

August 9, 2019

Mr. Kelcy L. Warren  
Chief Executive Officer  
Energy Transfer Partners, LP  
8111 Westchester Drive  
Dallas, Texas 75225

**Re: CPF No. 1-2019-5002**

Dear Mr. Warren:

Enclosed please find the Final Order issued in the above-referenced case against your subsidiary Sunoco Pipeline, LP. It makes findings of violation and specifies actions that need to be taken by Sunoco Pipeline, LP, to comply with the pipeline safety regulations. When the terms of the compliance order have been completed, as determined by the Director, Eastern Region, this enforcement action will be closed. Service of the Final Order by certified mail is effective upon the date of mailing, 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: Mr. Robert Burrough, Director, Eastern Region, Office of Pipeline Safety, PHMSA  
Mr. Greg McIlwain, Senior Vice President, Operations, Sunoco Pipeline, LP, 1300 Main Street, Houston, Texas 77002  
Mr. Todd Nardozi, Senior Manager, DOT Compliance, Energy Transfer Partners, LP, 8111 Westchester Drive, Dallas, Texas 75225

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
WASHINGTON, D.C. 20590**

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**In the Matter of** )

**Sunoco Pipeline, LP,** )  
**a subsidiary of Energy Transfer Partners, LP,** )

**CPF No. 1-2019-5002**

**Respondent.** )  
\_\_\_\_\_ )

**FINAL ORDER**

From March 19 to March 23, 2018, pursuant to 49 U.S.C. § 60117, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Sunoco Pipeline, LP's (Sunoco or Respondent), Mariner East 1 (ME1) pipeline system, in Honeybrook, Pennsylvania. The Mariner East pipeline project transports natural gas liquids from the Marcellus and Utica Shales areas in Western Pennsylvania, West Virginia, and Eastern Ohio to destinations in Pennsylvania, including the Marcus Hook Industrial Complex on the Delaware River, where they are processed, stored and distributed to local, domestic and waterborne markets. The first phase of the project, referred to as ME1, consisted of interstate and intrastate propane and ethane service and commenced operations in the fourth quarter of 2014 and the first quarter of 2016, respectively.<sup>1</sup> Sunoco Pipeline, LP, is a subsidiary of Energy Transfer Partners, LP.<sup>2</sup>

As a result of the inspection, the Director, Eastern Region, OPS (Director), issued to Respondent, by letter dated February 4, 2019, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Sunoco had violated 49 C.F.R. §§ 195.571 and 195.589(c) and proposed ordering Respondent to take certain measures to correct the alleged violations.

Sunoco responded to the Notice by letter dated March 6, 2019 (Response) and submitted a supplemental response by email on May 30, 2019. The company did not contest the allegations of violation, but provided information concerning the corrective actions it had taken. Respondent did not request a hearing and therefore has waived its right to one.

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<sup>1</sup> See <http://www.sunocologistics.com/Customers/Business-Lines/Natural-Gas-Liquids-NGLs/257/> (last accessed June 3, 2019).

<sup>2</sup> See <http://www.sunocologistics.com/> (last visited June 3, 2019).

## **FINDINGS OF VIOLATION**

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

**Item 1:** The Notice alleged that Respondent violated 49 C.F.R. § 195.571, which states:

**§ 195.571 What criteria must I use to determine the adequacy of cathodic protection?**

Cathodic protection required by this subpart must comply with one or more of the applicable criteria and other considerations for cathodic protection contained [in] paragraphs 6.2.2, 6.2.3, 6.2.4, 6.2.5 and 6.3 in NACE SP 0169 (incorporated by reference, *see* § 195.3).<sup>3</sup>

The Notice alleged that Respondent violated 49 C.F.R. § 195.571 by failing to provide cathodic protection on ME1 that complies with one or more of the applicable NACE SP 0169 - 2007 edition (SP 0169) criteria and other considerations. Specifically, the Notice alleged that Sunoco failed to consider voltage (IR) drops other than those across the structure-to-electrolyte boundary when applying SP 0169's Section 6.2.2.1.1 -850 mV criterion during its annual cathodic protection testing.

During the inspection, PHMSA reviewed annual cathodic protection survey records for 2015-2017 for the ME1 system. PHMSA noted that no IR Free readings were provided when utilizing the -850 mV SP 0169 criterion found in Section 6.2.2.1.1. Additionally, Sunoco did not provide a valid explanation for how IR drop was being considered when evaluating the adequacy of the readings that were taken.

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. § 195.571 by failing to provide cathodic protection on the ME1 pipeline that complies with one or more of the applicable SP 0169 criteria and other considerations.

**Item 2:** The Notice alleged that Respondent violated 49 C.F.R. § 195.589(c), which states:

**§ 195.589 What corrosion control information do I have to maintain?**

(a)...

(c) You must maintain a record of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by this subpart in sufficient detail to demonstrate the adequacy of corrosion

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<sup>3</sup> SP 0169 Section 6.2.2.1.1 describes the -850 mV criterion for steel and cast-iron piping as follows: "A negative (cathodic) potential of at least 850 mV with the cathodic protection current applied. This potential is measured with respect to a saturated copper/copper sulfate electrode contacting the electrolyte. Voltage drops other than those across the structure-to-electrolyte boundary must be considered for valid interpretation of this voltage measurement."

control measures or that corrosion requiring control measures does not exist. You must retain these records for at least 5 years, except that records related to §§ 195.569, 195.573(a) and (b), and 195.579(b)(3) and (c) must be retained for as long as the pipeline remains in service.

The Notice alleged that Respondent violated 49 C.F.R. § 195.589(c) by failing to maintain records in sufficient detail to demonstrate the adequacy of corrosion control measures. Specifically, the Notice alleged that Sunoco failed to provide records that demonstrate how the cathodic protection measures for ME1 complied with the applicable SP 0169 criteria at certain test stations.

During the inspection, cathodic protection survey records for 2015-2017 were provided by Sunoco for ME1. PHMSA noted that the recorded pipe-to-soil potential readings were below the SP 0169 -850 mV criterion from 2015 to 2017 at several test stations. In discussions with Sunoco personnel, PHMSA established that IR Free readings were not taken when utilizing the -850 mV SP 0169 criterion found in Section 6.2.2.1.1. Instead, Sunoco stated that net protective current surveys were performed at the locations to establish compliance, due to its inability to achieve a reading that complies with the -850 mV criterion. In conjunction with these surveys, Sunoco also performed reviews of historical in-line inspection data in the area of the test stations. However, Sunoco was unable to explain how the data provided demonstrates adequate cathodic protection that meets the special considerations or accounts for the precautionary notes about the earth current technique required in SP 0169.

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. § 195.589(c) by failing to maintain records in sufficient detail to demonstrate the adequacy of corrosion control measures.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

### **COMPLIANCE ORDER**

The Notice proposed a compliance order with respect to Items 1 and 2 in the Notice for violations of 49 C.F.R. §§ 195.571 and 195.589(c), respectively. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Director indicated that Respondent has taken the following actions to address some of the cited violations:

With respect to the violation of § 195.571 (**Item 1**), Sunoco provided documentation from Pipeline ID 12124 showing that it had performed the required close interval surveys of the ME1.

On May 30, 2019, Sunoco provided additional documents verifying that the close interval surveys were conducted on Pipeline ID 11190.

Accordingly, I find that compliance has been achieved with respect to this violation. Therefore, the compliance terms proposed in the Notice for Item 1 are not included in this Order.

As for the remaining compliance terms, pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

2. With respect to the violation of § 195.589(c) (**Item 2**), Respondent must:
  - a. Maintain adequate records to demonstrate that the test stations listed in Item 2 of the Notice satisfy one or more criteria listed in SP 0169.
  - b. Develop a written plan to remediate all deficiencies in cathodic protection identified from the survey of the ME1 discussed above. This plan and the records required by 2(a) shall be provided to PHMSA within 60 days of receipt of this Final Order. The plan shall prioritize any of the specific test stations in Item 2 that fail to meet criteria.

If Respondent believes it has satisfied one or more of the items ordered above, Respondent may request confirmation from the Director that such items have been completed.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

It is requested (not mandated) that Respondent maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the Director. 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.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$200,000, as adjusted for inflation (49 C.F.R. § 190.223), for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

Under 49 C.F.R. § 190.243, Respondent may submit a Petition for Reconsideration of this Final Order to the Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2<sup>nd</sup> Floor, Washington, DC 20590, with a copy sent to the Office of Chief Counsel, PHMSA, at the same address, no later than 20 days after receipt of service of this Final Order by Respondent. Any petition submitted must contain a statement of the issue(s) and meet all other requirements of 49 C.F.R. § 190.243. The terms of the order, including corrective action, remain in effect unless the Associate Administrator, upon request, grants a stay.

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

August 9, 2019

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Alan K. Mayberry  
Associate Administrator  
for Pipeline Safety

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Date Issued