011: PEPDS3 Port Everglades Unit 3 Case Pressure High
- 08/11/2010 and 08/17/2011: PEPT3 Port Everglades Discharge Pressure

Under 49 United States Code, §60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct

¹ See Notice of Amendment (NOA) to Buckeye CPF 2-2012-6016M dated July 31, 2012.

the items identified in this letter. Failure to do so will result in Buckeye Partners, LP being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 2-2012-6017W**. Be advised that all material you submit in response to this enforcement action is subject to being 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).

Sincerely,

Wayne T. Lemoi
Director, Office of Pipeline Safety
PHMSA Southern Region