

**NOTICE OF PROBABLE VIOLATION  
and  
PROPOSED CIVIL PENALTY**

**OVERNIGHT EXPRESS DELIVERY**

May 4, 2017

Mr. David Chalson  
Senior Vice President, Operations  
Sunoco Pipeline L.P.  
4041 Market Street  
Aston, PA 19014-3197

**CPF 1-2017-5016**

Dear Mr. Chalson,

From December 6 to December 8, 2016, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code, inspected Sunoco Pipeline L.P.'s (Sunoco) Line 11001 12" Point Breeze to Montello pipeline integrity digs within the Icedale, PA operating area.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation is:

- 1. §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.**

Sunoco failed 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, Sunoco failed to follow its Field External Coating Discontinuity Detection Using High Voltage Inspection Guidelines CORR-TG-0201, Revision 0, dated 11/2014 (Guideline), for coating discontinuity testing, pursuant to §195.557.

During the inspection on 12/8/2016, the PHMSA inspector reviewed Sunoco’s Guideline for holiday detection CORR-TG-0201 and conducted a field inspection of integrity dig #12BOOT-MNTL-I-184/184a/184b.

Section 2.1.1.3 of the Guideline states in part that:

*“Method 3 - Determining testing voltage without consideration for site conditions (thick film coatings where thickness is greater than 25 mils):*

*a. The minimum testing voltage should be determined by the following equation.*

*Testing Voltage= 1,250√t, where t =average specified coating thickness in mils*

<i>Coating Thickness (Mils)</i>	<i>Test Voltage</i>
<i>25 mil</i>	<i>6,250 V</i>
<i>30 mil</i>	<i>6,800 V</i>
<i>40 mil</i>	<i>7,900 V</i>
<i>50 mil</i>	<i>8,800 V</i>
<i>60 mil</i>	<i>9,682 V</i>

*b. Method is appropriate for coatings where thickness varies widely (greater than 10 mils). This may be the case with field applied liquid epoxy reconditioning coating systems and tape wrap coating systems (due to coating overlap).”*

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 field inspection, the PHMSA inspector witnessed the application and subsequent holiday detection of Chase Products M50 Tapecoat to Sunoco’s 12” Boot to Montello pipeline. The M50 Tapecoat is a 50 mil mesh backed tape with integrated primer coating that was applied with a 50% overlap, creating areas of 100 mil thick coverage, and 50 mil thick coating at the ends of the application.

The PHMSA inspector asked Sunoco’s on-site contract inspector what the voltage setting was on

the Pipeline Inspection Company LTD.’s SPY 780 holiday detector device that was being utilized for the holiday detection test. The on-site inspector stated that the setting was about 5000 V. According to the manufacturer’s operating instructions, 5000 V is the maximum voltage for a SPY 780 holiday detector. The 5000 V setting was below the minimum requirements calculated in accordance with Sunoco’s Guideline. Subsequently, Sunoco brought a SPY 785 holiday detector to the site and the coating application was re-tested at a voltage setting of 8800 V.

Thus, Sunoco failed to follow their Guideline for coating discontinuity testing by failing to test the applied coating at the voltage setting specified by the formula in Section 2.1.1.3 of their Guideline.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$205,638 per violation per day the violation persists up to a maximum of \$2,056,380 for a related series of violations. For violations occurring between January 4, 2012 to August 1, 2016, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with maximum penalty not to exceed \$1,000,000 for related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation(s) and has recommended that you be preliminarily assessed a civil penalty of \$25,900 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$25,900

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. All material submit in response to this enforcement action may be 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.

Please submit all correspondence in this matter to Robert Burrough, Acting Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, West Trenton, NJ 08628. Please refer to **CPF 1- 2017-5016** on each document you submit, and whenever possible provide a signed PDF copy in electronic format. Smaller files may be emailed to [robert.burrough@dot.gov](mailto:robert.burrough@dot.gov). Larger files should be sent on a CD accompanied by the original paper copy to the Eastern Region Office.

Additionally, if you choose to respond to this (or any other case), please ensure that any response letter pertains solely to one CPF case number.

Sincerely,

Robert Burrough  
Acting Director, Eastern Region  
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*