

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 8, 2013

Mr. Carl A. Ostach
Vice President, Field Operations
Buckeye Partners, L.P.
Five TEK Park
9999 Hamilton Boulevard
Breinigsville, Pennsylvania 18031

CPF 3-2013-5001

Dear Mr. Ostach:

On April 12-15 and May 13-17, 2011, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Buckeye Partners, L.P.'s operations and maintenance records for the Norco Pipeline in Breinigsville, Pennsylvania, and conducted a field inspection in Illinois and Indiana.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation(s) are:

1. § 195.420(b) Valve Maintenance

(b) Each operator shall, at intervals not exceeding 7 ½ months, but at least twice each calendar year, inspect each mainline valve to determine that it is functioning properly.

Buckeye did not inspect three mainline valves at an interval not to exceed 7 ½ months, but at least twice each calendar, to determine that they were functioning properly.

Inspection of mainline valve records near the East Chicago Junction at locations denoted as EGV0A – TTI Side Canal Valve #311, EGV0B – TTI Side Canal Valve #312, and EGV0C - TTI Side Canal #313 exceeded 7 ½ months:

- TTI Side Canal Valve #311 which was inspected on 1/25/10 and then on 9/30/10 exceeded 7 ½ months by 20 days.
- TTI Side Canal Valve #312 which was inspected on 1/25/10 and then on 9/30/10 exceeded 7 ½ months by 20 days.
- TTI Side Canal Valve #313 which was inspected on 1/25/10 and then on 10/1/10 exceeded 7 ½ months by 21 days.

Violation #1 is a repeat violation of Item # 2 of CPF# 3-2008-5004 and Item #2 of CPF# 1-2011-5002.

2. §195.569 Do I have to examine exposed portions of buried pipelines?

Whenever you have knowledge that any portion of a buried pipeline is exposed, you must examine the exposed portion for evidence of external corrosion if the pipe is bare, or if the coating is deteriorated.

Buckeye did not adequately examine a portion of exposed pipe for evidence of external corrosion where the coating had deteriorated.

During the field inspection of the Norco pipeline it was noted that the coating on an exposed section of pipe adjacent to an overhead railroad crossing at a location downstream of E Toluca, Illinois, was in poor condition and it was evident that the pipe had not been protected from erosion for an extended timeframe. The most recent inspection record, closed on 8/10/10, indicated that the pipe was coated adequately and no maintenance was recommended.

Since the inspection, Buckeye has submitted documentation demonstrating the exposed section of pipe has been re-coated.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violations and has recommended that you be preliminarily assessed a civil penalty of \$47,800 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$47,800

Warning Items

With respect to item 2 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, as the deficiency has been remediated.

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. 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.

In your correspondence on this matter, please refer to **CPF 3-2013-5001** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

David Barrett
Director, Central Region
Pipeline and Hazardous Materials Safety Administration

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