

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED COMPLIANCE ORDER**

OVERNIGHT EXPRESS DELIVERY

January 11, 2018

Mr. Ryan Coffey
EVP of Operations
Sunoco Pipeline L.P.
800 East Sonterra Boulevard
San Antonio, TX 78258

CPF 1-2018-5002

Dear Mr. Coffey:

During the week of March 27-31, 2017, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Sunoco's Mariner East 2 (ME2) pipeline project in the area of the Markwest Hopedale Cryogenic Plant near Hopedale, Ohio.

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 (CFR). The items inspected and the probable violation(s) are:

1. § 195.204 Inspection – General.

Inspection must be provided to ensure that the installation of pipe or pipeline systems is in accordance with the requirements of this subpart. Any operator personnel used to perform the inspection must be trained and qualified in the phase of construction to be inspected. An operator must not use operator personnel to perform a required inspection if the operator personnel performed the construction task requiring inspection. Nothing in this section prohibits the operator from inspecting construction tasks with operator personnel who are involved in other construction tasks.

Sunoco failed to provide inspection that ensured that the installation of pipe or pipeline systems was in accordance with the requirements of Subpart D of Part 195. Specifically, Sunoco failed to adequately inspect pipe bending during the ME2 project to ensure it was in accordance with § 195.212(b).

Section 195.212 states in part:

“(b) Each field bend must comply with the following:

- (1) A bend must not impair the serviceability of the pipe.
- (2) Each bend must have a smooth contour and be free from buckling, cracks, or any other mechanical damage.”

During the inspection, the PHMSA inspector observed pipe being installed in a trench near the Markwest Hopedale Cryogenic Plant off Jewett Hopedale Road near Hopedale, Ohio. Just east of the pipeline installation, pipe segments were strung out in a linear fashion in the pipeline right of way. Upon inspecting the pipe that was strung out, the PHMSA inspector observed numerous coating scrapes on at least 5 segments of pipe. Several segments of pipe had severe coating damage, and at least one joint of pipe had a gouge that extended into the wall of the pipe. Markings on the pipe identified the segments as having been subjected to field bending.

The PHMSA inspector asked Sunoco to determine the cause of the damaged segments and if the gouged segment was serviceable. On April 21, 2017, Sunoco responded via email to the request. Sunoco’s email indicated that a bending machine was the cause of the damage, and the bending machine had been repaired on November 18, 2016, the same day that the gouged segment was subjected to field bending. The response also indicated that “...after having the joint viewed and UT’d by the Sunoco Representative, the report was sent to Sunoco Integrity. They decided to have the joint removed from service. The JT# 9567161903 HT#A508900 Length- 60.7 is the details for the pipe we removed.”

Sunoco also provided a report titled “Bending_Laying/D02.07”, dated 11/18/2016, which documented Sunoco’s inspection of pipe bending for that day. The report indicated that pipe number 9567161903, identified by Sunoco as the gouged segment of pipe, was subjected to the field bending which resulted in damage to the outside diameter pipe wall on 11/18/2016. The segment was not “marked” by the inspector, as no indication was made in the “Rejects” column of the report.

The PHMSA inspector subsequently requested Sunoco’s pipe bending procedures and specifications. Sunoco provided its Scope of Work (Scope) documents for the project, as well as its DOT 195 Maintenance Manual, *SEC. 195.212: Bending of Pipe*, Last Revised 04/03/04 (Procedure). The only mention of rejection of field bends was contained in the Procedure, which stated in part:

“4. No pipe shall be permitted in the pipeline with buckles, wrinkles, distortion, denting, flattening, gouging, grooves or notches. Any bend rejected by the Owner’s Representative shall be removed from the line at the Contractor’s expense, and the pipe thus removed will be charged to the Contractor as damaged material.”

A process for inspection of field bending was not included in the Procedure. Sunoco's other procedures provided for the project, including its *Inspector Manual*, Revision 2, dated 2/17/14, did not include criteria for the rejection of a field bend, or refer to the "Bending_Laying/D02.07" inspection form being utilized for this project. The *Inspector Manual* only covered the inspection of bending under Section 6.2.9, which stated "Pipe Bending – Proper Industry and Company bending procedures followed" as an inspection point.

Therefore, Sunoco failed to provide adequate inspection of the field bending of pipe during the ME2 project to ensure compliance with § 195.212(b).

Proposed Compliance Order

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. For violations occurring prior to November 2, 2015, 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.

We have reviewed the circumstances and supporting documents involved in this case, and have decided not to propose a civil penalty assessment at this time.

With respect to item 1e pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Sunoco Pipeline LP. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

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. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, or request a hearing under 49 CFR § 190.211. 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. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. This period may be extended by written request for good cause.

Please submit all correspondence in this matter to Robert Burrough, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, West Trenton, NJ 08628. Please refer to **CPF 1-2017-5035** 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.

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
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Sunoco Pipeline LP (Sunoco) a Compliance Order incorporating the following remedial requirements to ensure the compliance of Sunoco with the pipeline safety regulations:

1. In regard to Item 1 of the Notice, pertaining to the inspection of pipe field bending, Sunoco shall revise its procedures and/or specifications to include adequate provisions for the inspection, acceptance and/or rejection of field bending during construction projects. Sunoco shall provide these amended procedures and/or specifications within 60 days of receipt of the Final Order.
2. It is requested (not mandated) that Sunoco maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Robert Burrough, Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration. 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 cost associated with replacements, additions and other changes to pipeline infrastructure.