

WARNING LETTER

OVERNIGHT EXPRESS DELIVERY

September 4, 2020

Kelcy L. Warren
Chief Executive Officer
Energy Transfer
8111 Westchester Drive
Dallas, TX 75225

CPF 1-2020-5012W

Dear Mr. Warren:

From July 29, 2019 to August 1, 2019, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) performed an integrated inspection of Sunoco Pipeline, L.P.'s (Sunoco) facility in Montello, 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 (CFR). The item inspected and the probable violation is:

1. **§ 195.432 Inspection of in-service breakout tanks.**
 - (a) ...
 - (b) **Each operator must inspect the physical integrity of in-service atmospheric and low-pressure steel above-ground breakout tanks according to API Std 653 (except section 6.4.3, Alternative Internal Inspection Interval) (incorporated by reference, see § 195.3). However, if structural conditions prevent access to the tank bottom, its integrity may be assessed according to a plan included in the operations and maintenance manual under § 195.402(c)(3). The risk-based internal inspection procedures in API Std 653, section 6.4.3 cannot be used to determine the internal inspection interval.**

Sunoco failed to inspect the physical integrity of in-service atmospheric and low-pressure steel aboveground breakout tank according to American Petroleum Institute (API) Standard 653 (incorporated by reference into 49 C.F.R. Part 195, see § 195.3(b)(19)), as prescribed in § 195.432(b). Specifically, Sunoco did not adequately conduct external visual inspections for Tanks 510 and 511 at its Montello breakout tank facility as specified under API Standard 653 Section 6.3.1.3 – Routine In-Service Inspections (Section 6.3.1.3).

Section 6.3.1.3 stated in part:

This routine in-service inspection shall include a visual inspection of the tank's exterior surfaces. Evidence of leaks; shell distortions; signs of settlement; corrosion; and condition of the foundation, paint coatings, insulation systems, and appurtenances should be documented for follow-up action by an authorized inspector.

During the inspection, the PHMSA inspector reviewed API Standard 653 monthly inspection reports for Sunoco's Montello breakout tank facility. Records retained for monthly inspections of Tanks 510 and 511 between January 2017 until the time of the inspection indicated "Check Leak Detection Ports" on the inspection form were marked "NA". During the field inspection, the PHMSA inspector identified leak detection ports in place on both Tanks 510 and 511. Records indicated that Tanks 510 and 511 had double bottoms, including leak detection ports, installed in 2006 and 2004, respectively.

Therefore, Sunoco failed to adequately inspect its Tanks 510 and 511 per API Standard 653 Section 6.3.1.3 requirements.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. 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 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 Pipeline, L.P. being subject to additional enforcement action.

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).

No reply to this letter is required. If you choose to reply, please submit all correspondence in this matter to Robert Burrough, Director, PHMSA Eastern Region, 840 Bear Tavern Road, Suite 300, West Trenton, NJ 08628. Please refer to **CPF 1-2020-5012W** 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 USB flash drive accompanied by the original paper copy to the Eastern Region Office.

Sincerely,

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

CC: Gregory McIlwain, Senior VP, Operations; Sunoco Pipeline, L.P. (via email)