



Sunoco Logistics



Sunoco Logistics Partners L.P.
1818 Market Street
Suite 1500
Philadelphia, PA 19103

VIA FACSIMILE, ELECTRONIC MAIL & FEDEX

August 16, 2012

Mr. Byron Coy, P.E.
Director Eastern Region
Pipeline and Hazardous Materials Safety Administration
820 Bear Tavern Road, Suite 103
West Trenton, New Jersey 08628

Re: Notice of Probable Violation and Proposed Civil Penalty
CPF 1-2012-5013
Hearing Request

Dear Mr. Coy:

Sunoco Pipeline L.P. ("Sunoco") hereby requests a hearing under 49 C.F.R. §190.211 with respect to the above referenced Notice of Probable Violation and Proposed Civil Penalty ("NOPV") issued on July 16, 2012 regarding an October 11, 2010 incident that occurred in New Jersey on an abandoned segment of pipe being removed to be disposed of as scrap from a relocated right of way. As more fully explained below, the activities being performed described in the NOPV were outside of the scope of PHMSA's jurisdiction under 49 C.F.R. §195 and therefore not subject to PHMSA's oversight or enforcement. Accordingly, PHMSA should rescind the NOPV and related Notice of Amendment ("NOA") covered under CPF 1-2012-5012M, which is the subject of a separate but related hearing request that Sunoco is filing under separate cover.

FACTS

In June of 2010, Sunoco began a pipeline relocation project of its Harbor Pipeline System in New Jersey. This relocation was to accommodate the widening of the New Jersey Turnpike. A 1.85 mile segment of the pipeline was relocated from its original location to a new right of way. The previously located pipeline right of way was on private land, which was acquired by the New Jersey Turnpike Authority to facilitate the Turnpike expansion. The portion of the pipeline that is subject to this NOPV was abandoned on September 21, 2010 without incident and in accordance with Sunoco's operations and maintenance procedures for abandonment and purging of combustibles per 195.402.c.10.

The new and relocated section of pipeline was tied in on September 21, 2010 and placed into service on September 23, 2010. The new right of way was approximately 350 feet away from the abandoned segment of pipeline. (*Attachment A*).

One week after the pipeline had been formally abandoned and the new relocated pipeline tied in and in service, Sunoco, began to remove sections of the abandoned pipe in the inactive right of way for disposal as scrap which would allow the New Jersey Turnpike Authority to begin work on the Turnpike expansion. On October 11, 2010, during the removal a small fire occurred inside the pipe as a result of a small amount of residual product remaining in the abandoned, scrap piping. The small fire was quickly extinguished. There was no threat posed to the active right-of-way, the community, or the environment, and no employees suffered any injuries. While this incident was not subject to PHMSA jurisdiction and therefore a notification to the National Response Center (“NRC”) was not required, reports from the field were incomplete that afternoon and out of an abundance of caution and transparency, Sunoco made a formal notification of the incident to the NRC and to PHMSA. In discussions with PHMSA subsequent to the NRC notification, Sunoco has maintained that the October 11, 2010 incident was not subject to PHMSA jurisdiction as the pipeline was abandoned and not “a pipeline facility used in the transportation of hazardous liquids” under 49 C.F.R. § 195.

NOPV Allegations of Noncompliance

PHMSA’s July 16, 2012 NOPV alleges that Sunoco failed to follow maintenance procedures and Operator Qualification Procedure 361 “Safe Disconnect of Pipeline Facilities” as required under 49 C.F.R. § 195.402 which resulted in the October 11, 2010 incident. Specifically, PHMSA alleges that OQP-361 was not followed with respect to the removal of the previously abandoned piping from the right of way. PHMSA alleges three specific areas where Sunoco did not follow OQP-361 with respect to the activities that occurred on October 9 and 11, 2010 related to the removal of the scrap piping. PHMSA also alleges that Sunoco failed to maintain records of gas monitoring tests that were conducted on October 9, 2010 during the removal of the scrap piping. PHMSA alleges that Sunoco is required to maintain copies of these records under 49 C.F.R. §195.404.

Applicable Regulations

As provided under 49 C.F.R. § 195 PHMSA regulates “a pipeline facility used in the transportation of hazardous liquids or carbon dioxide associated with those facilities in or affecting interstate or foreign commerce, including pipeline facilities on the Outer Continental Shelf (OCS).” PHMSA’s regulations define a pipeline facility as “new and existing pipe, rights-of-way and any equipment, facility, or building used in the transportation of hazardous liquids or carbon dioxide”.

Additionally, the following statement is available from PHMSA enforcement guidance: *Only abandoned (permanently removed from service) pipelines are exempt from Part 195 regulations with exception of abandonment inventory reporting requirements. Inactive, idle, or out-of-service pipelines that have not been permanently removed from service must meet all applicable requirements of Part 195.*

October 11, 2010 Activities Not Subject to PHMSA Jurisdiction

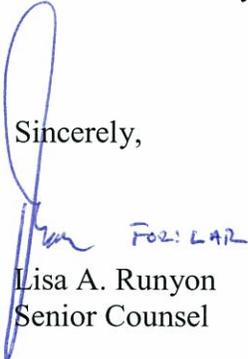
The facts are undisputed that at the time of the October 11, 2010 incident Sunoco had abandoned the segment of pipe that is the subject of this NOPV, relocated the pipeline facility and was

operating the Harbor Pipeline approximately 350 feet from the location of the inactive pipeline right of way. Furthermore, there is no dispute that when Sunoco abandoned the line in September 2010 it followed all applicable regulations and procedures. For these reasons, the segments of abandoned pipeline are not considered a pipeline facility subject to PHMSA's jurisdiction and therefore the operations and maintenance requirements provided under PHMSA's regulations do not apply to the activities that were being performed. While Sunoco acted out of an abundance of caution and transparency to notify the NRC and PHMSA of the October 11, 2010 incident, those notifications were ultimately determined to be not required as the pipeline and the activity being performed were not subject to PHMSA's oversight and for PHMSA to now attempt to penalize Sunoco for alleged violations of 49 C.F.R. §195 goes clearly beyond the scope of PHMSA's jurisdiction and the regulations.

Conclusion

For all of the reasons and conclusions provided herein, the allegations of noncompliance provided in the NOPV are unfounded, inconsistent with the regulations and should therefore be rescinded. Sunoco will be represented by counsel at the hearing. Sunoco looks forward to reviewing this further with the hearing officer assigned to this matter. Please contact me at 215-977-3877 with any questions or concerns.

Sincerely,



F02: LAR

Lisa A. Runyon
Senior Counsel

Enclosure: Attachment A

Cc: David Chalson
Todd Stamm
Michael Slough
Charlie Stewart
Kimberly Legge
Claudia Pankowski
Brian McTiernan

Attachment A

REVISIONS:

MADE BY:
CHKD BY:
FED CH BY:

PREPARED BY:

WILLIAM J. HAGGERTY II
NEW JERSEY PROFESSIONAL LAND
SURVEYOR LICENSE NO. 246903584100

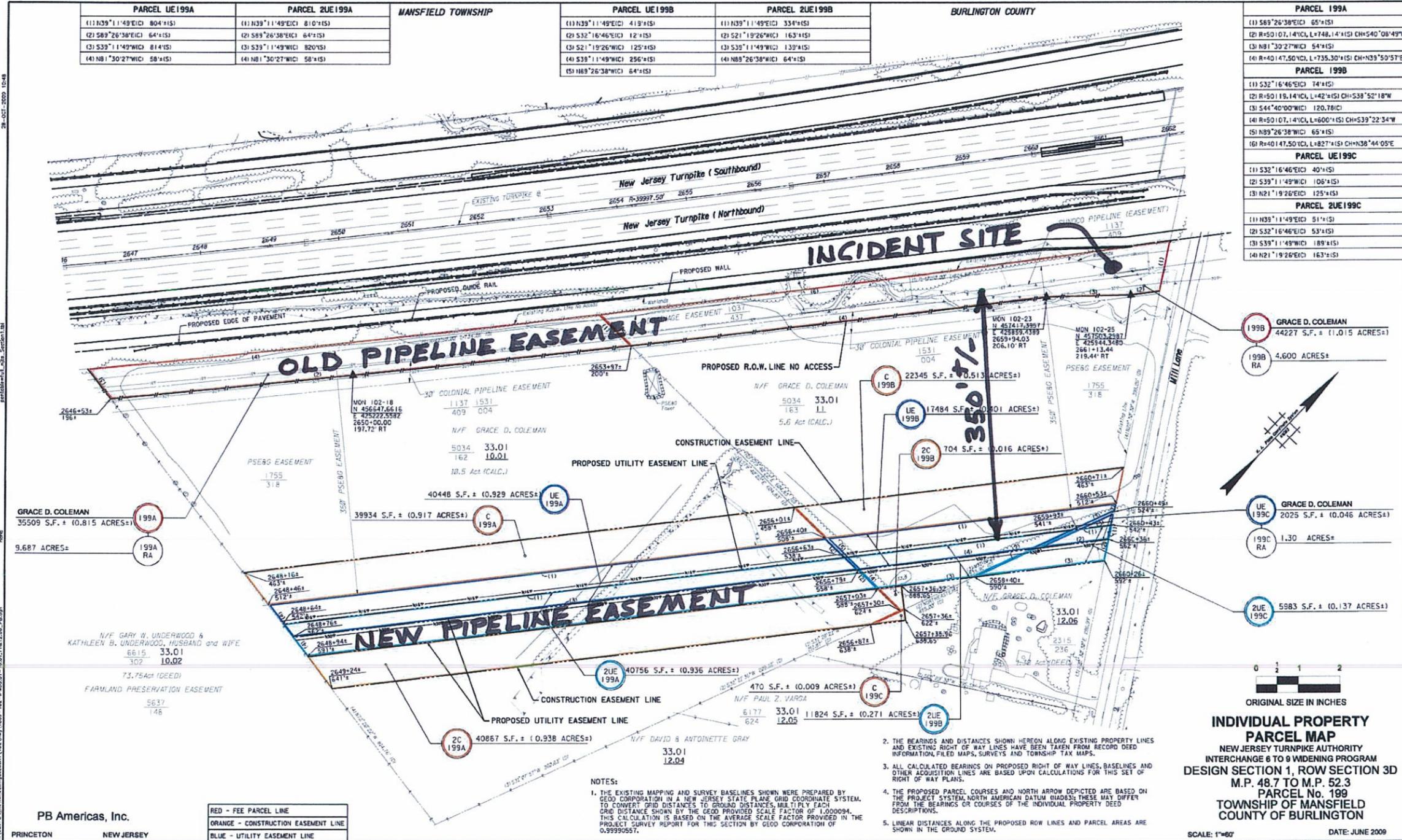
PARCEL UE199A	PARCEL 2UE199A
(1) N39°11'49"E(C) 804'(S)	(1) N39°11'49"E(C) 810'(S)
(2) S89°26'38"E(C) 64'(S)	(2) S89°26'38"E(C) 64'(S)
(3) S39°11'49"W(C) 814'(S)	(3) S39°11'49"W(C) 820'(S)
(4) N81°30'27"W(C) 58'(S)	(4) N81°30'27"W(C) 58'(S)

MANSFIELD TOWNSHIP

PARCEL UE199B	PARCEL 2UE199B
(1) N39°11'49"E(C) 419'(S)	(1) N39°11'49"E(C) 334'(S)
(2) S32°16'46"E(C) 12'(S)	(2) S21°19'26"W(C) 163'(S)
(3) S21°19'26"W(C) 125'(S)	(3) S39°11'49"W(C) 139'(S)
(4) S39°11'49"W(C) 256'(S)	(4) N89°26'38"W(C) 64'(S)
(5) N89°26'38"W(C) 64'(S)	

BURLINGTON COUNTY

PARCEL 199A
(1) S89°26'38"E(C) 65'(S)
(2) R=501.07, I=41°(C), L=748.14'(S) CH=540°08'49"W
(3) N81°30'27"W(C) 54'(S)
(4) R=401.47, I=50°(C), L=735.30'(S) CH=N39°50'57"E
PARCEL 199B
(1) S32°16'46"E(C) 74'(S)
(2) R=501.15, I=41°(C), L=42'(S) CH=S39°52'18"W
(3) S44°40'00"W(C) 120.78(C)
(4) R=501.07, I=41°(C), L=600'(S) CH=S39°22'34"W
(5) N89°26'38"W(C) 65'(S)
(6) R=401.47, I=50°(C), L=827'(S) CH=N36°44'05"E
PARCEL UE199C
(1) S32°16'46"E(C) 40'(S)
(2) S39°11'49"W(C) 106'(S)
(3) N21°19'26"E(C) 125'(S)
PARCEL 2UE199C
(1) N39°11'49"E(C) 51'(S)
(2) S32°16'46"E(C) 53'(S)
(3) S39°11'49"W(C) 189'(S)
(4) N21°19'26"E(C) 163'(S)



PB Americas, Inc.
PRINCETON NEW JERSEY

RED - FEE PARCEL LINE
ORANGE - CONSTRUCTION EASEMENT LINE
BLUE - UTILITY EASEMENT LINE

NOTES:

- THE EXISTING MAPPING AND SURVEY BASELINES SHOWN WERE PREPARED BY GEO CORPORATION IN A NEW JERSEY STATE PLANE GRID COORDINATE SYSTEM. TO CONVERT GRID DISTANCES TO GROUND DISTANCES, MULTIPLY EACH GRID DISTANCE SHOWN BY THE GEO PROVIDED SCALE FACTOR OF 1.000094. THIS CALCULATION IS BASED ON THE AVERAGE SCALE FACTOR PROVIDED IN THE PROJECT SURVEY REPORT FOR THIS SECTION BY GEO CORPORATION OF 0.99990557.
- THE BEARINGS AND DISTANCES SHOWN HEREON ALONG EXISTING PROPERTY LINES AND EXISTING RIGHT OF WAY LINES HAVE BEEN TAKEN FROM RECORD DEED INFORMATION, FILED MAPS, SURVEYS AND TOWNSHIP TAX MAPS.
- ALL CALCULATED BEARINGS ON PROPOSED RIGHT OF WAY LINES, BASELINES AND OTHER ACQUISITION LINES ARE BASED UPON CALCULATIONS FOR THIS SET OF RIGHT OF WAY PLANS.
- THE PROPOSED PARCEL COURSES AND NORTH ARROW DEPICTED ARE BASED ON THE PROJECT SYSTEM NORTH AMERICAN DATUM (NAD83); THESE MAY DIFFER FROM THE BEARINGS OR COURSES OF THE INDIVIDUAL PROPERTY DEED DESCRIPTIONS.
- LINEAR DISTANCES ALONG THE PROPOSED ROW LINES AND PARCEL AREAS ARE SHOWN IN THE GROUND SYSTEM.

ORIGINAL SIZE IN INCHES

INDIVIDUAL PROPERTY PARCEL MAP
NEW JERSEY TURNPIKE AUTHORITY
INTERCHANGE 6 TO 8 WIDENING PROGRAM
DESIGN SECTION 1, ROW SECTION 3D
M.P. 48.7 TO M.P. 52.3
PARCEL No. 199
TOWNSHIP OF MANSFIELD
COUNTY OF BURLINGTON

SCALE: 1"=60'
DATE: JUNE 2009