



BUCKEYE PARTNERS, L.P.

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August 12, 2009

VIA UPS NEXT DAY AIR

Mr. Byron E. Coy
Director, Eastern Region
U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
Suite 306
820 Bear Tavern Road
West Trenton, NJ 08628-1021

Dear Mr. Coy:

Buckeye Partners LP received your "Notice of Amendment" letter dated May 6, 2009 (CPF No. 1-2009-5001M) concerning the PHMSA Integrated Inspection that was held throughout 2008 on Buckeye. Buckeye first responded to said letter on May 27, 2009 requesting more time (60 day extension) to develop its answers to your items. This letter is Buckeye's response to said letter explaining Buckeye's actions for each item listed in said letter:

1. **195.52 Telephonic notice of certain accidents**

The BPL Emergency Manual does not specify a reporting timeframe for notifying PHMSA following discovery and/or indication of a release. BPL needs to amend their Emergency Manual to specify reporting guidelines for notifying PHMSA following discovery and/or indication of a release.

Buckeye's Response: Buckeye agrees that its Emergency Manual at the time of this inspection did not specify a timeframe of when PHMSA needed to be notified concerning a release. At the end of last year, Buckeye resubmitted its Emergency Manual for OPA90 approval and in that resubmitted plan, Buckeye has stated that the NRC must be notified immediately whenever an employee reasonably suspects a reportable leak or uncontrolled release of product but no later than 2 hours after discovery of the incident.

2. 195.402 Procedural manual for operations, maintenance, and emergencies

A – BPL does not have a clear statement of policy that operating, maintenance, and repairing of the system will be in accordance with each the requirements of Part 195 subpart F and subpart H. BPL needs to provide a clear statement of policy with regard to the operating, maintenance, and repair of the system will be in accordance with each the requirements of Part 195 subpart F and subpart H.

Buckeye's Response: Buckeye does not fully agree with this statement. In the front of each of Buckeye's regulatory manuals, Buckeye has an introduction to its manuals. In the introduction it is clearly stated that "to safely operate and maintain Buckeye's pipeline systems and to comply with 49 CFR Parts 192 and 195 requirements." Buckeye feels that this statement in the front of each of its manuals fully covers this issue. However, Buckeye will revise this section so that it is clearer that it is Buckeye's intent to comply with all sections of Part 192 and 195 in the operating, maintenance, and repair of its pipeline systems and that all employees are expected to comply with them.

B – BPL has documentation record retention schedules related to 195.402 in the BPL Human Resources Manual but not in the operation, maintenance, and safety procedures. BPL should document record retention schedules where they are applicable.

Buckeye's Response: As stated, Buckeye does keep its record retention policy in its Human Resources Manual. This covers not only DOT retention requirements but also other regulatory agencies requirements. As stated above, Buckeye has an introduction in the front of all its manuals and in that introduction it states "Buckeye Partners, LP maintains an integrated set of operating policy and procedure manuals" and under that statement it lists all of the manuals Buckeye maintains so that it can be in compliance with the various regulatory agencies that Buckeye deals with. The Human Resources Manual is one of the manuals listed. Buckeye feels that this is an appropriate place for the retention policy since it does cover other agencies. However, Buckeye will start adding a reference to the Buckeye Retention Policy in the HR Manual in appropriate sections of all of its manuals as it seems appropriate.

3. 195.402 Procedural manual for operations, maintenance, and emergencies

BPL Operations Manual Procedure I-02 – Valve closure, 2. Pressure Surges makes an incorrect reference to the Maintenance Manual for Procedure I-07, which does not exist. BPL needs to reference the correct procedure.

Buckeye's Response: Buckeye agrees that its manual references an incorrect procedure. The procedure that should have been referenced was moved and this reference was not revised to reference the correct procedure. Buckeye's manual has been updated to reflect the appropriate referenced section.

4. 195.505 Qualification program

A – The BPL Training Manual states that some covered tasks provide for evaluation demonstrations to take place of two individuals simultaneously. But the BPL Training Manual does not state which covered tasks come under this evaluation method. BPL should amend the training manual to address which covered tasks allow for the demonstration evaluations of two individuals to occur simultaneously.

Buckeye's Response: Buckeye agrees with the inspectors that those tasks which can be evaluated simultaneously should be identified in the program and has noted each of the affected tasks in Section G – Operator Qualification Program –TRG-Exhibit C Covered Task Table.

B - The BPL Training Manual states that prior work history may be an acceptable method of evaluation. However, BPL said it does not utilize this method for evaluation. BPL should amend the training manual to state only the methods of evaluation BPL uses for evaluation of individuals.

Buckeye's Response: Buckeye included the Work Performance History as a reference to initial evaluation methods. As discussed during the Integrated Inspection, and as a result of the recommendation of the inspector, Buckeye has added “(no longer applicable)” to Section G – Operator Qualification Program, Paragraph 4.2.1 of the Training Manual.

5. 195.505 Qualification program

The BPL Training Manual does not indicate which referenced training methods are used for initial qualification, retraining and reevaluation of individuals performing covered tasks. BPL needs to amend the Training Manual to reference the training methods that are used for initial qualification, retraining and reevaluation of individuals performing covered tasks.

Buckeye's Response: Buckeye agrees with the inspectors that Section 3, Utilization of Available Training Methods should be amended to better define the use of training methods for initial qualification, retraining and reevaluation of individual performing covered tasks and has added the statement “These methods apply to initial, retraining and re-evaluation” to Section G – Operator Qualification Program, Paragraph 3.1 of the Training Manual.

6. 195.505 Qualification program

The BPL Operator Qualification Program (OQ) program does not have criteria defining what constitutes a significant program change that requires PHMSA or state agency notification. BPL needs to amend the OQ program to better define significant program changes that would require BPL to notify PHMSA or state agency.

Buckeye's Response: Buckeye agrees with the inspectors that better clarification of criteria that would constitute a significant change and therefore require PHMSA or state agency notification is required. Buckeye has added several criteria to Section G – Operator Qualification Program, Paragraph 11.3 Operator Qualification Program Update.

7. 195.452 Pipeline integrity management in high consequence areas

The BPL Integrity Management Plan (IMP) does not reference the location of specific qualification requirements for operator personnel who review and evaluate ILI assessment results.

Buckeye's Response: Buckeye relies on tool vendors to provide evaluation services associated with their ILI runs. Section 12 of Buckeye's IMP notes, "Due to the extensive training and experience required to adequately interpret analog in-line inspection data, Buckeye will rely on its ILI vendors to provide the expertise required for data analysis. Buckeye will only contract with reputable in-line inspection vendors with at least three years of proven experience in inspecting and evaluating pipe using the tools for which they are being contracted." However, Buckeye will revise our policy requiring that the qualifications are requested and maintained on file.

In addition and as stated in Section 12 of Buckeye's IMP, Buckeye personnel may conduct its own review of the data and interpretations supplied by the vendor as a Quality Control check. The qualifications of personnel conducting this check will be kept on file.

8. 195.452 Pipeline integrity management in high consequence areas

The BPL IMP does not describe how expected ILI tool specifications are to be communicated to ILI tool vendors.

Buckeye's Response: Buckeye communicates the tool specifications to the tool vendors in the text of our contracts. Section 12 of Buckeye's IMP notes, "Contracts with ILI vendors will designate tool specifications, pipeline features, detected, pipe anomalies identified, defect characterization performance, interaction rules, and ERF values using various methodologies."

9. 195.452 Pipeline integrity management in high consequence areas

A – The BPL process for validation of ILI results is not sufficiently formalized to ensure that ILI tools perform within the vendor's written performance specification. Requirements have not been established to document what method(s) were used to validate each ILI assessment.

Buckeye's Response: Buckeye will revise its IMP to include a specific procedure for periodically comparing the ILI results to the "as found" conditions. This comparison will facilitate validation that the ILI tools are performing within the required tolerances.

B – The BPL IMP does not provide a clear definition of what constitutes discovery or the timeframes when discovery must occur, other than the regulatory deadline of within 180 days of completion of an ILI assessment.

Buckeye's Response: Section 5 of Buckeye's IMP details the discovery timeframe as follows, "The ILI vendor shall provide a Final Report to the Manager, Pipeline Integrity within 180 days of the completion of the assessment. Date of discovery shall be within two weeks of delivery of the Final Report after due diligence activities have been performed. If discovery cannot be made within 180 days of assessment, the Manager, Pipeline Integrity will document explanation for the delay." Buckeye agrees to add additional clarification to Section 5 of its IMP to define what constitutes the discovery process.

10. 195.452 Pipeline integrity management in high consequence areas

A – The BPL IMP Chapter 5 description does not define the expected process or the minimum set of data that must be considered in the post-assessment process for the integration of ILI results.

Buckeye's Response: Buckeye will revise Section 5 to include additional detail regarding the expected process and minimum set of the data which will be considered in the post-assessment process. Buckeye has contracted with a consultant to improve our data integration process.

B – Data should also be integrated at the time the dig list is developed

Buckeye's Response: Buckeye has contracted with a consultant to improve our data integration process, including the integration of data during dig list development. We intend to include a review of cathodic protection data, development along the pipeline segment and other data that may be critical to determining the potential for pipeline damage as appropriate.

11. 195.452 Pipeline integrity management in high consequence areas

BPL procedures do not adequately specify notification requirements that must be followed if other technology is to be pursued. IMP procedures mentions notification for direct assessment.

Buckeye's Response: Buckeye will revise Section 5A of its IMP to clarify the 90 day notification requirement for all other assessment technology that may be used in the future.

12. 195.422 Pipeline repairs

BPL procedures do not differentiate between using a Clock Spring repair method to repair internal or external corrosion/defects. BPL procedures allow the use of Clock Spring for repair in internal defects without performing a critical engineering analysis, using the Clock Spring method for internal defects may only be a temporary repair. Refer to BPL Maintenance Manual Procedure MA E-08.

Buckeye's Response: Buckeye will update Section E-08 Exhibit L of our Maintenance Manual to clarify that the use of a Clock Spring repair is only to be used for external repairs, and is not to be used for internal defects.

13. 195.405 Protection against ignitions and safe access/egress involving floating roofs

BPL maintenance procedures do not require ignition protection for tanks per API RP 2003. BPL needs to incorporate that recommended practice or some equivalent process.

Buckeye's Response: Buckeye agrees that its manual does not reference API RP 2003 directly; however, Buckeye's manual does reference and follows API RP 653 which does reference API RP 2003. And Buckeye's Maintenance Manual, Section D-04, paragraph 2.2.6 does discuss Buckeye's inspection of tank grounding cables to ensure proper tank grounding which is what API RP 2003 covers. To make things clearer, Buckeye will add a reference to API RP 2003 to its Maintenance Manual.

14. 195.307 Pressure testing aboveground breakout tanks

BPL maintenance procedures do not specify when aboveground breakout tanks are required to have pressure testing.

Buckeye's Response: Buckeye's Maintenance policy F-03 paragraph 6 does reference API RP650 and 653 which states when above ground tanks are required to be pressured tested. However, in recent years, API developed addendums to the Recommended Practices at which time the Section numbers were modified. Buckeye's Maintenance Manual currently references the old sections of 650 and 653. Buckeye will revise its policy to reference the correct sections in API RP650 and 653 and make it clearer that Buckeye will follow these Recommended Practices concerning the pressure testing of above ground breakout tanks.

15. 195.410 Line Markers

The BPL Maintenance Manual (MA) D-02 for pipeline rights-of-way does not include guidance on line marker spacing to help assure the line location is accurately marked.

Buckeye's Response: This is a correct statement that Buckeye's policy does not discuss line marker spacing. Buckeye's policy follows and states what is in the regulations under 195.410 (a)(1). Nowhere in the regulations does it mention or discuss spacing for line markers. Buckeye feels that how its policy is written does meet the regulations completely. Buckeye understands that there is talk going on in various organizations (i.e. API) concerning line marking spacing. Buckeye is participating in these discussions and will review and revise its policy to reflect any best practices that are developed.

16. 195 412 Inspection of rights-of-way and crossings under navigable waters

BPL MA A-02, Right-of-Way Encroachment Policy Section 2.5, states that "a clear right-of-way is essential." This procedure needs more definitive guidance on responsibilities and actions that may be needed to maintain or restore a clear right-of-way.

Buckeye's Response: The reference MA A-02 should be actually MA A-04. MA A-04 discusses Buckeye's encroachment policy and covers buildings, roads, excessive fill, foreign crossings, trees, and the like. Buckeye puts great importance on maintaining access to its right-of-way by preventing items like those listed above from being placed on its right-of-way.

Section 5 of this policy covers how Buckeye responds to encroachment notices. Section 6 discusses how Buckeye handles land development and improvements, and Section 7 covers communications with property owners concerning encroachments. Buckeye's policy, MA D-02 (Pipeline Right-of-Way) covers right-of-way clearing and includes the responsibilities for the various activities.

Buckeye's policy MA A-09 (Third Party/Outside Contractor Damage Investigation/Repair/Reclamation Cost Reimbursement) covers actions that Buckeye may take to restore its right-of-way from unauthorized excavation activities. Among these various policies Buckeye believes it does provide its employees guidance on actions expected in maintaining its rights-of-way along with responsibilities.

17. 195.452 Pipeline integrity management in high consequence areas

A – The BPL IMP has not defined the timeframes to conduct periodic evaluations. The process for the conduct of periodic evaluations does not establish sufficient guidance to achieve repeatable results. Also, the process should consider the condition of the line based on the last assessment and applicable risk factors.

Buckeye's Response: Buckeye agrees that our current IMP does not adequately define the timelines and process for conducting periodic evaluations. We have contracted with a consultant to assist us to revise our IMP to address this comment and improve our program in this regard.

B – The BPL Stress Corrosion Cracking (SCC) screening criteria includes a greater than 100 degree temperature screening factor which is not an appropriate screening criteria to understand low or near-neutral pH SCC as a potential threat in high consequence pipeline areas. There is a PHMSA Advisory Notice ADB-03-05 that addresses the SCC threat to Gas and Hazardous Liquid Pipelines.

Buckeye's Response: Buckeye agrees that we need to revise our SCC screening criteria per the noted PHMSA Advisory Notice. We have contracted with a consultant to assist us to revise our IMP to address this comment and improve our program in this regard.

18. 195.452 Pipeline integrity management in high consequence areas

BPL IMP Chapter 3 states that an HCA analysis will be performed on any pipelines that are part of an acquisition, are newly constructed or newly operated by Buckeye within one year of their first day in-service or operation by Buckeye. However, the regulation requires that HCA analysis be conducted prior to the date the pipeline begins operation. The BPL IMP needs to be amended to address the regulation requirement.

Buckeye's Response: Buckeye understands that HCA analyses must be completed prior to the date that the pipeline begins operation. We also understand that PHMSA requires that an operator bring an acquired pipeline under its program within one year. Buckeye will revise its IMP to clarify that we will accept the previous operators HCA analysis and integrity management regulatory timelines until such time that they can be reassessed. Buckeye will reassess the system within one year of the acquisition.

19. 195.452 Pipeline integrity management in high consequence areas

BPL has not documented a sufficiently detailed process that can be implemented for the identification of preventive and mitigative measures to protect the high consequence area. BPL needs to address documentation of that process.

Buckeye's Response: Buckeye's IMP includes preventative and mitigative measures (P&MM) that are applied system wide, in high consequence areas (HCAs) and non-HCAs. Historically, Buckeye has treated our lines with the same diligence regardless of the area. With that said, we have contracted with a consultant to revise our IMP to address this comment and improve our program in this regard.

20. 195.452 Pipeline integrity management in high consequence areas

BPL has not developed processes to evaluate the effects of potential actions on reducing the likelihood and consequences of pipeline releases. BPL needs to address documentation of those processes.

Buckeye's Response: Buckeye has recently purchased a new risk management software program that allows for the evaluation of preventative and mitigative measures. We have contracted with a consultant to assist us in further development of the risk algorithm and documentation of the evaluation process within Buckeye's IMP.

21. 195.452 Pipeline integrity management in high consequence areas

BPL does not have a detailed process that ensures an adequate basis is established for guiding the selection of candidate P&M Measures to implement. BPL needs to address documentation of that process.

Buckeye's Response: Buckeye has recently purchased a new risk management software program that allows for the evaluation of preventative and mitigative measures. We have contracted with a consultant to assist us in further development of the risk algorithm and documentation of the P&M measures process within Buckeye's IMP.

22. 195.452 Pipeline integrity management in high consequence areas

BPL has not developed a documented Quality Assurance/Quality Control (QA/QC) process to ensure timely and accurate incorporation of integrity data into the GIS. BPL needs to address that process.

Buckeye's Response: Buckeye agrees that we need to update our IMP to clearly describe the QA/QC process associated with data integration into GIS. We have contracted with a consultant to assist us to revise our IMP to address this comment and improve our program in this regard.

23. 195.452 Pipeline integrity management in high consequence areas

BPL's justification for the risk factors included in the updated risk model presented at the time of the inspection is not documented in either the previous or the updated BPL IMP. BPL's justification for the basis of weighting risk model factors is not documented in the updated BPL IMP. BPL needs to address these justifications.

Buckeye's Response: Buckeye agrees that we need to update our IMP to provide justification for the weighting of individual risk factors in our risk model. We are currently working with a consultant to revise the risk factors and associated weightings based on available data. We will include documentation of the weighting and justification within the IMP to address this comment and improve our program in this regard.

24. 195.452 Pipeline integrity management in high consequence areas

The BPL IM Plan does not specify that some key integrity management records be maintained. Examples of BPL records that are not specified for retention include: ILI records, dig and repair records, risk analysis results, or specific documentation that serves as the basis for technical decisions that could ultimately affect pipeline integrity. These key records need to be maintained.

Buckeye's Response: Buckeye agrees that our manuals lack detail in regard to record retention associated with integrity management items. As described above, Buckeye maintains its document retention policy within the Human Resources (HR) Manual. Accordingly, we will update the HR Manual to include records retention guidelines for ILI records, dig and repair records, risk analysis results, and other documentation as appropriate. Buckeye will also reference the HR Manual in the appropriate sections of its IMP that pertain to record retention.

25. 195.452 Pipeline integrity management in high consequence areas

BPL does not have adequate processes to track and evaluate performance measures in order to provide meaningful insight into integrity-related performance.

Buckeye's Response: Buckeye agrees that we need to update our IMP to clearly describe processes to track and evaluate integrity related performance. We have contracted with a consultant to assist us to revise our IMP to address this comment and improve our program in this regard.

26. 195.561 When must I inspect pipe coating used for external corrosion control?

BPL MA procedure J-03, Coating, 3/2007, Paragraph 5 requires that all exposed pipe shall be visually inspected for damage prior to backfilling in accordance with MA Section J-04. BPL procedures do not specifically address how coating holidays will be repaired. No follow-up method is specified in the BPL procedure to ensure that the coating holidays are repaired.

Buckeye's Response: Buckeye's Maintenance procedure J-03 provides instructions for both Small Patch Repairs and Large Coating Repairs. Buckeye agrees that the policy did not include instructions for performing a follow-up holiday inspection after originally detected holidays were repaired. BPL MA procedure J-03 has been clarified to require this follow-up inspection before backfill.

27. 195.567 Which pipelines must have test leads and what must I do to install and maintain the leads?

BPL MA procedure J-02, External and Internal Corrosion Control, 4/2008, Section 1.6.1.1 states that for all pipelines that are cathodically protected, sufficient test stations or other contact points for electrical measurements are to be maintained to determine the adequacy of the cathodic protection. Those test stations are to be sufficiently spaced so as to determine if adequate protection exist. However, the procedure does not provide criteria stating how sufficient spacing can or will be determined. There is no mention that criteria on an individual case basis will be determined by Engineering or Corrosion Control Supervision.

Buckeye's Response: Buckeye has clarified Maintenance procedure J-02 to reflect that the Supervisor, Corrosion Control shall determine what constitutes "sufficient" quantity and spacing of test point locations.

28. 195.573 What must I do to monitor external corrosion control?

BPL MA procedure J-02, External and Internal Corrosion Control, 4/2008, does not include reference and commitment to the requirements of API 651 for the corrosion control protection of the bottom of aboveground breakout tanks as require by 195.573(d).

Buckeye's Response: Buckeye referenced the NACE standard practices in Buckeye's Maintenance procedure J-02, and believes that by following those standard practices it has also satisfied the requirements of API 651. Buckeye has clarified its Maintenance procedure J-02 to include a reference to API 651, in addition to the aforementioned NACE standard practices.

29. 195.575 Which facilities must I electronically isolate and what inspections, tests, and safeguards are required?

BPL MA procedure J-02, External and Internal Corrosion Control, 4/2008, Section 9.3 states that electrical insulating devices such as insulating flange kits, insulating joints, insulating unions, insulating couplings, cathodic isolation kits in valve operators, casing insulators, etc. shall be installed and maintained to achieve the desired level of electrical isolation. This requirement should not state to achieve the desired level of electrical isolation. Rather, the requirement should be to achieve electrical isolation.

Buckeye's Response: Buckeye asserts the phrasing of "desired" level of electrical isolation was intended to reflect that some insulating components have been intentionally bonded across and, as such, would not be maintained to be electrically isolating. Nonetheless, Buckeye does not believe that the recommended amendment changes our operating procedures and has therefore made the revision to Buckeye's Maintenance J-02 as requested.

30. 195.575 Which facilities must I electronically isolate and what inspections, tests, and safeguards are required?

BPL MA procedure J-02, External and Internal Corrosion Control, 4/2008, Section 9.5 notes that insulating devices which may arc are not to be installed in hazardous areas unless the devices are installed in an explosion-proof enclosure or other precautions are taken to prevent arcing. However, the methods used to define hazardous areas are not very specific, and should be improved or clarified.

Buckeye's Response: Buckeye has incorporated a reference in its Maintenance procedure J-02 to Buckeye's Safety Manual B-01, which provides the definition of a hazardous area.

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31. 195.579 What must I do to mitigate internal corrosion?

BPL MA procedure J-06, Internal Corrosion, 4/2008, Section 1.2 states that "Product specifications and connection requirements shall be such that non-corrosive or inhibited product is brought into the BPL system. Section 2 addresses procedures and processes to measure, record, review and evaluate data related to corrosion coupons or failed pipe sections. The procedures also require BPL to review product received for proper specifications to ensure that non-corrosive or inhibited products are brought into the BPL system, and if required, to have product tested or remediated. However, the procedures do not specify remediation methods or how the potential internal corrosion is to be eliminated as a threat or concern.

Buckeye's Response: Buckeye has clarified its Maintenance procedure J-06 to include a list of additional actions that may be taken if internal corrosion issues are experienced, including, but not limited to, maintenance pigging, reviewing the shipper's inhibitor specifications and injection practices, and removal of the corrosive products from the line.

Buckeye feels that it has responded to all the issues brought up in your letter of May 6, 2009 and that this matter should now be closed. If you have any questions or need additional information please feel free to contact myself or Mr. Donald Hankey at 610-904-4410 or by email at ghankey@buckeye.com.

Sincerely,



Jerry J. Ashcroft
Vice President, Field Operations

JJA:ddd