



U.S. Department of Transportation
Pipeline and Hazardous Materials
Safety Administration

1200 New Jersey Ave, S.E.
Washington, D.C. 20590

DEC 01 2009

Mr. David A. Justin
Vice President, Operations
Sunoco Pipeline, L.P.
525 Fritztown Road
Sinking Springs, PA 19608

Re: CPF No. 4-2007-5007M

Dear Mr. Justin:

Enclosed is the Order Directing Amendment issued in the above-referenced case. It makes a finding of inadequate procedures and requires that Sunoco Pipeline, L.P. amend its written integrity management program procedures. When the terms of the Order are completed, as determined by the Director, Southwest Region, this enforcement action will be closed. Your receipt of the Order Directing Amendment constitutes service of that document under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

CERTIFIED MAIL – RETURN RECEIPT REQUESTED [7005 0390 0005 6162 5128]

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

_____)
In the Matter of)
)
Sunoco Pipeline, L.P.,)
)
Respondent.)
_____)

CPF No. 4-2007-5007M

ORDER DIRECTING AMENDMENT

On August 1–4 and 15–17, 2006, pursuant to 49 U.S.C. § 60117, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), and the New York State Public Service Commission conducted an on-site pipeline safety inspection of integrity management program procedures and records of Sunoco Pipeline, L.P. (Sunoco or Respondent) at the company’s offices in Honey Brook, Pennsylvania. Sunoco operates gas and hazardous liquid pipelines in several states, including New Jersey, New York, Ohio, Pennsylvania, and Texas.

As a result of the inspection, the Director, Southwest Region, OPS (Director), issued to Respondent, by letter dated March 7, 2007, a Notice of Amendment (NOA). The NOA alleged inadequacies in Respondent’s integrity management program and proposed to require the company to revise the procedures. Respondent responded to the NOA by submitting amended procedures to the Director through several submissions between the dates of April 27 and December 21, 2007.

The Director has reviewed the amended procedures submitted by Respondent. Based on the result of this review, I find that Respondent’s amendments adequately address Items 1A, 1B, 2A, 2B, 2C, and 3B in the NOA. For the reasons discussed below, I find the amendments do not adequately address Item 3A.

Item 3A: The NOA alleged that Respondent’s integrity management program procedures were inadequate with respect to 49 C.F.R. § 195.452(h). That regulation states:

- § 195.452 Pipeline integrity management in high consequence areas.**
- (a)
- (h) *What actions must an operator take to address integrity issues?* —
 - (1) *General requirements.* An operator must take prompt action to address all anomalous conditions the operator discovers through the integrity

assessment or information analysis. In addressing all conditions, an operator must evaluate all anomalous conditions and remediate those that could reduce a pipeline's integrity

(2) *Discovery of condition.* Discovery of a condition occurs when an operator has adequate information about the condition to determine that the condition presents a potential threat to the integrity of the pipeline. An operator must promptly, but no later than 180 days after an integrity assessment, obtain sufficient information about a condition to make that determination, unless the operator can demonstrate that the 180-day period is impracticable

(4) *Special requirements for scheduling remediation* —(i) *Immediate repair conditions.* An operator's evaluation and remediation schedule must provide for immediate repair conditions. To maintain safety, an operator must temporarily reduce operating pressure or shut down the pipeline until the operator completes the repair of these conditions

The NOA alleged that Sunoco's procedures were inadequate to assure public safety and compliance with § 195.452(h) because they failed to require discovery of immediate repair conditions when adequate information about the conditions were available. The NOA also alleged that the procedures were inadequate because they did not require Sunoco to promptly obtain sufficient information about immediate repair conditions. As alleged in the NOA, Sunoco typically discovered immediate repair conditions within a week of receiving a vendor's report; but the operator's procedures for reviewing assessment results permitted discovery times to be delayed up to three weeks after receiving the report.

In its letter dated April 27, 2007 (Response), Respondent disagreed with the characterization in the NOA that the company's procedures allowed the discovery of conditions to be "delayed." Respondent contended, rather, its procedures mandate a discovery deadline. Respondent noted further that it had developed draft changes to its Technical Procedure PR-11-0036, *ILI Evaluation, Investigation, & Documentation*, to provide that "reviews for immediate repair anomalies will be done *expeditiously*, but in no case will discovery occur later than 3 weeks after receiving applicable vendor reports."¹ Respondent explained the two critical steps in evaluating assessment reports are data quality control and data integration. Respondent maintained that until technology is available for more automated comparisons of new assessment results with past results and repairs, Sunoco will continue to evaluate assessment reports expeditiously, but no later than fifteen business days, or three weeks, after receiving vendor reports in order to properly evaluate the assessment results and declare discovery.

Section § 195.452(h) requires Respondent to have procedures to ensure that sufficient information is promptly obtained about pipeline conditions to determine if a condition requires the operator to immediately reduce operating pressure until the condition is repaired (an immediate repair condition). Typically, operators receive a vendor report following an integrity assessment by an internal inspection device. That report includes information about conditions

¹ Response at 4 (emphasis in original).

on the pipeline such as the percentage of metal loss at anomalies caused by corrosion or the magnitude of dent-type deformations. PHMSA has found the type of information contained in a vendor report is generally sufficient to enable the operator to determine whether there are immediate repair conditions on the pipeline.² That determination is referred to as the operator's "discovery" of the immediate repair condition. Therefore, an operator will normally have sufficient information to enable discovery of an immediate repair condition upon receipt of the vendor's report.

While there may be specific instances when discovery is delayed in order for an operator to gather and integrate additional information from other sources, an operator's procedures must still provide for the prompt discovery of immediate repair conditions for public safety and to ensure compliance with § 195.452(h). An operator's procedures are inadequate if the procedures do not provide for the discovery of immediate repair conditions promptly after receiving a vendor's report.

Although Respondent's procedures state that immediate repair conditions must be discovered "expeditiously," the procedures allow fifteen business days or three weeks to discover an immediate repair condition after the operator receives the vendor's report. PHMSA finds that it should normally take only three to five business days (depending on an operator's unique operating processes) to discover immediate repair conditions after receipt of a vendor's report.

Accordingly, after reviewing the evidence, I find Respondent's integrity management program procedures are inadequate to ensure safe operation of its pipeline system in accordance with § 195.452(h).

Pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237, Respondent is ordered to make the following revisions to its integrity management program procedures. Respondent must—

1. Modify the integrity management procedures to require prompt discovery of immediate repair conditions when adequate information is available and ensure that sufficient information about a condition is promptly obtained.
2. Submit the amended procedures to the Director within 30 days following receipt of this Order Directing Amendment.

With respect to the submission of amended procedures, the Director may notify Respondent if any or all of the procedures have been amended satisfactorily. If further modification is necessary, the Director may require Respondent to modify the submission to cure the deficiencies. If the Director finds deficiencies and orders further modification, Respondent must proceed to take all action to correct its procedures to comply with the Director's order. Respondent must correct all deficiencies within the time specified by the Director and resubmit the procedures for review.

² *In the Matter of Magellan Pipeline Company*, CPF No. 4-2004-5006, Final Order (Aug. 18, 2005).

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, or the Director may otherwise proceed to enforce the terms of this Order.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent demonstrating good cause for an extension.

Failure to comply with this Order may result in administrative assessment of civil penalties not to exceed \$100,000 for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

The terms and conditions of this Order Directing Amendment shall be effective upon receipt.

By: S. Coy for FOK

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

DEC 01 2009

Date Issued