U.S. Department
of Transportation

**Pipeline and
Hazardous Materials
Safety Administration**

820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628
609.771.7800

WARNING LETTER

OVERNIGHT EXPRESS DELIVERY

September 1, 2017

Ryan Coffey
Executive Vice President of Operations
Sunoco Pipeline L.P.
800 East Sonterra Boulevard
San Antonio, TX 78258

CPF 1-2017-5025W

Dear Mr. Coffey:

Between April 11, 2016 and November 18, 2016, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Sunoco Pipeline L.P.'s (Sunoco) procedures and records for operations, maintenance, and integrity management as part of an integrated inspection of Sunoco assets in Delaware, Michigan, New York, New Jersey, Ohio, and Pennsylvania.

As a result of the inspection, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (C.F.R.). The items inspected and the probable violations are:

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 its procedures for operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of 49 C.F.R. Part 195. Specifically, Sunoco's failed to follow its procedure for inspection of In-service breakout tanks by failing to note conditions that warranted review by the facility manager, designated engineer, or authorized inspectors.

During the inspection, the PHMSA representative reviewed SPLP *DOT 195 Maintenance Manual Section 195.432 Inspection of In-Service Breakout Tanks*, Revised 3/27/15, (Procedure) and *Instructions for Sun-42446-A Rev 0 (1/30/2015) Monthly Above Ground Tank Inspection Report Form* (Instructions).

The Procedure states in part:

> *Documentation*
>
> *1. Sunoco Logistics Monthly Tank Inspection Report (Sun-42446-A) or equivalent CMMS report.*
>
> ...
>
> *The routine in-service inspection shall include a visual inspection of the tank's exterior surfaces, including foundation, shell and roof. Evidence of leaks; shell distortion; signs of settlement; corrosion; and damage or deterioration of the foundation, paint coatings, insulation systems, and appurtenances or other potential problems shall be documented for review by the facility manager or a designated engineer or authorized inspector.*

The Instructions, Section 2, *Foundations*, states in part:

> *a. The area around the base of the tank should be free from soil, debris, build-up and should also be free from voids or erosion.*
>
> *The edge of the tank where the tank wall meets the foundation should be clearly visible so that you can see the condition of the place where the tank wall joins to the tank floor. Soil should slope away from the tank base.*
>
> *b. If a tank has gravel or soil that washed up against the tank base and can be swept away, this is a local attention item. If a tank has packed soil that was washed up against the tank base and has built up, this is "Unsat"*
>
> ...
>
> *Vegetation: vegetation growing against the tank bottom at the foundation must be removed. This is a local attention item. Report the observation to your supervisor for follow up".*

The Instructions, Section 4, *Tank Shell and Bottom*, states in part:

> *d. Look for staining around tank base on ground or in gravel. If you suspect a leak, speak with your supervisor to better evaluate the observed condition.*

During a field observation of the breakout tanks at the Icedale facility, conducted on November 17, 2016, the PHMSA representative noted conditions on Tanks 1 and 4 that should have been documented and addressed by further operator action in accordance with the Procedure and Instructions. These conditions included:

1. On Tank 4, paint topcoat deterioration below the roof drainage scupper.
2. On Tank 4, debris and vegetation in chime on north side of tank.
3. On Tank 1, an abandoned tank level sending unit and conduit hanging on tank shell.
4. On Tank 1, undercutting at tank base underneath and near stairway.
5. On Tank 1, erosion/continuing seepage at nozzle.

The PHMSA representative reviewed Sunoco's routine visual inspection records for these tanks. The conditions were noted on the previous 4 monthly routine visual inspection records prior to the PHMSA inspection on November 17, 2016, as "satisfactory". In December 2016, the PHMSA representative requested additional monthly routine visual inspection records for review. The conditions were noted on the November and December 2016 visual inspection records as "satisfactory".

Therefore, Sunoco failed to follow its procedures for inspection on in-service breakout tanks by failing to note the conditions described above on Tanks 1 and 4 at the Icedale facility.

Activity #	PHMSA Unit #	PHMSA Unit Name	Count of Failure to Follow Procedure
153628	20041	Ft. Mifflin - PA/NJ	5
		Total	5

2. §195.402 Procedural manual for operations, maintenance, and emergencies.

(b) 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 its procedures for operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of 49 C.F.R. Part 195. Specifically, Sunoco failed to follow its procedure for documenting overfill protection system alarm testing conducted in accordance with § 195.428.

During the inspection of the Montello Breakout Tank Facility, the PHMSA representative reviewed Sunoco's *DOT 195 Maintenance Manual, Section 195.428 Overpressure Safety Devices and Overfill Protection Systems,* Revised 1/30/14 (Procedure), and the related maintenance and inspection records from 2014-2016 for the breakout tanks at the facility.

The Procedure states in part:

> *SPLP Requirements / Process Description*
>
> *2. Overfill Protection Systems*
>
> *I. ...Results of the inspection and testing shall be recorded on forms as listed under "Documentation" and maintained in the appropriate DOT file located at the District/District Office ...*
>
> *Documentation:*
>
> *2. For Overfill Protection devices:*
>
> *I. Eastern Area: Tank Overfill Protection System Inspection Report (Sun 30696-D) paper form or as found in the CMMS system...*

The overfill inspection records covered the period from 2014 to 2016 and were presented in a format other than as specified in the procedure. The records show that the results of the annual overfill protection system alarm testing were not documented on *Sun 30696-D*, as required by the Procedure.

Activity #	PHMSA Unit #	PHMSA Unit Name	Count of Failure to Follow Procedure
153567	84755	Montello BOT - PA	3
		Total	3

As of April 27, 2017, under 49 U.S.C. §60122 and 49 CFR §190.223, you are subject to a civil penalty not to exceed $209,002 per violation per day the violation persists up to a maximum of $2,090,022 for a related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item(s) identified in this letter. Failure to do so will result in Sunoco being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, 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- 2017-5025W** 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. Larger files should be sent on a CD accompanied by the original paper copy to the Eastern Region Office.

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).

Sincerely,

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