



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
PROPOSED CIVIL PENALTY
and
PROPOSED COMPLIANCE ORDER**

OVERNIGHT EXPRESS MAIL

January 23, 2013

Mr. Thomas S. Collier,
VP Performance Assurance & Asset Integrity
Buckeye Partners, L.P.
Five TEK Park
9999 Hamilton Boulevard
Breinigsville, PA 18031

CPF 1-2013-5002

Dear Mr. Collier:

On September 12 - 16, 2011, an inspector from the New York State Department of Public Service (NYSDPS), acting as agents for the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected the Buckeye Partners, L.P.(Buckeye) pipeline facilities in Rochester, NY.

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. § 195.573 What must I do to monitor external corrosion control?**
(e) Corrective action. You must correct any identified deficiency in corrosion control as required by §195.401(b). However, if the deficiency involves a pipeline in an integrity management program under §195.452, you must correct the deficiency as required by §195.452(h).

Buckeye did not correct identified deficiencies in corrosion control as required by §195.573(a). NYSDPS staff reviewed Buckeye corrosion records and found consecutive years of annual cathodic protection (CP) inspections with pipe-to-soil readings that did not meet Buckeye's criteria of -0.85 volts pipe-to-soil (P/S).

The NYSDPS inspector reviewed annual CP readings for 2009, 2010, and 2011 on Buckeye line LN751. Multiple test point with consecutive years of P/S readings below -0.85 volts were noted. When questioned regarding the situation, Buckeye's corrosion specialist stated that no corrective actions had been taken and that they had no other testing records to prove compliance with this code section.

Additionally, Buckeye Maintenance Manual CP procedures require corrective remedial actions when cathodic protection does not meet required levels.

Buckeye provided a copy of the cathodic protection annual survey records to the NYSDPS inspector during the inspection. Thirty-five instances of non-compliance were found as noted below:

Line Segment	Reading Date	Pipe-to-Soil Reading	Duration (Days)
Line Segment BI751CZ 1512+44:	8/3/2009	-0.506	
Line Segment BI751CZ 1512+44:	10/27/2010	-0.539	320
Line Segment BI751CZ 1522+48	8/3/2009	-0.722	
Line Segment BI751CZ 1522+48	10/27/2010	-0.832	320
Line Segment CZ751IX 960+16	4/27/2009	-0.749	
Line Segment CZ751IX 960+16	4/13/2010	-0.692	517
Line Segment CZ751IX 960+16	4/15/2011	-0.774	
Line Segment GQ751RX 3269+73	6/9/2009	-0.609	
Line Segment GQ751RX 3269+73	6/11/2010	-0.78	458
Line Segment GQ751RX 3269+73	7/13/2011	-0.541	
Line Segment GQ751RX 3322+01	6/9/2009	-0.631	
Line Segment GQ751RX 3322+01	6/11/2010	-0.82	458
Line Segment GQ751RX 3322+01	7/13/2011	-0.631	
Line Segment GQ751RX 3399+84	6/9/2009	-0.546	
Line Segment GQ751RX 3399+84	6/11/2010	-0.637	458
Line Segment GQ751RX 3399+84	7/13/2011	-0.501	
Line Segment GQ751RX 3402+37	6/9/2009	-0.604	
Line Segment GQ751RX 3402+37	6/11/2010	-0.65	458
Line Segment GQ751RX 3402+37	7/13/2011	-0.523	
Line Segment GQ751RX 3492+72	6/9/2009	-0.713	
Line Segment GQ751RX 3492+72	6/11/2010	-0.84	458
Line Segment GQ751RX 3492+72	7/13/2011	-0.789	
Line Segment GQ751RX 3875+64	6/9/2009	-0.829	
Line Segment GQ751RX 3875+64	6/11/2010	-0.723	458
Line Segment GQ751RX 3875+64	7/13/2011	-0.814	
Line Segment IX751WA 1742+19:	8/13/2009	-0.766	
Line Segment IX751WA 1742+19:	6/28/2010	-0.807	441
Line Segment IX751WA 1742+19:	6/13/2011	-0.709	
Line Segment IX751WA 1747+26	8/13/2009	-0.647	
Line Segment IX751WA 1747+26		No Reading listed for 2010. Assumed reading was taken 8/13/2010	395
Line Segment IX751WA 1747+26	6/13/2011	-0.706	
Line Segment RX751BX 2070+16	7/14/2009	-0.801	

Line Segment RX751BX 2070+16	7/15/2010	-0.801	424
Line Segment RX751BX 2070+16	8/5/2011	-0.762	
Line Segment RX751RQ 9+40	8/19/2009	-0.745	
Line Segment RX751RQ 9+40	8/5/2010	-0.824	403
Line Segment RX751RQ 9+40	7/28/2011	-0.775	
Line Segment RX751RQ 741+24	8/19/2009	-0.852	
Line Segment RX751RQ 741+24	8/5/2010	-0.703	403
Line Segment RX751RQ 741+24	7/28/2011	-0.828	
Line Segment WA751GQ 5102+45	6/29/2010	-0.835	
Line Segment WA751GQ 5102+45	6/1/2011	-0.817	103
Line Segment WA751WX 5601+07	8/23/2010	-0.696	
Line Segment WA751WX 5601+07	8/17/2011	-0.819	26
Line Segment WA751WX 5669+07	8/23/2010	-0.681	
Line Segment WA751WX 5669+07	8/17/2011	-0.818	26
Line Segment WA751WX 5683+24	8/17/2009	-0.822	
Line Segment WA751WX 5683+24	8/23/2010	-0.681	385
Line Segment WA751WX 5683+24	8/17/2011	-0.794	
Line Segment WA751WX 5934+69:	8/14/2009	-0.798	
Line Segment WA751WX 5934+69:	8/23/2010	-0.689	385
Line Segment WA751WX 5934+69:	8/17/2011	-0.839	
Line Segment WA751WX 5991+04	8/14/2009	-0.69	
Line Segment WA751WX 5991+04	8/23/2010	-0.639	385
Line Segment WA751WX 5991+04	8/17/2011	-0.677	
Line Segment WA751WX 6387+21	8/14/2009	-0.558	
Line Segment WA751WX 6387+21	8/17/2010	-0.435	391
Line Segment WA751WX 6387+21	8/19/2011	-0.586	
Line Segment WX751TV 6387+98	8/12/2009	-0.611	
Line Segment WX751TV 6387+98	8/18/2010	-0.482	390
Line Segment WX751TV 6387+98	8/19/2011	-0.519	
Line Segment WX751TV 6403+70	8/12/2009	-0.653	
Line Segment WX751TV 6403+70	8/18/2010	-0.562	390
Line Segment WX751TV 6403+70	8/19/2011	-0.572	
Line Segment WX751TV 6415+20	8/12/2009	-0.656	
Line Segment WX751TV 6415+20		No Reading listed for 2010. Assumed reading was taken 8/12/2010	396
Line Segment WX751TV 6415+20	8/19/2011	-0.512	
Line Segment WX751TV 6436+95	8/12/2009	-0.652	
Line Segment WX751TV 6436+95	8/18/2010	-0.578	390
Line Segment WX751TV 6436+95	8/19/2011	-0.548	
Line Segment WX751TV 6437+50	8/12/2009	-0.713	
Line Segment WX751TV 6437+50	8/18/2010	-0.627	390

Line Segment WX751TV 6437+50	8/19/2011	-0.653	
Line Segment WX751TV 6481+99	8/12/2009	-0.828	
Line Segment WX751TV 6481+99	8/18/2010	-0.672	390
Line Segment WX751TV 6481+99	8/22/2011	-0.611	
Line Segment WX751TV 6543+30	8/18/2010	-0.7	
Line Segment WX751TV 6543+30	8/22/2011	-0.61	21
Line Segment WX751TV 6638+92	8/18/2010	-0.841	
Line Segment WX751TV 6638+92	8/22/2011	-0.719	21
Line Segment WX751TV 6561+03	8/18/2010	-0.788	
Line Segment WX751TV 6561+03	8/22/2011	-0.658	21
Line Segment WX751TV 6691+39	8/18/2010	-0.786	
Line Segment WX751TV 6691+39	8/23/2011	-0.7	20
Line Segment WX751TV 6725+30	8/18/2010	-0.812	
Line Segment WX751TV 6725+30	8/23/2011	-0.72	20
Line Segment WX751TV 6758+40	8/12/2009	-0.814	
Line Segment WX751TV 6758+40	8/18/2010	-0.734	390
Line Segment WX751TV 6758+40	8/23/2011	-0.713	
Line Segment WX751TV 6853+03	8/12/2009	-0.801	
Line Segment WX751TV 6853+03	8/18/2010	-0.801	390
Line Segment WX751TV 6853+03	8/23/2011	-0.831	
Line Segment XX751BI 7917+14	6/26/2009	-0.63	
Line Segment XX751BI 7917+14	3/22/2010	-0.725	539
Line Segment XX751BI 7917+14	4/11/2011	-0.485	
Count of Non Compliances			35

2. § 195.575 Which facilities must I electrically isolate and what inspections, tests, and safeguards are required?

(a) You must electrically isolate each buried or submerged pipeline from other metallic structures, unless you electrically interconnect and cathodically protect the pipeline and the other structures as a single unit.

Buckeye did not electrically isolate each carrier pipe in a casing, or electrically interconnect and cathodically protect the carrier pipe and casing as a single unit, as required by §195.575 (a).

Buckeye did not have records to show that testing had been performed and that the isolation is effective for carrier piping in casings. NYSDPS review of Buckeye corrosion control records found consecutive years of annual cathodic protection (CP) inspections with pipe-to-soil (P/S) readings for both carrier pipe and casing pipe to be below Buckeye’s potential difference criteria of 100 millivolt differential noted in Buckeye Maintenance Manual casing procedures section 2.7.1.2.

The NYSDPS inspector reviewed annual CP readings for 2009, 2010, and 2011 on Buckeye line LN751. Multiple test points with consecutive years of readings with a potential difference of 100 millivolts or less between the casing and carrier pipe were noted.

When questioned regarding the situation, Buckeye’s corrosion specialist stated that no corrective actions had been taken and that they had no other testing records to prove compliance with this code section.

Additionally, Buckeye corrosion control procedures require corrective remedial actions, and alternate methods to follow, when CP levels on carrier piping do not meet required levels because of shorted casings.

Buckeye provided a copy of the CP annual survey records to the NYSDPS inspector during the inspection. Five instances of non-compliance were found as noted below:

Date of inspection		9/12/2011			
Line Segment	Date of reading	Pipe To Soil reading – Carrier Pipe	Casing Reading	Delta is < 100 mv	Duration
AN751BO 179+57	5/25/2010	-1.186	-1.136	0.050	
AN751BO 179+57	6/6/2011	-1.181	-1.185	-0.004	98
AN751BO 315+80	5/12/2009	-1.629	-1.628	0.001	
AN751BO 315+80	5/26/2010	-1.123	-1.120	0.003	474
AN751BO 315+80	6/8/2011	-1.459	-1.461	-0.002	
AN751BO 450+12	5/11/2009	-1.199	-1.200	-0.001	
AN751BO 450+12	5/26/2010	-1.224	-1.220	0.004	474
AN751BO 450+12	6/8/2011	-1.197	-1.200	-0.003	
AN751BO 640+25	5/19/2010	-1.009	-1.014	-0.005	
AN751BO 640+25	5/11/2011	-0.926	-0.928	-0.002	124
AN751BO 693+84	5/11/2009	-1.130	-1.131	-0.001	
AN751BO 693+84	5/19/2010	-1.188	-1.186	0.002	481
AN751BO 693+84	5/11/2011	-1.155	-1.154	0.001	
Count Of Non Compliances					5

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 3, 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 violations and has recommended that you be preliminarily assessed a civil penalty of \$ **96,500** as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$ 69,500
2	\$ 27,000

Proposed Compliance Order

With respect to item numbers 1 and 2 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Buckeye Partners, L.P. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

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. 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). 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.

In your correspondence on this matter, please refer to **CPF 1-2013-5002** and for each document you submit, please provide a copy in electronic format whenever possible, 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

Cc: Kevin Speicher, NYSDPS

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Buckeye Partners, L.P. (Buckeye) a Compliance Order incorporating the following remedial requirements to ensure the compliance of Buckeye with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to Buckeye's failure to take corrective action for identified deficiencies in corrosion control, Buckeye must remediate the locations identified to bring them up to Buckeye operations and maintenance requirements, but no less than in accordance with minimum Part 195 requirements.
2. In regard to Item Number 2 of the Notice pertaining to Buckeye's failure to electrically isolate carrier pipe from casings, or cathodically protect both as a single unit, Buckeye must remediate the locations identified in accordance with Buckeye operation and maintenance requirements, but no less than in accordance with minimum Part 195 requirements.
3. All documentation demonstrating compliance with each of the items outlined in this order must be submitted to the Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration, 820 Bear Tavern Rd, Suite 103, West Trenton, NJ 08628 within 120 days after receipt of the Final Order.
4. It is requested (not mandated) that Buckeye maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Byron Coy, P.E., Director, Eastern, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.