

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

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 27, 2015

Mr. David Chalson
Vice President, Operations
Sunoco Pipeline, L. P.
1818 Market Street, Suite 1500
Philadelphia, PA 19106

CPF 4-2015-5012

Dear Mr. Chalson:

On or about February 25, 2015, the West Texas Gulf (WTG) Pipeline Company, OPID #22442, which is operated by Sunoco Pipeline, L. P. (SPLP) experienced a leak at Mile Post (MP) 257 in the Blum to Wortham section of the WTG Pipeline system, near Dawson, TX. The Pipeline and Hazardous Materials Safety Administration (PHMSA), SW Region Office received a copy of the telephonic notice made by SPLP from the National Response Center (NRC) in NRC Report Number 1109008 on February 25, 2015, and contacted SPLP to initiate an investigation into the failure.

As a result of the investigation following the above described events and actions, 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 violations are:

1. §195.422 Pipeline repairs.

(a) Each operator shall, in repairing its pipeline systems, insure that the repairs are made in a safe manner and are made so as to prevent damage to persons or property.

(b) No operator may use any pipe, valve, or fitting, for replacement in repairing pipeline facilities, unless it is designed and constructed as required by this part.

In repairing its pipeline, SPLP used a repair method that was not designed for the type of repair being conducted. SPLP experienced an accident on its 26-inch West Texas Gulf crude oil pipeline on February 25, 2015. SPLP installed two repairs, one at the leak location and the second at an adjacent area of external corrosion, on or about February 25-26, 2015. SPLP then returned the WTG Pipeline to full operating pressure on February 26, 2015, at a level of safety lower than that required by this subpart.

The installation of the second repair was made with a PLIDCO[®] Smith+Clamp[™]. According to the PLIDCO[®] Smith+Clamp[™] Installation Instructions, the PLIDCO Smith+Clamp is a pinhole leak repair clamp. However, it was used by SPLP on a non-through-wall anomaly adjacent to the failure origin. This installation was not an appropriate use of the product, and is not consistent with the manufacturer's installation instructions or design. This type of repair is intended for through-wall pinhole leaks, only. The PLIDCO[®] Smith+Clamp[™] is a leak stoppage device, not a permanent repair. According to the PLIDCO product materials, the PLIDCO[®] Weld+Cap[™] is to be used with the Smith+Cap for a permanent repair. SPLP did not install the Smith+Clamp on a through wall pinhole leak nor was it installed in conjunction with a Weld+Capas prescribed by the manufacturer.

SPLP removed the improper repair and replaced it with a PLIDCO[®] Split+Sleeve[™] on March 10, 2015.

2. §195.401(b) General requirements.

(1) *Non Integrity management repairs.* Whenever an operator discovers any condition that could adversely affect the safe operation of its pipeline system, it must correct the condition within a reasonable time. However, if the condition is of such a nature that it presents an immediate hazard to persons or property, the operator may not operate the affected part of the system until it has corrected the unsafe condition

SPLP had sufficient information to identify a condition that could adversely affect the safe operation of its pipeline system but did not correct the condition within a

reasonable time. SPLP performed an in-line inspection (ILI) in 2006, and again in September 2011 for the pipeline segment from the Blum Station to the Wortham Station. SPLP provided data that showed the leak site as a feature at Wheel Count 247894.01 identified as having metal loss of approximately 17% in 2006 and 68% in the 2011 ILI Run Vendor Final Report. Based upon the calculated corrosion growth, assuming a straight line basis from 2006 to 2011, the feature at the leak site was experiencing a corrosion growth rate of about 10.2% per year which would have predicted a through-wall leak in less than 5 years. SPLP scheduled its next ILI assessment for this segment to be carried out in 2016, which was more than both the predicted and actual remaining life of the feature at the leak site. The through-wall corrosion occurred approximately 4 years and 5 months after the 2011 ILI assessment. The predicted corrosion rate extrapolated from the 2011 called depth of 32% remaining wall and reduced 10.2% per year results in a through wall condition in approximately 3 years and 2 months.

The SPLP IMP in place in 2011 contributed to the failure of the operator to recognize the accelerated corrosion growth at this location, and thus the failure to take prompt action. However, while SPLP did have the revised metal loss feature information in the Final Report, SPLP stated that they did not have a process to look for variances between the Draft Final to Final Report revisions or re-grading of features, and this revision to the feature's called depth was not identified by SPLP for additional monitoring and evaluation. As a result, SPLP failed to correct a condition that was known to exist prior to its failure.

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 violation(s) and has recommended that you be preliminarily assessed a civil penalty of \$207,300 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$40,300
2	\$167,000

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. All material you submit in response to this enforcement action may be 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 4-2015-5012** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

cc via e-mail: TGNardozzi@SunocoLogistics.com,
LEJensen@SunocoLogistics.com

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