

NOVEMBER 26, 2014

Mr. Clark C. Smith
Chairman, CEO, and President
Buckeye Partners, LP
One Greenway Plaza
Suite 600
Houston, TX 77046

Re: CPF No. 1-2014-5002

Dear Mr. Smith:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation 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, Office of Pipeline Safety, 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, P.E., Director, Eastern Region, OPS
Mr. T. Scott Collier, Vice-President, Performance Assurance Asset Integrity,
Buckeye Partners, LP

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

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In the Matter of)		
)		
Buckeye Partners, LP,)		CPF No. 1-2014-5002
)		
Respondent.)		
)		

FINAL ORDER

On March 12-16, 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 Breinigsville, Pennsylvania. The inspection focused on the control room management procedures Buckeye applied to its facilities in Breinigsville. Buckeye owns and operates approximately 6,000 miles of hazardous liquid pipelines in the Northeast and Upper Midwest regions.¹

As a result of the inspection, on April 2, 2014, the Director, Eastern Region, OPS (Director), issued a Notice of Probable Violation and Proposed Compliance Order (Notice) to Respondent. In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Buckeye had violated 49 C.F.R. § 195.446 and proposed ordering Buckeye to take certain measures to correct the alleged violation.

Buckeye responded to the Notice by letter dated April 29, 2014 (Response). Respondent did not contest the allegation of violation but provided certain 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 *Buckeye Partners, L.P. – About US*, Buckeye Partners, L.P., <http://www.buckeye.com/AboutUs/tabid/54/Default.aspx> (last visited September 16, 2014).

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 195.446(c)(2), which states:

§ 195.446 Control room management.

(a) *General.* This section applies to each operator of a pipeline facility with a controller working in a control room who monitors and controls all or part of a pipeline through a SCADA system. Each operator must have and follow written control room management procedures that implement the requirements of this section. The procedures required by this section must be integrated, as appropriate, with the operator's written procedures required by § 195.402. An operator must develop the procedures no later than August 1, 2011, and must implement the procedures according to the following schedule

(c) *Provide adequate information.* Each operator must provide its controllers with the information, tools, processes and procedures necessary for the controllers to carry out the roles and responsibilities the operator has defined by performing each of the following:

(2) Conduct a point-to-point verification between SCADA displays and related field equipment when field equipment is added or moved and when other changes that affect pipeline safety are made to field equipment or SCADA displays;

The Notice alleged that Respondent violated § 195.446(c)(2) by failing to have and follow written control room management procedures that provide its controllers with the information necessary for them to carry out their proper roles and responsibilities. Specifically, it alleged that Buckeye failed to include sufficient information in its procedures to enable the company's controllers to conduct "point-to-point verifications" between its Supervisory Control and Data Acquisition (SCADA) system and related field equipment throughout its system. Under the regulation, operators must identify and test the reliability of all "safety-related points" within its control system whose functions are necessary for the safe operation of the pipeline network. The Notice further alleged that Respondent could not show it even had a written process or criteria for determining which points within its control system were safety-related.

In its Response, Buckeye did not contest the allegations of violation, but provided information concerning the corrective actions it had taken. Respondent also noted that after the PHMSA inspection, steps were completed to remedy the violation.

Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.446(c)(2).

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. § 195.446(c)(2). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas, hazardous liquids, or who owns or operates a pipeline facility, is required to comply with the applicable safety standards established under chapter 601.

In its Response, Buckeye did not contest the allegation of violation and stated its intent to address the violation stated in the Notice. Accordingly, the compliance terms proposed in the Notice for Item 1 are included in this Order.

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 § 195.446(c)(2) (**Item 1**), Respondent must:
 - (a) Amend its control room management procedures to include a definition for safety-related points and criteria/process regarding how it determines which points are safety-related; and
 - (b) Create a listing of its safety-related points in accordance with its control room management procedures and federal pipeline safety regulations.
2. Respondent must submit documentation demonstrating completion of the above item to the Director, Eastern Region, OPS, within 60 days of receipt of this Final Order.
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, Eastern Region, OPS. It is requested that these costs be reported in two categories:
 - (a) Total cost associated with preparation/revision of plans, procedures, studies and analyses; and
 - (b) Total cost associated with replacements, additions, and other changes to pipeline infrastructure.

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.

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