



U.S. Department of Transportation

**Pipeline and Hazardous Materials
Safety Administration**

901 Locust Street, Suite 462
Kansas City, Missouri 64106-2641

WARNING LETTER

**VIA ELECTRONIC MAIL TO: : Matthew.Ramsey@energytransfer.com;
Gregory.Mcilwain@energytransfer.com; Eric.Amundsen@energytransfer.com;
Todd.Nardozzi@energytransfer.com**

September 1, 2021

Matt Ramsey
Chief Operating Officer
Energy Transfer
8111 Westchester
Dallas, TX 75225

CPF 3-2021-074-WL

Dear Mr. Ramsey:

From February 24th, 2020 to February 25th, 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 your Sunoco Pipeline L.P. (Sunoco's) Mariner East 1 (ME1) Pipeline from Pittsburgh to Philadelphia, Pennsylvania.

As a result of the inspection, it is alleged that Sunoco has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

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)...

(3) An analysis that integrates all available information about the integrity of the entire pipeline and the consequences of a failure (see paragraph (g) of this section)

Sunoco failed to consider geohazards in its information analysis of pipeline integrity and the consequences of a failure. Specific geohazards like landslides, subsidence from mines and other hazards associated with mountainous terrains through which sections of the pipeline traverses were not considered in the integrity analysis.

Since the inspection, Sunoco has added a geotechnical engineer to the staff, drafted and implemented additional Engineering Standards and adjusted SOPs to more clearly describe how to assess and address geohazards during construction as well as for ongoing operations.

Engineering Standards Implemented in 2020:

HL2.0202 Design Guidelines for Geotechnical Investigations

HL2.0203 Geohazard Evaluations for Pipeline Projects

SOPs with components of ROW Inspection for possible geohazard conditions:

HLA.20 Field Response to Natural Hazards & Potential Disasters

HLI.21 Inspection of ROW Crossings under Navigable Waters, Post Extreme Weather and Natural Disasters

HLI.24 Management of Depth of Cover and Evaluation HLI.29 Right of Way Maintenance.

The Risk Model used in conjunction with the IMP is being updated to be more quantitative. As the related data is collected from the updated SOPs, it will begin to be integrated in with the risk model.

2. §195.583 What must I do to monitor atmospheric corrosion control?

(a) You must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:

If the pipeline is located:	Then the frequency of inspection is:
Onshore	At least once every 3 calendar years, but with intervals not exceeding 39 months.
Offshore	At least once each calendar year, but with intervals not exceeding 15 months.

Sunoco failed to perform up close inspections for atmospheric corrosion of piping installed on elevated support racks inside the Marcus Hook facility and the pipe bridge across 10th avenue. Inspections are performed visually from the ground surface approximately 20-25 feet under the support racks which precludes top side or close visual inspection of the pipe and hold downs. ILI inspection results may supplement atmospheric corrosion inspections; however, the

atmospheric corrosion check is a stand-alone requirement. In addition, ILI tools are unlikely to find atmospheric corrosion at flanges, fittings, side taps, sensing lines etc.

Currently, in the event Sunoco personnel detect that there is visual evidence of coating deterioration, additional measures would be taken to further assess the elevated parts of the line. Safe work methods to further evaluate the elevated pipe support locations may include but are not limited to use of aerial man-lift, scaffolding, and possibly remote imaging via drone or pole-mounted cameras. Sunoco will evaluate whether better inspection methods can be implemented.

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 items identified in this letter. Failure to do so will result in Sunoco Pipeline 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 3-2021-074-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,

Gregory Ochs
Director, Central Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

cc: Gregory Mcilwain, Senior VP Liquids Operations, Gregory.Mcilwain@energytransfer.com
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