



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue, SE
Washington, DC 20590

February 11, 2026

VIA ELECTRONIC MAIL TO: tom.long@energytransfer.com

Thomas E. Long
Co-Chief Executive Officer
Sunoco Pipeline LP, an Energy Transfer Partnership
8111 Westchester Drive
Dallas, Texas 75225

Re: CPF No. 4-2024-015-NOPV

Dear Mr. Long:

Enclosed is the Decision on the Petition for Reconsideration filed by Sunoco Pipeline, LP in the above-referenced case. For the reasons explained therein, the Decision grants your Petition and withdraws Item 5 of the Final Order. When the remaining terms of the Compliance Order have been completed, as determined by the Director, Southwest Region, this enforcement action will be closed. This Decision constitutes the final administrative action in this proceeding. Service of this Decision is made pursuant to 49 CFR § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

**LINDA GAIL
DAUGHERTY**
Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

Digitally signed by LINDA
GAIL DAUGHERTY
Date: 2026.02.10
15:41:12 -05'00'

cc: Mr. Bryan Lethcoe, Director, Southwest Region, Office of Pipeline Safety, PHMSA
Mr. Greg McIlwain, Executive Vice President of Operations, Energy Transfer, LP,
gregory.mcilwain@energytransfer.com

CONFIRMATION OF RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of	)	
	)	
Sunoco Pipeline, LP,	)	CPF No. 4-2024-015-NOPV
an Energy Transfer Partnership,	)	
	)	
Petitioner.	)	
	)	

DECISION ON PETITION FOR RECONSIDERATION

From June 6 through December 1, 2022, pursuant to 49 U.S.C. § 60117, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), and New York Department of Public Service inspected Sunoco Pipeline LP's (Sunoco or Petitioner) Big Flats to Montello pipeline system in New York, and Montello, Pennsylvania.

As a result of that inspection, the Director, Southwest Region, OPS (Director) issued a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice) to Sunoco by letter dated March 25, 2024. In accordance with 49 CFR § 190.207, the Notice proposed finding that Sunoco had committed five violations of 49 CFR Part 195, proposed assessing a civil penalty of \$39,400 for the alleged violations, and proposed ordering Sunoco to take certain measures to correct the alleged violations. Effective May 20, 2025, PHMSA revised its proposed civil penalty calculation policy to use the version of the Civil Penalty Worksheet in effect when the alleged violation occurred. The new policy modified the proposed civil penalty in this case to \$36,600. The Notice also included an additional two warning items pursuant to 49 CFR § 190.205, which warned Sunoco to correct the probable violations or face possible future enforcement action.

After requesting and receiving an extension of time to respond, Sunoco responded to the Notice by letter dated May 17, 2024 (Response). Sunoco contested one of the allegations (Item 5) and offered additional information in response to the Notice. Sunoco did not contest the other four items. Sunoco did not request a hearing and therefore waived its right to one.

On September 26, 2025, pursuant to 49 U.S.C. §§ 60118 and 60122 and 49 CFR § 190.213, PHMSA issued a Final Order finding that Petitioner committed each of the five violations alleged in the Notice. The Final Order assessed a civil penalty of \$36,600 and included a Compliance Order specifying certain actions that must be taken to comply with the pipeline

safety regulations. As to Item 5, the Final Order did not assess a civil penalty for the violation but ordered Sunoco to revise its procedures.

Sunoco filed a Petition for Reconsideration (Petition) on October 16, 2025 requesting reconsideration of Item 5 and requesting the Compliance Order be stayed as to Item 5 pending consideration of its Petition. Petitioner did not request reconsideration of any other item in the Final Order and paid the assessed civil penalty in full on October 15, 2025. On October 29, 2025, the Acting Associate Administrator for Pipeline Safety stayed the Compliance Order as to Item 5 pending issuance of this decision.

Having now considered the Petition, and for the reasons discussed below, PHMSA grants the Petition and withdraws the finding of violation in Item 5 and the associated terms of the Compliance Order.

STANDARD OF REVIEW

Under 49 CFR § 190.243, an operator may petition the Associate Administrator for reconsideration of a Final Order that has been issued pursuant to section 190.213. Reconsideration is not an appeal or a completely new review of the record.¹ A petitioner may ask for correction of an error or, in limited circumstances, may present previously unavailable information. If a petitioner requests consideration of additional facts or arguments, the petitioner must submit the reasons they were not presented prior to the issuance of the final order. The Associate Administrator may grant or deny, in whole or in part, a petition for reconsideration without further proceedings.

DISCUSSION

Item 5: The Final Order found that the Petitioner violated 49 CFR § 195.563(a), which states:

§ 195.563 Which pipelines must have cathodic protection?

(a) Each buried or submerged pipeline that is constructed, relocated, replaced, or otherwise changed after the applicable date in § 195.401(c) must have cathodic protection. The cathodic protection must be in operation not later than 1 year after the pipeline is constructed, relocated, replaced, or otherwise changed, as applicable.

The Final Order determined that Sunoco violated section 195.563(a) by failing to have cathodic protection in operation not later than one year after a pipeline was constructed, relocated, replaced, or otherwise changed. Specifically, the Final Order determined that Sunoco replaced the tank bottoms on tanks 510 and 511 at the Montello station on May 4, 2006 and August 9, 2004, respectively, but failed to install cathodic protection. The Final Order included a

¹ Belle Fourche Pipeline Co., Decision on Reconsideration, CPF No. 5-2007-5002, 2008 WL 8430578, at *1 (Jul. 14, 2008), *available at* primis.phmsa.dot.gov/enforcement-data/case/520075002.

Compliance Order that required Petitioner to revise its procedures to ensure any tanks that receive a new bottom have cathodic protection and to submit to the Director a copy of the revised procedures within 90 days.

In its Petition, Petitioner presented several arguments for why Item 5 should be withdrawn. As a threshold matter, Petitioner argued the Final Order erroneously concluded 49 CFR § 195.563(a) requires cathodic protection on tanks 510 and 511. Petitioner noted that section 195.563(a) only applies to “buried or submerged pipelines” and “buried” is defined in section 195.553 as “covered or in contact with soil.” Petitioner explained these tanks are not covered or in contact with soil because Sunoco replaced the tank bottoms with a layered double-bottomed design, meaning the bottoms of the tanks now comprise a new steel bottom, a layer of concrete, a non-conductive plastic liner, and finally, the original bottom.² In this double-bottomed configuration, the original tank bottom remains in contact with the soil but the new tank bottom is separated by a non-conductive liner and concrete layer, which interrupt the electrolytic pathway required for corrosion to occur. Petitioner explained the effect of the new tank bottom placement isolates the tank from contact with the soil.³

A. Whether tanks 510 and 511 are “in contact with soil”

In the Final Order, PHMSA concluded that “[t]anks 510 and 511 are in contact with soil” and that section 195.563(a) therefore requires cathodic protection.⁴ PHMSA likened tanks 510 and 511 to a previous enforcement case where the agency found an operator had violated section 195.563(a) when the operator replaced a previously installed cathodic protection system on 16 breakout tanks with an alternative corrosion control technology.⁵ In that case, PHMSA found the tanks “were all originally constructed with cathodic protection systems and are in contact with the soil,” and therefore, section 195.563(a) required the 16 tanks to have cathodic protection.⁶

In its Petition, Petitioner argued that the previous case is dissimilar to its own facility because the tanks in that case were designed to be in contact with the soil and were never changed. Once the cathodic protection had deteriorated, the operator chose to stop maintaining the cathodic protection anodes and installed an alternative corrosion control technology.

In the present situation, however, Petitioner explained tanks 510 and 511 each have a new tank bottom separated by a non-conductive liner and concrete layer, which isolates the tank from contact with the soil. Petitioner contended a more analogous enforcement case was one where a PHMSA Region withdrew an alleged violation of section 195.563(a) after the operator

² Petition at 4.

³ Petition at 8. In response to the Notice, Sunoco submitted data regarding the effectiveness of its double-bottom tank method at controlling corrosion.

⁴ Final Order at 5.

⁵ Final Order at 6, citing Plains Pipeline, L.P., Final Order, CPF No. 4-2013-5007, 2015 WL 4397455 (May 22, 2015), *available at* primis.phmsa.dot.gov/enforcement-data/case/420135007.

⁶ Plains Pipeline at 8.

demonstrated a concrete pad separated the tank bottom from contact with the ground, rendering the tank outside the coverage of section 195.563(a) for “buried” pipelines.⁷

Upon reconsideration of this matter, PHMSA agrees with Petitioner that tanks 510 and 511 are not in contact with the soil and therefore are not “buried” within the plain text meaning of section 195.563(a). The Final Order was in error to conclude that tanks 510 and 511 are in contact with the soil considering the evidence that the tanks are separated and isolated from the soil by a non-conductive liner and concrete layer.⁸ Since tanks 510 and 511 are not “buried,” as that term is defined, section 195.563(a) does not apply. Accordingly, PHMSA grants the Petition and withdraws the finding of violation in Item 5 and the associated terms of the Compliance Order.⁹

CONCLUSION

For the reasons stated above, the Petition for Reconsideration is granted.

LINDA GAIL
DAUGHERTY

Digitally signed by LINDA
GAIL DAUGHERTY
Date: 2026.02.10 15:41:42
-05'00'

Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

February 11, 2026

Date Issued

⁷ Petition at 7, *citing* Buckeye Partners, LP, Withdrawal of Notice Letter, CPF No. 1-2024-053-NOPV (Mar. 31, 2025), *available at* primis.phmsa.dot.gov/enforcement-data/case/12024053NOPV. The Region did not explain the reason for withdrawing the probable violation, but any such reasoning would carry no precedential weight.

⁸ PHMSA previously issued a regulatory interpretation that examined whether a breakout tank with a concrete pad and liner was “buried” under section 195.563(a), *see* Interpretation P-20-0014 to Mr. Matthew Williamson for Chemoil Terminals Corp. (Jan. 10, 2022), but that interpretation was withdrawn for further consideration, *see* Letter to Mr. Williamson (Jul. 21, 2025), *available at* www.phmsa.dot.gov/regulations/title49/interp/pi-20-0014-0.

⁹ In its Petition, Petitioner raised several other arguments for withdrawing Item 5, including that sections 195.563(a) and 195.565 do not require cathodic protection for some buried breakout tanks. Because PHMSA’s finding that tanks 510 and 511 are not buried is dispositive, it unnecessary to consider Petitioner’s remaining arguments.