WARNING LETTER

<u>OVERNIGHT EXPRESS DELIVERY</u>

June 16, 2022

Mr. Joseph Sauger
Senior Vice President of Operations and Engineering
Buckeye Partners, LP
One Greenway Plaza, Suite 600
Houston, Texas 77046

CPF 1-2022-057-WL

Dear Mr. Sauger:

From April 12, 2021 to November 9, 2021, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Buckeye Partners, LP's (Buckeye) pipeline system 17202 in New Jersey and Pennsylvania.

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. § 195.420 Valve Maintenance.

(a) …

(b) Each operator shall, at intervals not exceeding $7^{1/2}$ months, but at least twice each calendar year, inspect each mainline valve to determine that it is functioning properly.

Buckeye failed to inspect each mainline valve at intervals not exceeding 7 ½ months, but at least twice each calendar year, to determine that it is functioning properly. Specifically, Buckeye failed in five instances to inspect mainline valves at intervals not exceeding 7 ½ months from 2018 to 2020.

During the inspection, the PHMSA inspector reviewed valve maintenance inspection records from 2018 to 2020. Records indicated that certain valves were neither operated by hand nor remotely at the time of the valve inspection. The work order record for each valve inspection was marked as complete, although verification that the mainline valve was functioning properly was incomplete until the valve was exercised.

Buckeye's 195 O & M Manual, Procedure F-27 Main Line Valves & Valve Sites, issued June 2014 (MLV Procedure)

> "1.2 Each valve that is maintained as a normally open valve shall be exercised toward the closed position at the time of the inspection.
> 1.3 Each valve (branch or bypass) that is maintained as a normally closed valve shall remain closed at the time of the inspection. These valves are exercised during the normal conduct of pipeline operations and any problems discovered shall be reported by a Work Order."

Buckeye provided records identifying the dates valves were exercised. Noting that an inspection to determine a mainline valve is functioning properly is not complete until the valve is examined and exercised, four mainline valve inspections exceeded the $7^{1/2}$ months interval. Additionally, one valve was neither exercised during examination of the valve nor exercised during normal pipeline operations. Therefore, a determination that the valve was functioning properly was not completed at the time the PHMSA inspector reviewed records. Table 1 below, created by PHMSA and based on the information Buckeye provided in its mainline valve inspection records, lists each instance a complete mainline valve inspection exceeded 7 ½ month interval.

Table 1: Mainline Valve Inspections Exceeding 7 ½ months Interval

	A	B	C	D
Equipment Tag Number	**Previous Mainline Valve Inspection Date**	**"Complete Date" ***	**Date Mainline Valve Exercised on**	**Days Exceeding 7 ½ Months**
DT718DMV184C	11/20/18	5/8/19**	11/15/19	133 days
DT722DGV0D	6/04/18	11/01/18**	5/6/19	107 days
JH724JMV101A	10/29/18**	5/14/19**	6/28/19	26 days
SN724SKV47B	10/28/19**	4/01/20** 10/23/2020	10/23/2020	133 days
JH725HSV0A	4/08/19	11/12/19** 4/03/2020** 10/16/2020**	none	557 days

*Identified as "Complete Date" per Buckeye's work order record of mainline valve inspections. However, inspection was not able to determine proper functionality for valve was not exercised during this time.

** Valve was not exercised.

Therefore, Buckeye failed in five instances to inspect a mainline valve at intervals not exceeding 7 ½ months, but at least twice each calendar year, to determine that they were functioning properly, as prescribed in § 195.420(b).

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed $239,142 per violation per day the violation persists, up to a maximum of $2,391,142 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022, the maximum penalty may not exceed $225,134 per violation per day the violation persists, up to a maximum of $2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not exceed $222,504 per violation per day the violation persists, up to a maximum of $2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not 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.

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 identified in this letter. Failure to do so will result in Buckeye Partners, LP being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 1-2022-057-WL.** 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).

Sincerely,

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