



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

8701 South Gessner, Suite 1110
Houston, TX 77074

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 7, 2007

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

CPF No. 4-2007-5007M

Dear Mr. Justin:

During August 1-4, 2006 & August 15-17, 2006, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) and the State of New York Public Service Commission pursuant to Chapter 601 of 49 United States Code inspected your integrity management program in Honey Brook, PA.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Sunoco Pipeline, L.P.'s (SPLP) plans or procedures and are described below:

1. § 195.452 Pipeline integrity management in high consequence areas.

(f) What are the elements of an integrity management program? An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:

(1) A process for identifying which pipeline segments could affect a high consequence area;

A. SPLP must modify IM procedures for the Western Area to include substantiation of the operator and system response times used in their HCA analysis spill volume calculations. Because an adequate spill volume analysis (for HCA identification) may require consideration of various scenarios and assumptions regarding operator and system response times, release estimate analysis is expected to include identification and evaluation of a sufficient spectrum of leak scenarios, including consideration of various size ruptures, to adequately determine the overall effectiveness of leak detection capability.

- B. SPLP must modify IM procedures such that the HCA segment identification process considers tank volumes at storage sites as part of the calculated drain down volume for pipeline ruptures where leaks cannot be quickly isolated by remote shutdown valves or check valves. Consideration of these volumes could expand the "spill plumes" for pipelines located near facilities and result in more HCA affecting pipeline mileage. Where EFRDs are in place to prevent tankage from adding to the volume of a pipeline rupture, this justification should be included in the spill model documentation.

2. § 195.452 Pipeline integrity management in high consequence areas.

(c) What must be in the baseline assessment plan?

(1) An operator must include each of the following elements in its written baseline assessment plan:

(i) The methods selected to assess the integrity of the line pipe. An operator must assess the integrity of the line pipe by any of the following methods. The methods an operator selects to assess low frequency electric resistance welded pipe or lap welded pipe susceptible to longitudinal seam failure must be capable of assessing seam integrity and of detecting corrosion and deformation anomalies.

- A. SPLP must modify IM procedures to require clear explanation of the treatment of line segments which are deemed susceptible to seam defects with regard to their inclusion in the baseline assessment plan. SPLP's analysis of (pre-1970) LF ERW and lap-welded pipe concluded that, in part, two lines in the eastern region (11035 and 13002) required a seam assessment be performed as part of their baseline assessment. However, the baseline assessment plan reviewed by the PHMSA team recorded these lines as having completed baseline assessments and no seam assessment tools were used. Additionally, several lines were identified as susceptible to seam defects in the Western Area and some of these segments were not scheduled for seam assessments in the baseline assessment plan.
- B. SPLP must modify IM procedures to require the assessment method selection process to provide requirements or guidance regarding how the analysis is to be performed to determine pipe segment susceptibility to manufacturing seam threats or stress corrosion cracking.
- C. SPLP must modify IM procedures by formalizing treatment of the inspection, examination, and evaluation of those segments that are considered susceptible to stress corrosion cracking (SCC). SPLP has identified near-neutral SCC as a potential threat to several of its HCA segments in both Eastern and Western Regions. SPLP has developed a training package and draft excavation procedure for field personnel regarding inspections for SCC. However, SPLP has not developed a formal program to manage the inspection, examination, and evaluation of those segments that are considered susceptible to SCC.

3. § 195.452 Pipeline integrity management in high consequence areas.

(h) What actions must an operator take to address integrity issues?

(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. An operator must calculate the temporary reduction in operating pressure using the formula in section 451.7 of ASME/ANSI B31.4 (incorporated by reference, see Sec. 195.3). An operator must treat the following conditions as immediate repair conditions: ...


- A. SPLP must modify IM procedures to require discovery for immediate repair conditions when adequate information is available and ensure that sufficient information about a condition is promptly obtained. PHMSA interpreted discovery in the Final Order for CPF 4-2004-5006 in the following: "discovery of a condition occurs "when an operator has adequate information about the condition to determine that the condition represents a potential threat" to the integrity of the pipeline. In this case, the integrity assessment was conducted by internal inspection, meaning that information such as the percentage of metal loss from corrosion and the magnitude of dent-type deformations sufficient to enable a determination that the potential exists for an integrity threat at the corresponding location was available to Respondent in the internal inspection results." The PHMSA inspection team noted that for the completed assessment reports reviewed during the inspection the discovery times were typically within a week (for immediate repairs) of the receipt of the vendor's final report. However, SPLP's process regarding review of assessment results allowed the declaration of discovery to be delayed for three weeks after receipt of the final vendor report for immediate repair anomalies.
- B. SPLP must modify IM procedures to clarify Procedure PR-11-0010 in requiring a 20% pressure reduction based on the operating pressure immediately prior to discovery of an anomaly instead of a 20% reduction from the current operating limit (COL).

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 correspondence concerning this matter, please refer to CPF 4-2007-5007M and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. M. Seeley".

R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous
Materials Safety Administration

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