

JAN 18 2011

VIA CERTIFIED MAIL [Mr. David Justin] AND FAX TO: (610)-670-3488

Mr. Michael Hennigan
President
Sunoco Pipeline, L.P.
1818 Market Street, Suite 1500
Philadelphia, PA 19103

Re: CPF No. 3-2012-5002H

Dear Mr. Hennigan:

Enclosed please find the Corrective Action Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It requires Sunoco Pipeline, L.P., to take immediate corrective actions with respect to its hazardous liquid pipeline which experienced a failure on January 12, 2012, in Wellington, Ohio. Service is being made by certified mail and facsimile. Your receipt of this Corrective Action Order constitutes service of that document under 49 C.F.R. § 190.5. The terms and conditions of this Order are effective upon receipt.

We look forward to a successful resolution of the concerns arising out of this recent pipeline failure and to ensure the safety of the line. Please direct any questions on this matter to David Barrett, Director, Central Region, OPS, at (816) 329-3800.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosures: Corrective Action Order and Copy of 49 C.F.R. § 190.233

cc: Mr. David Justin, Vice President, Operations, Sunoco Pipeline, L.P.
Mr. David Barrett, Director, Central Region, OPS

**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, L.P.,)	CPF No. 3-2012-5002H
)	
Respondent.)	
_____)	

CORRECTIVE ACTION ORDER

Purpose and Background

This Corrective Action Order (Order) is being issued, under authority of 49 U.S.C. § 60112, to require Sunoco Pipeline, L.P. (Sunoco or Respondent), to take necessary corrective action to protect the public, property, and the environment from potential hazards associated with a failure involving Respondent's 8-inch-diameter hazardous liquid pipeline running from Fostoria, Ohio, to Hudson, Ohio (Affected Pipeline).

On January 12, 2012, a failure occurred on the Affected Pipeline in Wellington, Ohio, resulting in the release of 2,780 barrels of unleaded gasoline. The cause of the failure has not yet been determined. Pursuant to 49 U.S.C. § 60117, the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), initiated an investigation of the accident. The preliminary findings of the agency's ongoing investigation are as follows:

Preliminary Findings

- At approximately 10:18pm EST on January 12, 2012, Respondent discovered that a failure had occurred on the Affected Pipeline, resulting in the release of an estimated 2,780 barrels of unleaded gasoline. The failure occurred at Mile Post 56 in the town of Wellington, Ohio. The incident was reported by Sunoco to the National Response Center at 1:02am on January 13, 2012 (NRC Report No. 1000262).
- The accident occurred in a parking lot in a high consequence area (HCA) about 20 miles south of Lake Erie. As a result of the failure, emergency responders evacuated approximately 50 individuals from nearby homes. As of January 17, 2012, the homes remained evacuated.
- Various state and federal agencies, including the U.S. Environmental Protection Agency, assisted with initial activities to contain product. These efforts included, but were not

limited to, deploying booms, constructing containment ponds and dams, and taking other response and containment measures.

- Spilled unleaded gasoline from Respondent's pipeline entered nearby White Creek, about 150 yards away from the failure site. Black River, which is less than 5 miles from the failure site and which is downstream from White Creek, is being monitored for the presence of spilled gasoline.
- The Affected Pipeline is approximately 107 miles in length. Portions of the pipeline, including the failure site, are located in HCAs. The line crosses several state and local highways.
- After discovering the failure, Respondent's personnel initiated an emergency shut-down of the entire Affected Pipeline. Respondent's personnel then isolated the line by closing various isolation valves and stopping individual pumping units.
- The manufacturer of the pipe that failed remains in question (reported by Sunoco as either National Tube or Jones and Laughlin Steel Corporation). The pipeline was constructed in 1952 and is constructed of 8-inch diameter, 0.277-inch wall thickness, grade B, seamless steel pipe. It has a coal tar coating and an impressed current cathodic protection system.
- At the time of the incident, the estimated operating pressure at the failure site was 1102 psig. The maximum operating pressure (MOP) of this line segment is 1200 psig and the discharge pressure at the Norwalk station, approximately 17 miles upstream of the failure site, was reported to be 1199 psig.
- The Affected Pipeline is capable of moving product in either direction. At the time of the failure, the pipeline was moving product from Toledo to Hudson, Ohio.
- The Affected Pipeline was last assessed for corrosion in 2007 with Hi-Resolution Magnetic Flux Leakage inline inspection technology.
- On Monday, January 16, 2012, the top of the ruptured pipe was excavated at the failure site, revealing a longitudinally oriented split approximately 30 inches long as observed by a PHMSA investigator.
- The cause of the failure is unknown and the investigation is ongoing.

Determination of Necessity for Corrective Action Order and Right to Hearing

Section 60112 of Title 49, United States Code, provides for the issuance of a Corrective Action Order, after reasonable notice and the opportunity for a hearing, requiring corrective action, which may include the suspended or restricted use of a pipeline facility, physical inspection, testing, repair, replacement, or other action, as appropriate. The basis for making the determination that a pipeline facility is hazardous and requiring corrective action is set forth both in the above-referenced statute and 49 C.F.R. § 190.233, a copy of which is enclosed.

Section 60112, and the regulations promulgated thereunder, provide for the issuance of a Corrective Action Order without prior opportunity for notice and hearing upon a finding that failure to issue the Order expeditiously will likely result in serious harm to life, property or the environment. In such cases, an opportunity for a hearing will be provided as soon as practicable after the issuance of the Order.

After evaluating the foregoing preliminary findings of fact, I find that the continued operation of the Affected Pipeline without corrective measures would be hazardous to life, property and the environment. Additionally, after considering the age of the pipe, the circumstances surrounding this failure, the proximity of the pipeline to populated areas, public roadways and high consequence areas, the hazardous nature of the product being transported, the pressure required for transporting the material, the uncertainties as to the cause of the failure, and the ongoing investigation to determine the cause of the failure, I find that a failure to issue this Order expeditiously to require immediate corrective action would result in likely serious harm to life, property, and the environment.

Accordingly, this Corrective Action Order mandating immediate corrective action is issued without prior notice and opportunity for a hearing. The terms and conditions of this Order are effective upon receipt.

Within 10 days of receipt of this Order, Respondent may request a hearing, to be held as soon as practicable, by notifying the Associate Administrator for Pipeline Safety in writing, with a copy to the Director, Central Region, PHMSA (Director). If a hearing is requested, it will be held telephonically or in-person in Kansas City, Missouri.

After receiving and analyzing additional data in the course of this investigation, PHMSA may identify other corrective measures that need to be taken. Respondent will be notified of any additional measures required and amendment of this Order will be considered. To the extent consistent with safety, Respondent will be afforded notice and an opportunity for a hearing prior to the imposition of any additional corrective measures.

Required Corrective Action

Pursuant to 49 U.S.C. § 60112, I hereby order Sunoco Pipeline, L.P., to immediately take the following corrective actions with respect to the Affected Pipeline:

1. Develop and submit a written re-start plan for prior approval of the Director. Obtain written approval from the Director prior to resuming operation of the pipeline. The restart plan must provide for adequate patrolling of the pipeline segment during the restart process and must include an incremental start-up, with each increment to be held for at least two hours. Include sufficient surveillance of each increment to ensure that no leaks are present when operation of the line is resumed. The restart plan must specify a daylight restart and specify advance communications with local emergency response officials.
2. After receiving approval from the Director to restart the pipeline, maintain a twenty percent (20%) pressure reduction in the operating pressure of the Affected Pipeline. At the time of the failure, the pipeline was flowing from Fostoria to Hudson, but the line is

capable of reverse operation. The operating pressure is not to exceed eighty percent (80%) of the operating pressure in effect immediately prior to the failure. Submit the operating pressures for each pump station on the Affected Pipeline at the time of failure and reduced discharge pressure limits for approval by the Director in the restart plan referenced in Item 1. The pressure limits shall take into consideration both possible directions of flow (from Fostoria to Hudson and vice versa). This pressure restriction will remain in effect until written approval to increase the pressure or return the pipeline to its pre-failure operating pressure is obtained from the Director pursuant to Item 10.

3. Within 45 days of receipt of this Order, complete mechanical and metallurgical testing and failure analysis of the failed pipe, including analysis of soil samples and any foreign materials. Complete the testing and analysis as follows:
 - A. Document the chain-of-custody when handling and transporting the failed pipe section and other evidence from the failure site;
 - B. Within 10 days of receipt of this Order, develop and submit the testing protocol, including selection of the testing laboratory, to the Director for prior approval. Protocols shall include tests to verify the pipe manufacturer;
 - C. Prior to commencing the mechanical and metallurgical testing, provide the Director with the scheduled date, time, and location of the testing to allow a PHMSA representative to witness the testing; and
 - D. Ensure that the testing laboratory distributes all resulting reports in their entirety (including all media), whether draft or final, to the Director at the same time as they are made available to Respondent.
4. Within 60 days following receipt of this Order, complete a root cause failure analysis for the January 12, 2012, accident that is supplemented and facilitated by an independent third party approved by the Director. Within 10 days of receipt of this Order, submit the independent third-party contractor for approval by the Director. Elements of the root cause analysis must include but not be limited to: a scoping document of the root cause analysis; procedures associated with root cause analysis; multiple methods used for the analysis and updates on each method as it progresses. Provide the Director with the scheduled date, time, and location of personnel interviews and document reviews to allow a PHMSA representative to attend either in person or via teleconference. The root cause analysis must document all contributory factors and the decision-making process. Submit a final report of the root cause analysis results to the Director, including any lessons learned and whether the findings are applicable to other locations within the Respondent's Eastern Area Pipeline System.
5. Within 90 days following receipt of this order, submit an integrity verification and remedial work plan to the Director for approval. The plan must provide for the verification of the integrity of the Affected Pipeline and must address all factors known or suspected in the January 12, 2012, failure. The plan must include:
 - A. Integration of the results of the metallurgical analysis performed pursuant to Item 3 and the root cause failure analysis required by Item 4 with all relevant data,

including all historical repair information, construction, operating, maintenance, testing, metallurgical analysis or other third-party consultation information, and assessment data for the line segment. Data-gathering activities must include a review of the failure history (including both in-service and pressure test failures) of the pipeline and development of a written report containing all available information regarding locations, dates, and causes of leaks and failures;

- B. Measures to identify the specific manufacturer of the pipe that failed, and to analyze the extent that the root cause and other contributory factors are applicable to all pipe in the Affected Pipeline;
 - C. The performance of additional field testing, inspections, and evaluations to determine whether and to what extent the conditions associated with the failure, or any other integrity-threatening conditions are present elsewhere on the Affected Pipeline. At a minimum, in addition to consideration of in-line inspection that can reliably detect defects that caused or were a contributing factor to the failure, confirmatory hydrostatic testing must be conducted. Include a detailed description of the criteria to be used for the evaluation and prioritization of any integrity threats and anomalies that are identified;
 - D. Include a detailed description of the inspection and repair criteria to be used in the evaluation and prioritization of identified integrity threats. This is to include a description of how any defects are to be graded and a schedule for repairs or replacement;
 - E. Include provisions for continuing long-term periodic testing and integrity verification measures, considering the results of the analyses, inspections, and corrective measures undertaken pursuant to this Order, to ensure the ongoing safe operation of the Affected Pipeline;
 - F. Include a proposed schedule for completion of the actions required by paragraphs A-E of this Item.
6. Upon approval by the Director, the integrity verification and remedial work plan becomes incorporated into this Order and shall be revised as necessary to incorporate the results of actions undertaken pursuant to this Order and whenever necessary to incorporate new information obtained during the failure investigation and remedial activities. Submit any such plan revisions to the Director for prior approval. The Director may approve plan elements incrementally.
 7. Implement the work plan as approved by the Director, including any revisions to the plan.
 8. Submit quarterly reports to the Director that: (1) include all available data and results of the testing and evaluations required by this Order; and (2) describe the progress of the repairs or other remedial actions being undertaken. The first quarterly report for the period from January 18, 2012 through March 31, 2012 shall be due by April 13, 2012.
 9. The Director may allow the removal or modification of the pressure restriction set forth in Item 2 upon receipt of a written request from Respondent demonstrating that the

hazard has abated and that restoring the pipeline to its pre-failure operating pressure or established MOP is justified based on a reliable engineering analysis showing that the pressure increase is safe, considering all known defects, anomalies and operating parameters of the pipeline.

The Director may grant an extension of time for compliance with any of the terms of this Order upon a written request timely submitted demonstrating good cause for an extension.

With respect to each submission that under this Order requires the approval of the Director, the Director may: (a) approve, in whole or part, the submission; (b) approve the submission on specified conditions; (c) modify the submission to cure any deficiencies; (d) disapprove, in whole or in part, the submission, directing that Respondent modify the submission; or (e) any combination of the above. In the event of approval, approval upon conditions, or modification by the Director, Respondent shall proceed to take all action required by the submission as approved or modified by the Director. If the Director disapproves all or any portion of the submission, Respondent shall correct all deficiencies within the time specified by the Director, and resubmit it for approval. If a resubmitted item is disapproved in whole or in part, the Director may again require Respondent to correct the deficiencies in accordance with the foregoing procedure, and the Director may otherwise proceed to enforce the terms of this Order.

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).

In your correspondence on this matter, please refer to “CPF No. 3-2012-5002H” and for each document you submit, please provide a copy in electronic format whenever possible. The actions required by this Corrective Action Order are in addition to and do not waive any requirements that apply to Respondent’s pipeline system under 49 C.F.R. Parts 190 through 199, under any other order issued to Respondent under authority of 49 U.S.C. Chapter 601, or under any other provision of Federal or State law.

Respondent may appeal any decision of the Director to the Associate Administrator for Pipeline Safety. Decisions of the Associate Administrator shall be final.

Failure to comply with this Order may result in the assessment of civil penalties and in referral to the Attorney General for appropriate relief in United States District Court pursuant to 49 U.S.C. § 60120.

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

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued