

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

October 29, 2012

Mr. T. Scott Collier
Vice President, Performance Assurance & Asset Integrity
Buckeye Development & Logistics, LLC
Five Tek Park
9999 Hamilton Blvd.
Breinigsville, PA 180310

CPF 2-2012-6022M

Dear Mr. Collier:

From May 7-11 and August 13-16, 2012, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) inspected the pipelines operated by Buckeye Development & Logistics, LLC (Buckeye) in Macon, GA and Goldsboro, NC, pursuant to Chapter 601 of 49 United States Code.

On the basis of the inspection, PHMSA has identified apparent inadequacies within Buckeye's written operations and maintenance (O&M) procedures, as described below:

1. § 195.214 Welding procedures.

(a) Welding must be performed by a qualified welder in accordance with welding procedures qualified under Section 5 of API 1104 or Section IX of the ASME Boiler and Pressure Vessel Code (incorporated by reference, see §195.3) . The quality of the test welds used to qualify the welding procedure shall be determined by destructive testing.

Buckeye's written O&M procedures for qualifying its welding procedures did not require that the quality of the test welds be determined by destructive testing.

2. § 195.214 Welding procedures.

(b) Each welding procedure must be recorded in detail, including the results of the qualifying tests. This record must be retained and followed whenever the procedure is used.

Buckeye's written O&M procedures did not require that welding procedures, including the results of the qualifying tests be recorded in detail.

3. § 195.230 Welds: Repair or removal of defects.

... (b) Each weld that is repaired must have the defect removed down to sound metal and the segment to be repaired must be preheated if conditions exist which would

adversely affect the quality of the weld repair. After repair, the segment of the weld that was repaired must be inspected to ensure its acceptability.

Buckeye's written O&M procedures did not require each weld that is repaired have the defect removed down to sound metal, be preheated if conditions exist which would adversely affect the quality of the weld repair, or that the repaired segment of the weld be inspected to ensure its acceptability.

4. § 195.230 Welds: Repair or removal of defects.

... (c) Repair of a crack, or of any defect in a previously repaired area must be in accordance with written weld repair procedures that have been qualified under §195.214. Repair procedures must provide that the minimum mechanical properties specified for the welding procedure used to make the original weld are met upon completion of the final weld repair.

Buckeye's written O&M procedures did not require that its weld repair procedures provide the minimum mechanical properties specified for the welding procedure used to make the original weld be met upon completion of the final weld repair.

5. § 195.402 Procedural manual for operations, maintenance, and emergencies.

... (d) Abnormal operation. The manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded:

... (2) Checking variations from normal operation after abnormal operation has ended at sufficient critical locations in the system to determine continued integrity and safe operation.

Buckeye's written O&M procedures were inadequate for checking variations from normal operations, after an abnormal operation has ended, at sufficient critical locations in the system to determine continued integrity and safe operation. The procedures did not specify which critical locations in the system would be checked or what would be checked at those locations to determine continued integrity and safe operation.

6. § 195.402 Procedural manual for operations, maintenance, and emergencies.

... (d) Abnormal operation. The manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded:

... (5) Periodically reviewing the response of operator personnel to determine the effectiveness of the procedures controlling abnormal operation and taking corrective action where deficiencies are found.

Buckeye's written O&M procedures did not require periodically reviewing the response of operator personnel to determine the effectiveness of the procedures controlling abnormal operation and taking corrective action where deficiencies are found.

7. § 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 and 6.3 of NACE SP 0169 (incorporated by reference, see §195.3).

Buckeye's written O&M procedures did not adequately address how Buckeye complied with one or more of the applicable criteria and other considerations for cathodic protection contained in paragraphs 6.2 and 6.3 of NACE SP 0169, which is incorporated by reference in §195.3.

Buckeye's procedures did not provide guidance or explanation on how Buckeye considered voltage drops other than those across the structure-to-electrolyte boundary.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. 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). 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, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Buckeye Development & Logistics, LLC maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Wayne T. Lemoi, Director, Southern Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 2-2012- 6022M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Wayne T. Lemoi
Director, Office of Pipeline Safety
PHMSA Southern Region

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