



**Sunoco Logistics**



MAR 16 2007

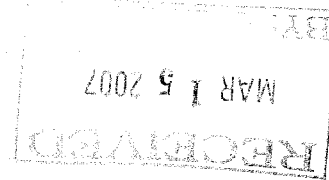
David Justin  
Vice President -Eastern Area Sunoco  
Pipeline L.P.  
Eastern Area Headquarters  
525 Fritztown Road  
Sinking Spring, PA 19608

Telephone: (610) 670-3264

**VIA: Overnight Mail**

March 14, 2007

Mr. R. M. Seeley  
Director, Southwest Region  
U.S. Department of Transportation  
Pipeline and Hazardous Materials Safety Administration  
8701 S. Gessner, Suite 1110  
Houston, TX 77074



**Re: CPF No. 4-2007-5002 / Comprehensive IMP Audit - 2006**

Dear Mr. Seeley:

This will acknowledge the receipt of your Notice of Probable Violation letter and Proposed Compliance Order (PCO) on February 15, 2007 regarding the enforcement findings of the 2006 PHMSA audit of our Integrity Management Program.

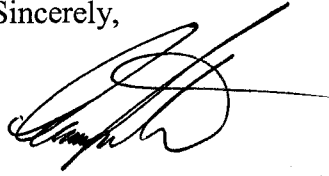
We do not contest the PCO and agree to take steps required in Items 1, 2 and 3. As for the request of PCO Item 4 to report to PHMSA the costs of compliance with PCO Items 1 and 2, we have already completed some and initiated the rewriting of other procedures. We had initiated a study of our SCADA and Leak Detection systems prior to receiving the PCO. Therefore we believe that we will not undergo any additional costs as a result of the issuance of a Final Compliance Order (FCO) as specified herein.

We have the following requests relative to the 30-day time frame to submit documentation as required by Item 3 for Items 1 and 2:

- Item 1: Modifications to IM procedures to require that HCA analysis be completed prior to placing newly constructed lines into service – no extension is requested and we have enclosed our revised IM procedure which addresses this Item.
- Item 2: Perform evaluation of Western Area leak detection capability, identify the modifications needed to protect HCAs and provide a timeline for completion of the identified modifications as required in 195.452(i)(3) – we request a completion and submission deadline of September 30, 2007.
- Item 2: Modification to IM procedures to provide sufficient detail to the leak detection capability evaluation to ensure consistent application per 195.451(i)(3) – we request a completion and submission deadline of September 30, 2007.

Should you have any questions or require further information please contact K. David  
Born of our Houston office at 281-637-6497.

Sincerely,

A handwritten signature in black ink, appearing to read 'David A. Justin', with a long horizontal flourish extending to the right.

David A. Justin  
Vice President, Operations  
Sunoco Pipeline L.P.

## **2 SEGMENT IDENTIFICATION**

The following topics are discussed throughout Section 2:

- Identification and updates of line segments and facilities;
- Identification and updates of HCAs based on government data and field knowledge;
- Analytical identification pipelines and facilities that could impact an HCA
  - Liquid Pipeline HCA Impact,
  - HVL Pipeline HCA Impact,
  - Gas Pipeline HCA Impact,
  - Facility HCA Impact, and
  - Quality control of the HCA process; and
- Education and distribution of HCA impact information.

### **2.1 Pipeline System Identification and Updates**

Many aspects of the IMP depend both on the identification and accuracy of the line segments and facilities, as well as managing updates to that information when changes of service or new acquisitions occur.

#### **2.1.1 Pipeline and Facility Identification**

In order to manage and maintain information about the DOT regulated pipeline segments, SPLP has worked with GeoFields to establish the ALIGN database. ALIGN is a Pipeline Open Database Standard (PODS) based model. It is a centralized repository for information, from line segment IDs and basic information to maintaining "events" on the pipeline, such as appurtenances (valves, tees, casings, etc) and coating data.

The ALIGN database is the repository for active jurisdictional line segments in accordance with SPLP's Technical Manual PR-11-0037, which defines active, idle, out of service, and abandoned lines. Other line segments, such as non DOT-jurisdictional lines, are also included in the database as part of the company's regular pipeline maintenance. Lists of active, DOT jurisdictional pipelines are maintained on the SPLP Document Repository. Each pipeline has an ID number and descriptive name assigned to it.

Information about pipeline facilities, which include pump stations, tank farms, junctions, wharfs/docks, and delivery facilities, are maintained on the SPLP Document Repository and used in the facility risk model database. Each facility also has a unique ID and descriptive name assigned to it.

## 2.1.2 Pipeline and Facility Updates

Any new acquisitions and changes of service must be incorporated into the IMP within one year from the acquisition or change of service. All new acquisitions and activation of out-of-service line segments require that the following tasks be performed:

- Add the pipeline/facility to the ALIGN database and/or Facility ID list
- Perform an HCA analysis on the pipeline/facility
- Add the pipeline/facility to the Baseline/Continual Assessment Plan
- Add the pipeline/facility to the risk model, and
- Establish a Re-assessment interval.

### ***CPF No. 4-2007-5002 (PCO Item 1)***

DOT CFR 195.452 defines Category 3 pipelines as pipelines constructed or converted after May 29, 2001. Any line segment of new construction, or any new acquisitions and change of service meeting the below definitions must be added to the ALIGN database and have an HCA analysis completed prior to the date the pipeline begins operation.

**New Acquisitions:** New acquisitions may include new construction or acquiring assets from another company. Both must be rolled into the IMP as discussed above. However, due diligence of existing assets acquired from another company must be performed to determine the integrity of the asset and how it will be rolled into the IMP. This should include a review of the line segment's HCA impact, risk model information, integrity assessment and repair history.

**Change of Service:** If a pipeline changes status from idle or out of service to active or vice versa, the information in the IMP needs to be updated. The existing company technical procedure, PR-11-0039, *Management of Change (MOC)*, and PR-11-0037, *Activating and Deactivating Pipelines*, provide methods and processes to communicate and track updates to existing segments and facilities. In addition, a Return-to-Services Plan will also be generated that satisfy the two procedures.

If the update is due to a pipeline or facility going out-of-service, the asset should be removed from the locations listed above and tracked through the revision history for that item.