

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 20, 2014

Mr. David Chalson
Vice President of Operations
Mid Valley Pipeline Company
2700 West Passyunk Ave
Philadelphia, PA 19145

CPF 2-2014-5001W

Dear Mr. Chalson:

From June 8, 2013, to November 25, 2013, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Southern Region, Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, inspected Mid Valley Pipeline Company (MVPL) records and facilities at MVPL's Icedale headquarters office and in Michigan, Ohio, Kentucky, Tennessee, Mississippi, Louisiana, and Texas. MVPL is a subsidiary of Sunoco Logistics Partners, L.P.

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

- 1. §195.406 Maximum Operating Pressure (MOP).**
 - (a) Except for surge pressures and other variations from normal operations, no operator may operate a pipeline at a pressure that exceeds any of the following:
... (2) The design pressure of any other component on the pipeline.**
 - (b) No operator may permit the pressure in a pipeline during surges or other variations from normal operations to exceed 110 percent of the operating pressure limit established under paragraph (a) of this section. Each operator must provide adequate controls and protective equipment to control the pressure within this limit.**

MVPL did not properly establish the maximum operating pressure (MOP) for the Haynesville-Magnolia Line, or for the tank lines at its Magnolia, Haynesville, Denver, and Hebron facilities because the MOPs provided by MVPL at the time of the inspection exceeded the design pressures of installed pipeline components.

MVPL established an MOP of 1,100 psig for the entirety of its Haynesville-Magnolia Line, including the Magnolia Station, a downstream delivery facility. At the time of PHMSA's inspection, the scraper trap valves and flanges at the Magnolia Station were ANSI 400 components, rated for a maximum of 990 psig. Furthermore, the tank lines at the Magnolia Station were equipped with ANSI 300 valves and flanges with a maximum possible rating of 740 psig.

MVPL established an MOP of 936 psig for the Cotton Valley-Haynesville line segment, including the Haynesville Station. The tank lines at the Haynesville Station were equipped with ANSI 300 valves and flanges with a maximum possible rating of 740 psig.

MVPL established an MOP of 956 psig for the Hornsby-Denver line segment, including the Denver Station. The tank lines at the Denver Station are equipped with ANSI 300 valves and flanges with a maximum possible rating of 740 psig.

MVPL established an MOP of 1,052 psig for the Simpsonville-Hebron line segment, including the Hebron Station. The tank lines at the Hebron Station are equipped with ANSI 400 valves and flanges with a maximum possible rating of 990 psig.

Each of the referenced tank lines are downstream of over pressure protection devices, limiting pressures in the tank lines to a maximum of 500 psig.

2. §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.**

MVPL did not maintain records of monthly inspections of the breakout tanks at the Longview Station as required by Subpart F, §195.432.

Records reviewed at MVPL's Longview office revealed that the required monthly external tank inspections of 14 in-service breakout tanks at the Longview Station were not documented from August through December 2012, or for the months of January and July 2013.

Under 49 United States Code, §60122, Mid Valley Pipeline Company is 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 March 6, 2013, 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. 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 the items identified in this letter. Failure to do so will result in Mid Valley Pipeline Company 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 2-2014-5001W**. 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