

WARNING LETTER

OVERNIGHT EXPRESS DELIVERY

December 12, 2019

Gregory McIlwain
Senior VP, Operations
Sunoco Pipeline, L.P.
1300 Main Street
Houston, TX 77002

CPF 1-2019-5014W

Dear Mr. McIlwain:

From April 1 – August 16, 2019, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected Sunoco Pipeline, L.P.'s (Sunoco) Sunoco Products East 1 pipeline system in both Pennsylvania and New Jersey.

As a result of the inspection, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The item inspected and the probable violation is:

1. § 195.432 Inspection of in-service breakout tanks.

(a)...

(b) Each operator must inspect the physical integrity of in-service atmospheric and low-pressure steel above-ground breakout tanks according to API Std 653 (except section 6.4.3, *Alternative Internal Inspection Interval*) (incorporated by reference, see § 195.3). However, if structural conditions prevent access to the tank bottom, its integrity may be assessed according to a plan included in the operations and maintenance manual under § 195.402(c)(3). The risk-based internal inspection procedures in API Std 653, section 6.4.3 cannot be used to determine the internal inspection interval.

Sunoco failed to inspect the physical integrity of in-service atmospheric and low-pressure steel aboveground breakout tank according to American Petroleum Institute (API) Standard 653 (incorporated by reference into 49 C.F.R. Part 195, see § 195.3(b)(19)), as prescribed in § 195.432(b). Specifically, Sunoco did not conduct an external inspection for Tank 4 at its Icedale breakout tank facility within the 5-year interval specified under API Standard 653 Section 6.3.2.1 - External Inspection (Section 6.3.2.1).

Section 6.3.2.1 states:

All tanks shall be given a visual external inspection by an authorized inspector. This inspection shall be called the external inspection and must be conducted at least every 5 years or RCA/4N years (where RCA is the difference between the measured shell thickness and the minimum required thickness in mils, and N is the shell corrosion rate in mils per year) whichever is less. Tanks may be in operation during this inspection.

During the inspection, the PHMSA inspector reviewed API Standard 653 external inspection reports for Sunoco's Icedale breakout tank facility. The records indicated that external inspections were conducted for its Tank 4 on June 26, 2009 and February 5, 2015. This exceeded the 5-year maximum interval specified in Section 6.3.2.1 by approximately 7.5 months.

Therefore, Sunoco failed to inspect its Tank 4 per API Standard 653 Section 6.3.2.1 requirements regarding inspection interval.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item(s) identified in this letter. Failure to do so will result in Sunoco Pipeline L.P. being subject to additional enforcement action.

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).

No reply to this letter is required. If you choose to reply, please submit all correspondence in this matter to Robert Burroughs, Director, PHMSA Eastern Region, 840 Bear Tavern Road, Suite 300,

West Trenton, NJ 08628. Please refer to **CPF 1-2019-5014W** on each document you submit, and whenever possible provide a signed PDF copy in electronic format. Smaller files may be emailed to robert.burrough@dot.gov. Larger files should be sent on USB flash drive accompanied by the original paper copy to the Eastern Region Office.

Sincerely,

Robert Burrough
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration