

OCTOBER 24, 2014

Mr. Clark C. Smith
President & Chief Executive Officer
Buckeye Partners, LP
One Greenway Plaza
Suite 600
Houston, TX 77046

Re: CPF No. 1-2013-5026

Dear Mr. Smith:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation, issues warnings, and specifies actions that need to be taken by Buckeye Partners, LP, to comply with the pipeline safety regulations. When the terms of the compliance order have been completed, as determined by the Director, Eastern Region, this enforcement action will be 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. Byron Coy, PE, Director, Eastern Region, OPS
Mr. Thomas S. Collier, Vice President, Performance Assurance & Asset Integrity,
Buckeye Partners, LP, Five TEK Park, 9999 Hamilton Boulevard, Breinigsville, PA
18031

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**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, LP,)	CPF No. 1-2013-5026
)	
Respondent.)	
)	

FINAL ORDER

From July 30, 2012 through August 3, 2012, 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, LP (Buckeye or Respondent) in the Portland, Maine area. Buckeye operates approximately 6,164 miles of pipelines in the Eastern and Midwestern U.S.¹

As a result of the inspection, the Director, Eastern Region, OPS (Director), issued to Respondent, by letter dated November 19, 2013, a Notice of Probable Violation and Proposed Compliance Order (Notice), which also included warning items pursuant to 49 C.F.R. § 190.205. In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Buckeye had violated 49 C.F.R. § 195.575(c) and proposed ordering Respondent to take certain measures to correct the alleged violation. The warning items required no further action, but warned the operator to correct the probable violation or face possible enforcement action.

Buckeye responded to the Notice by letter dated December 17, 2013 (Response). The company did not contest the allegations of violation but provided information concerning the corrective actions it had taken. Respondent did not request a hearing and therefore has waived its right to one.

FINDING OF VIOLATION

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

¹ See Pipeline Safety Violation Report, (Nov. 19, 2013) (on file with PHMSA), at 1.

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 195.575(c), which states:

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

(a)...

(c) You must inspect and electrically test each electrical isolation to assure the isolation is adequate.

The Notice alleged that Respondent violated 49 C.F.R. § 195.575(c) by failing to demonstrate through inspection and electrical tests that electrical isolation is adequate. Specifically, the Notice alleged that at the time of the inspection, Buckeye's records indicated that there were 97 cased crossings in the South Portland area without test leads installed. In its Response, Buckeye stated that it believed it was responding in a reasonable manner to correct the lack of monitoring facilities on this system but 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. § 195.575(c) by failing to demonstrate through inspection and electrical tests that electrical isolation is adequate.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 1 in the Notice for violation of 49 C.F.R. § 195.575(c). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under Chapter 601. Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of § 195.575(c) (**Item 1**), Respondent must install test leads at all of the predetermined cased crossing locations listed on its spreadsheet entitled *So. Portland List of Pipeline Road Casings 8/10/2012*.
2. Respondent must submit records or documentation that demonstrates completion of the above item within 60 days of receipt of this Order to Byron Coy, Director, Eastern Region, U.S. Department of Transportation, 820 Bear Tavern Road, Suite 103, West Trenton, NJ 08628.
3. It is requested (not mandated) that Respondent maintain documentation of the safety improvement costs associated with fulfilling this compliance order and submit the total to the Director. 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 costs associated with replacements, additions, or other changes to physical pipeline facilities.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$200,000 for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

WARNING ITEMS

With respect to Items 2 and 3, the Notice alleged probable violations of Part 195 but did not propose a civil penalty or compliance order for these items. Therefore, these are considered to be warning items. The warnings were for:

49 C.F.R. § 195.573(a)(1) (**Item 2**) — Respondent's alleged failure to conduct cathodic protection testing on protected pipelines at intervals not exceeding 15 months; and

49 C.F.R. § 195.402(a) (**Item 3**) — Respondent's alleged failure to record the serial numbers of the reference electrodes in accordance with its written procedures during an annual cathodic protection survey.

Buckeye presented information in its Response showing that it had taken certain actions to address the cited items. If OPS finds a violation of these items in a subsequent inspection, Respondent may be subject to future enforcement action.

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