

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

OVERNIGHT EXPRESS DELIVERY

January 18, 2018

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

CPF 1-2018-5009

Dear Mr. Coffey:

Between April 11, 2016 and November 18, 2016, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), 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 probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violation(s) are:

1. §195.412 Inspection of rights-of-way and crossings under navigable waters.

(a) Each operator shall, at intervals not exceeding 3 weeks, but at least 26 times each calendar year, inspect the surface conditions on or adjacent to each pipeline right-of-way. Methods of inspection include walking, driving, flying or other appropriate means of traversing the right-of-way.

Sunoco failed to inspect the surface conditions on or adjacent to each pipeline right-of-way at intervals not exceeding 3 weeks. Specifically, Sunoco exceeded the 3-week interval in 11 instances within the Taylor (Detroit), Darby Creek, and Ft. Mifflin PHMSA units.

During the inspection, the PHMSA representative reviewed right of way (ROW) inspection records from 2013 through 2016. Line patrols were documented on Forms *SUN-30706* and *SUN-30704*. The records indicated the following:

1. The ROW inspection records for Line 13009, 8” Toledo-Inkster (Rouge) products pipeline [Taylor (Detroit) PHMSA unit] from Van Horn Rd to the Inkster Terminal indicate that a patrol was conducted on February 2, 2016, and the next patrol for this segment of ROW was completed on March 1, 2016, exceeding the maximum 3-week interval by 7 days in 1 instance.
2. The ROW inspection records for Lines 11047, 11048, and 11034 [Darby Creek and Ft. Mifflin PHMSA units] indicate that patrols were conducted on April 28, 2016 and August 15, 2016, an inspection interval of 110 days. This exceeds the maximum 3-week interval by 89 days and results in 5 missed inspections per ROW. Lines 11047 and 11048 are constructed in a common right of way, and Line 11034 is constructed in a separate right of way, so the total instances are 10 for these pipeline ROWs. Sunoco personnel stated that they were unable to locate any records of patrolling activities between these 2 dates for these segments.

Thus, Sunoco missed multiple dates for patrolling the ROWs for Lines 13009, 11034, 11047, and 11048, resulting in 11 total instances of exceeding the 3-week maximum interval.

Activity #	PHMSA Unit #	PHMSA Unit Name	Count of Missed ROW Inspections
153626	3913	Taylor (Detroit) - OH/MI	1
153624	84761	Darby Creek - PA	5
153628	20041	Ft. Mifflin - PA/NJ	5
		Total	11

2. §195.420 Valve Maintenance.

(b) Each operator shall, at intervals not exceeding 7½ months, but at least twice each calendar year, inspect each mainline valve to determine that it is functioning properly.

Sunoco failed to inspect mainline valves at intervals not exceeding 7½ months, but at least twice each calendar year, to determine that they were functioning properly, in 90 instances.

During the inspection, the PHMSA representatives reviewed records from 2013 to 2016 of main line valve inspections for pipelines in the Fostoria, Lima, Inter-refinery System, Big Flats (PA), Montello-Kingston-Bald Eagle and Trenton Area PHMSA Units.

The records indicate that in 90 instances, mainline valves in the units listed below were not inspected to determine that they were functioning properly at the required intervals.

Activity #	PHMSA Unit #	PHMSA Unit Name	Count of Valves	Count of Instances
153632	4703	Fostoria (Inland) (BP)	4	12
153633	3593	Lima (Inland) (BP)	1	2
152897	3081	Interrefinery System - DE/NJ/PA	25	31
152896	19951	Big Flats Unit (PA)	5	12
153566	20021	Montello - Kingston - Bald Eagle - PA	2	6
153629	3231	Trenton Area - PA/NJ	9	27
Totals			46	90

Thus, in 90 instances, Sunoco failed to inspect mainline valves at intervals not exceeding 7½ months, but at least twice each calendar year, to determine that they were functioning properly.

3. §195.583 What must I do to monitor atmospheric corrosion control?

(a) You must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:

If the pipeline is located:	Then the frequency of inspection is:
Onshore	At least once every 3 calendar years, but with intervals not exceeding 39 months.
Offshore	At least once each calendar year, but with intervals not exceeding 15 months.

Sunoco failed to inspect each onshore pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion at least once every 3 calendar years, but with intervals not exceeding 39 months. Specifically, in 8 instances Sunoco exceeded the 39-month interval within the Interrefinery System, Northeast Refinery Complex, and Darby Creek PHMSA Units.

During the inspection, the PHMSA representative reviewed atmospheric corrosion (AC) inspection records. These records demonstrated that Sunoco exceeded the 39-month interval for AC inspections in 8 instances at the locations summarized below:

PHMSA Unit #	Line Name	Location Name	Inspection Dates	Months Between Inspections	Count of missed AC inspections
3081	11007 Swamp 5N 6"	MLV 138 M&J Delaware River crossing East	8/10/11 & 8/4/15	47	1
65981	11040 EC-1 12"	Station 1	6/30/11 & 11/10/16	64	1
65981	11041 EC-1 12"	Station 2	6/30/11 & 11/10/16	64	1
65981	11042 EC-1 12"	Station 3	6/30/11 & 11/10/16	64	1
65981	11043 EC-1 12"	Station 4	6/30/11 & 11/10/16	64	1
65981	11044 EC-1 12"	Station 5	6/30/11 & 11/10/16	64	1
65981	11045 EC-1 12"	Station 6	6/30/11 & 1/24/17	67	1
84761	11048 - South Ship Line 24"	Terminal Valve (SSL) (Closest to CR manifold)	4/19/2011	70+	1
Total					8

PHMSA requested additional AC inspection records for the Terminal Valve (SSL) location in PHMSA Unit #84761. Sunoco provided a letter to PHMSA, dated January 17, 2017 (page 2), referencing the missing AC inspection record and stating that “no other additional [AC inspection] records are available”.

Activity #	PHMSA Unit #	PHMSA Unit Name	Count of AC inspections exceeding 39 months
152897	3081	Interrefinery System - DE/NJ/PA	1
153625	65981	Northeast Refinery Complex - PA	6
153624	84761	Darby Creek - PA	1
Total			8

Thus, Sunoco failed to inspect each onshore pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion at least once every 3 calendar years, but with intervals not exceeding 39 months.

Proposed Civil Penalty

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. 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 \$163,700 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$30,900
2	\$79,200
3	\$53,600

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).

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 the 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, New Jersey 08628. Please refer to **CPF 1-2018-5009** 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

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