

September 15, 2017

Mr. Matt Ramsey, President
Energy Transfer Partners, LP
8111 Westchester Drive
Dallas, TX 75225

Re: CPF No. 1-2017-5016

Dear Mr. Ramsey:

Enclosed please find the Final Order issued in the above-referenced case to your subsidiary, Sunoco Pipeline, LP. It makes a finding of violation and assesses a civil penalty of \$25,900. This is to acknowledge receipt of payment of the full penalty amount, by wire transfer, dated May 24, 2017. This enforcement action is now closed. Service of the Final Order by certified mail is effective as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosure

cc: Director, Eastern Region, Office of Pipeline Safety, PHMSA
Mr. Todd G. Nardozzi, Senior Manager, DOT Compliance, Sunoco Pipeline, LP
Mr. Ryan Coffey, Executive Vice-President – Operations, Sunoco Pipeline, LP, 800 E.
Sonterra Boulevard, San Antonio, TX 78258

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)	
)	
Sunoco Pipeline, LP,)	CPF No. 1-2017-5016
)	
Respondent.)	
)	

FINAL ORDER

From December 6 through December 8, 2016, 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 Sunoco Pipeline, LP (Sunoco or Respondent), in Icedale, Pennsylvania. The PHMSA representative inspected Sunoco’s Line 11001 12-inch Point Breeze-to-Montello pipeline integrity digs. Sunoco is now an indirect subsidiary of Energy Transfer Partners, LP, and operates approximately 5,900 miles of pipeline transporting primarily crude oil and refined products in Texas, Oklahoma, Pennsylvania, Michigan, and several other states.¹

As a result of the inspection, the Director, Eastern Region, OPS (Director), issued to Respondent, by letter dated May 4, 2017, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Sunoco had violated 49 C.F.R. § 195.402, and proposed assessing a civil penalty of \$25,900 for the alleged violation.

Sunoco responded to the Notice by letter dated May 17, 2017 (Response). The company did not contest the allegation of violation and paid the proposed civil penalty of \$25,900. In accordance with 49 C.F.R. § 190.208(a)(1), such payment authorizes the Associate Administrator to make a finding of violation and to issue this Final Order.

FINDING OF VIOLATION

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

¹ See Sunoco Logistics Partners, LP, website, at <http://www.sunocologistics.com/> (last accessed August 18, 2017). On April 28, 2017, Sunoco’s general partner, Sunoco Logistics Partners, LP, announced a merger with Energy Transfer Partners, LP, under which Sunoco Logistics Partners, LP, has changed its name to Energy Transfer Partners, LP.

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 195.402(a), which states:

§ 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) *General.* Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

The Notice alleged that Respondent violated 49 C.F.R. § 195.402(a) by failing to follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. Specifically, the Notice alleged that Sunoco failed to follow its own *Field External Coating Discontinuity Detection Using High Voltage Inspection Guidelines CORR-TG-0201, Revision 0*, dated November 2014 (*Guideline*), for coating discontinuity testing. Section 2.1.1.3 of the *Guideline* contains a formula for determining testing voltage based on coating thickness. This formula yields a testing voltage of 8839 V for a 50 mil thick application and 12500 V for a 100 mil thick application. During the inspection, the PHMSA inspector witnessed the application and subsequent holiday detection of Chase Products M50 Tapecoat to Sunoco's 12-inch Boot-to-Montello pipeline. The M50 Tapecoat application created areas of 50 mil and 100 mil thick coating. The holiday detector device being used for testing was set to its maximum voltage of 5000 V. The 5000 V setting was below the minimum testing voltage requirements calculated in accordance with the *Guideline*.

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. § 195.402(a) by failing to follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies.

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

ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to an administrative civil penalty not to exceed \$200,000 per violation for each day of the violation, up to a maximum of \$2,000,000 for any related series of violations.² In determining the amount of a civil penalty under 49 U.S.C.

² These amounts are adjusted annually for inflation. *See, e.g.,* Pipeline Safety: Inflation Adjustment of Maximum Civil Penalties, 82 Fed. Reg. 19325 (April 27, 2017).

§ 60122 and 49 C.F.R. § 190.225, I must consider the following criteria: the nature, circumstances, and gravity of the violation, including adverse impact on the environment; the degree of Respondent's culpability; the history of Respondent's prior offenses; and any effect that the penalty may have on its ability to continue doing business; and the good faith of Respondent in attempting to comply with the pipeline safety regulations. In addition, I may consider the economic benefit gained from the violation without any reduction because of subsequent damages, and such other matters as justice may require. The Notice proposed a total civil penalty of \$25,900 for the violations cited above.

Item 1: The Notice proposed a civil penalty of \$25,900 for Respondent's violation of 49 C.F.R. § 195.402(a), for failing to follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. Sunoco neither contested the allegation nor presented any evidence or argument justifying elimination of the proposed penalty. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$25,900 for violation of 49 C.F.R. § 195.402(a). Payment for this Item was received on May 24, 2017.

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

September 15, 2017

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Date Issued