

JUN 24 2011

Mr. Jeremiah J. Ashcroft
Vice President, Field Operations
Buckeye Partners L.P.
1 Greenway Plaza, Suite 600
Houston, Texas 77046

Re: CPF No. 1-2011-5002

Dear Mr. Ashcroft:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and assesses a civil penalty of \$81,400. This is to acknowledge receipt of payment of the full penalty amount, by wire transfer, dated May 18, 2011. This enforcement action is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Alan Mayberry, Deputy Associate Administrator for Field Operations, Pipeline Safety
Mr. Byron Coy, Director, Eastern Region, PHMSA

CERTIFIED MAIL - RETURN RECEIPT REQUESTED [7005 1160 0001 0075 9558]

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

_____)	
In the Matter of)	
)	
Buckeye Partners L.P.,)	CPF No. 1-2011-5002
)	
Respondent.)	
_____)	

FINAL ORDER

On September 14-17, 2010, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Buckeye Partners, L.P. (Buckeye or Respondent). The inspection covered approximately 144 miles of pipeline and pipeline facilities, from Sinking Spring to Duncansville, Pennsylvania. During the inspection, PHMSA inspectors discovered alleged violations in High Consequence Areas (HCAs).¹ Buckeye's refined petroleum products pipeline systems consist of approximately 5400 miles of pipeline and 69 active products terminals. In addition, Buckeye operates and maintains approximately 2,600 miles of pipeline, under agreements with oil and gas, petrochemical and chemical companies.²

As a result of the inspection, the Director, Eastern Region, OPS (Director), issued to Respondent, by letter dated April 18, 2011, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Buckeye violated 49 C.F.R. §§ 195.428 and 195.420 and proposed assessing a civil penalty of \$81,400 for the alleged violations.

Buckeye responded to the Notice by letter dated May 17, 2011 (Response). The company did not contest the allegations of violation and paid the proposed civil penalty of \$81,400, as provided in 49 C.F.R. § 190.227. Payment of the penalty serves to close the case with prejudice to Respondent.

¹ A "High Consequence Area" or "HCA" is an area defined as either a *commercially navigable waterway* or a waterway where a substantial likelihood of commercial navigation exists, as defined in 49 C.F.R. § 195.450 (1) ; a *high population* area or urbanized area, as defined in 49 C.F.R. § 195.450 (2); an *other populated* area or a place that contains a concentrated population, as defined in 49 C.F.R. § 195.450 (3); or an *unusually sensitive* area, as defined in 49 C.F.R. § 195.450 (4).

² See <http://www2.buckeye.com/LinkClick.aspx?fileticket=BmfJ6l5FUwk%3d&tabid=92&mid=2018> (last accessed June 17, 2011).

FINDINGS OF VIOLATION

In its Response, Buckeye did not contest the allegations in the Notice that it violated 49 C.F.R. Part 195, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 195.428(a), which states:

§ 195.428 Overpressure safety devices and overflow 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 7 $\frac{1}{2}$ 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.

The Notice alleged that Respondent violated 49 C.F.R. § 195.428(a) by failing to inspect and test overpressure safety devices at intervals not exceeding 15 months, but at least once each calendar year. Specifically, the Notice alleged that Buckeye failed to inspect and test two high pressure switches at Duncansville Station, Pennsylvania during calendar year 2008. While the Respondent provided documentation that these high pressure switches (DTPSH718 and DTPSH720) were inspected on December 28, 2007 and February 4, 2009, no inspection records exist for calendar year 2008. Furthermore, Buckeye confirmed that the 2008 inspections did not occur due to the fact that no down time was available on the system until February 3, 2009.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.428 by failing to inspect and test overpressure safety devices at intervals not to exceed 15 months, but at least once each calendar year.

Item 2: The Notice alleged that Respondent violated 49 C.F.R. § 195.420(b), which states:

§ 195.420 Valve maintenance.

(b) Each operator shall, at intervals not exceeding 7 $\frac{1}{2}$ months, but at least twice each calendar year, inspect each mainline valve to determine that it is functioning properly.

The Notice alleged that Respondent violated 49 C.F.R. § 195.420(b) by failing to inspect each mainline valve at intervals not exceeding 7 $\frac{1}{2}$ months, but at least twice each calendar year, to determine that it is functioning properly. Specifically, the Notice alleged that Buckeye failed to inspect four mainline valves, at intervals not exceeding 7 $\frac{1}{2}$ months. While Buckeye inspected all four valves twice each calendar year, it allowed more than 7 $\frac{1}{2}$ months to elapse between inspections. Each valve was inspected at intervals exceeding 8 months. Therefore, Buckeye failed to meet the regulatory requirement, as articulated in § 195.420(b).

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.420(b) by failing to inspect each mainline valve at intervals not exceeding 7 $\frac{1}{2}$ months, but at least twice each calendar year to determine proper functioning.

In summary, having reviewed the record and considered the assessment criteria, I assess Respondent a total civil penalty of **\$81,400**, which has already been paid by Respondent.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued