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BUCKEYE PARTNERS, L.P.

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August 13, 2013

Mr. Byron Coy
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration
U. S. Department of Transportation
820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628

RE: CPF 1-2013-5011 Buckeye Partners, L.P. – Paulsboro, NJ and Malvern, PA Inspection
Notice of Probable Violation and Proposed Civil Penalty

Dear Mr. Coy:

Buckeye Partners, L.P. (Buckeye) has reviewed the referenced Notice of Probable Violation and Proposed Civil Penalty (NOPV) received on July 16, 2013 from the Pipeline and Hazardous Materials Safety Administration relating to the April 2012 inspection of Buckeye's pipeline facilities in Paulsboro, NJ and Malvern, PA. The following are Buckeye's responses to each of the items listed in the NOPV.

1. §195.402 Procedural manual for operations, maintenance, and emergencies

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.

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.

The record reviewed during the inspection, "Malvern Audit – Triennial List April 2012", was a listing of the triennial inspections that were conducted. According to that document, six of the inspection reports (i.e., Form B) were "on file" and available for review. However, the Inspector did not review them.

Buckeye acknowledges that the triennial list indicated that the remaining eight reports were not on file at the time of the PHMSA inspection. However, all eight of the triennial visual inspection work orders for these facilities were completed within our work management system, confirming that the inspections had been completed. Attachment 1 provides the Work Orders for the following inspections:

- Penn Forest Station
- Paulsboro Station
- Philadelphia Airport Station
- Allentown Junction
- Malvern Station
- Merchants Terminal
- Reading Junction
- Allentown Terminal

Since the PHMSA inspection, Buckeye has been able to locate documentation for one of the triennial visual inspections listed above (Penn Forest Station). This triennial visual inspection form, and the original six noted as being on file, is included for your reference (see Attachment 2).

- Exeter Junction
- Harrisburg Junction
- Harrisburg Terminal (note – this facility was repainted in 2012)
- Highspire Terminal
- Lancaster Junction (note – this facility was repainted in 2012)
- Lancaster Terminal
- Penn Forest Station

Buckeye is currently reviewing its atmospheric corrosion program as part of Notice of Amendment CPF 1-2013-2010M. Buckeye will ensure that its employees performing these visual inspections are fully aware of the documentation requirements.

Buckeye maintains that the fourteen inspections were completed in accordance with §195.583. Buckeye has also provided records that document seven of the fourteen inspections, in accordance with its Maintenance Manual J-04 procedures. Based on the documentation provided, Buckeye requests that the Proposed Civil Penalties for this alleged violation be reduced accordingly.

2. §195.402 Procedural manual for operations, maintenance, and emergencies.

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 should be corrected within one inspection cycle. 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.

A review of pipeline records indicates that there is no casing at Orchard Court and that the data in the CP Survey Report reflecting a casing was incorrect. The Buckeye CP database has been corrected.

The casing at Timberline Road was shorted. However, cathodic protection levels were still adequate at this location. In accordance with Corrosion Manual A-05, Section 1.5 (see Attachment 3), this location was monitored with in-line inspection (ILI) tools until the shorted condition could be evaluated/remediated. During the last ILI (in 2009), there were no pipeline anomalies detected in the casing. The short was determined to be due to electrical contacts between the pipeline and casing test leads underground. This situation was corrected in August 2012.

The test lead wires at Peck Road were restored in 2012. The broken test leads did not impair the performance of the cathodic protection system.

Buckeye has presented information addressing this probable violation and requests that the Proposed Civil Penalties for the alleged violation be removed/reduced accordingly.

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 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.

In accordance with the Buckeye Corrosion Manual J-04 Section 2.7 (see Attachment 4), recoating of above-grade piping, valves, fittings, etc. that have only a light surface oxide (light general rusting) may be deferred for three years. Therefore, the results of the inspection did not require any coating remediation. The spreadsheet information reviewed during the PHMSA inspection was a tool used by Buckeye to plan work, but was not the determining factor in when work would be scheduled.

Buckeye is currently reviewing its atmospheric corrosion program as part of Notice of Amendment CPF 1-2013-2010M. Buckeye will ensure that its employees performing these visual inspections are fully aware of the documentation and repair requirements.

August 13, 2013

If you have any questions, or need additional information, please feel free to contact me at 610-904-4922 or John Reinbold, Manager, Compliance at 610-904-4185.

Sincerely,

A handwritten signature in blue ink that reads "Thomas Scott Collier". The signature is written in a cursive, flowing style.

Thomas S. (Scott) Collier
Vice President, Performance Assurance & Asset Integrity
Buckeye Partners, L.P.

cc: C.A. Ostach
J.J. Mattis
J.B. Reinbold
M.B. Shook