



U.S. Department
Of Transportation
**Pipeline and
Hazardous Materials
Safety Administration**

820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628
609.989.2171

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

UPS OVERNIGHT DELIVERY

July 15, 2013

Thomas S. (Scott) Collier, VP
Buckeye Partners, L.P.
Five Tek Park, 9999 Hamilton Boulevard
Breinigsville, PA 18031

CPF 1-2013-5011

Dear Mr. Collier:

On April 30, 2012, a representative 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 (Buckeye) facilities in the Paulsboro, New Jersey and Malvern, Pennsylvania areas.

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 failed to follow its corrosion control procedure, *Maintenance Manual, J-04- Visual Pipe Inspection* Issued: 6/09, because it did not document the results of triennial inspections for atmospheric corrosion on *Form B – Triennial Visual Inspection Form*. Buckeye's procedure, *Maintenance Manual J-04 – Visual Pipe Inspection, Section 2.5*, states:

The results of the triennial inspections of above-grade piping, valves, fittings, etc. inside of stations, terminals, and junctions shall be reported on 'Form B – Triennial Visual Inspection Form'. Upon completion, the form shall be distributed to the local Field Supervisor,

Corrosion Specialist, and the Supervisor, Corrosion Control. Additional information, comments, and pictures may be added to the Work Order's attachment page.

During this inspection, the PHMSA inspector requested Buckeye to provide records of the atmospheric corrosion inspections that were conducted at its facilities. Subsequently, Buckeye presented a record titled *Malvern Audit- Triennial List April 2012*. The *Malvern Audit- Triennial List April 2012* showed when Buckeye conducted the last triennial inspection at fourteen (14) different locations during 7/1/2009 to 5/25/2011. However, Buckeye could not produce Form B for the triennial inspections that were performed as required by its *Maintenance Manual, J-04- Visual Pipe Inspection*. Buckeye indicated that it did not document the triennial inspections on Form B.

2. §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 failed to follow its corrosion procedure, *Corrosion Manual A-02: External Corrosion Control, Section 3.7 Cathodic Protection Survey Procedures and Processes*, Issued: 12/11 . The *Corrosion Manual A-02: External Corrosion Control, Section 3.7 Cathodic Protection Survey Procedures and Processes* states "Any abnormality or equipment deficiency equipment deficiency should be corrected within one inspection cycle¹. The reasons that any abnormality or equipment deficiency cannot be corrected within the timeframe must be documented in the Work Order." Buckeye did not correct any abnormality and equipment deficiency found during its cathodic protection (CP) surveys or provide any reason why it was not corrected within the timeframe.

During this inspection, the PHMSA inspector requested Buckeye to produce records of the CP surveys that were conducted at its facilities in the Malvern area. Subsequently, Buckeye presented records titled *Buckeye Partners, L.P. CP Survey Report*. The *Buckeye Partners, L.P. CP Survey Report* showed possible shorted casing at the Orchard Court and Timberline Rd. locations which persisted for three and four inspection cycles, respectively. Also, the *Buckeye Partners, L.P. CP Survey Report* showed low readings and an equipment problem at the Peck Rd. location which persisted for three inspection cycles.

Therefore, Buckeye failed to follow its corrosion control procedure, *Corrosion Manual A-02: External Corrosion Control, Section 3 Cathodic Protection Survey Procedures and Processes*, Issued: 12/11 because it did not correct the abnormality or equipment deficiency at the three above locations within one inspection cycle.

3. §195.583 What must I do to monitor atmospheric corrosion control?

(c) If you find atmospheric corrosion during an inspection, you must provide protection against the corrosion as required by Sec. 195.581.

The operator failed to provide protection against corrosion found during an atmospheric corrosion inspection conducted at the Paulsboro Refinery area.

The triennial inspection list, dated April 2012, noted some paint fading and light corrosion identified in the inspection of the Paulsboro Refinery area on 7/1/2009 where aboveground coating work was noted as

¹ One inspection cycle is the length of time between the prior inspection date to the next inspection date.

being required to be addressed “within year range 2”. No records or documentation were provided to indicate remediation had been completed within the 2 year period, which would have been 7/1/2011.

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 \$68,200 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$28,600
2	\$39,600

Warning Items

With respect to item 3, 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 promptly correct these item(s). Failure to do so may result in additional enforcement action.

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 submit 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.

Please submit all correspondence in this matter to Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, W. Trenton, NJ 08628. Please refer to **CPF 1-2013-5011** on each document you submit, and please whenever possible provide a signed PDF copy in electronic format. Smaller files may be emailed to Byron.Coy@dot.gov. Larger files should be sent on a CD accompanied by the original paper copy to the Eastern Region Office.

Sincerely,

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

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