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

1200 New Jersey Avenue, SE
Washington, DC 20590

September 26, 2025

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 please find the Final Order issued in the above-referenced case. It makes findings of violation, assesses a civil penalty of $36,600, and specifies actions that need to be taken by Sunoco Pipeline LP to comply with the pipeline safety regulations. The penalty payment terms are set forth in the Final Order. When the civil penalty has been paid and the terms of the compliance order completed, as determined by the Director, Southwest Region, this enforcement action will be closed. Service of the Final Order by e-mail is effective upon the date of transmission and acknowledgement of receipt as provided under 49 CFR § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

Enclosure
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**
Respondent.	)	

FINAL ORDER

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, conducted an on-site pipeline safety inspection of the facilities and records of Sunoco Pipeline LP's (Sunoco or Respondent) Big Flats to Montello pipeline system in New York and Montello, Pennsylvania. The pipeline extends from Pennsylvania through New York and to the Montello terminal. At the Montello terminal there are breakout tanks and storage tanks for storage and movement of products stored.

As a result of the inspection, the Director, Southwest Region, OPS (Director), issued to Respondent, by letter dated March 25, 2024, a Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice). 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 $36,600 for the alleged violations, and proposed ordering Respondent 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.[1]The Notice also included an additional two warning items pursuant to 49 CFR § 190.205, which warned Respondent to correct the probable violations or face possible future enforcement action.

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

[1] Southwest Region informed Respondent of the new penalty policy and case file policy via letter dated July 16, 2025. Respondent confirmed receipt via email July 17, 2025.

FINDINGS OF VIOLATION

The Notice alleged that Respondent violated 49 CFR Part 195, as follows:

Item 1: The Notice alleged that Respondent violated 49 CFR § 195.428(d), which states:

> **§ 195.428 Overpressure safety devices and overfill protection systems.**
> (a) Except as provided in paragraph (b) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7½ months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.
> (b) . . . .
> (c) . . . .
> (d) After October 2, 2000, the requirements of paragraphs (a) and (b) of this section for inspection and testing of pressure control equipment apply to the inspection and testing of overfill protection systems.

The Notice alleged that Respondent violated 49 CFR § 195.428(d) by failing to inspect and test each overfill protection system to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used at intervals not exceeding 15 months, but at least once each calendar year. Specifically, Sunoco failed to inspect the overfill protection devices on twenty-two (22) breakout tanks at the Montello, Pennsylvania station in 2020 and 2021.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 CFR § 195.428(d) by failing to inspect and test each overfill protection system to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.

Item 2: The Notice alleged that Respondent violated 49 CFR § 195.49, which states:

> **§ 195.49 Annual report**.

> Each operator must annually complete and submit DOT Form PHMSA F 7000-1.1 for each type of hazardous liquid pipeline facility operated at the end of the previous year. An operator must submit the annual report by June 15 each year, except that for the 2010 reporting year the report must be submitted by August 15, 2011. A separate report is required for crude oil, HVL (including anhydrous ammonia), petroleum products, carbon dioxide pipelines, and fuel grade ethanol pipelines. For each state a pipeline traverses, an operator must separately complete those sections on the form requiring information to be reported for each state.

The Notice alleged that Respondent violated 49 CFR § 195.49 by failing to annually complete and submit DOT Form PHMSA F 7000-1.1 for each type of hazardous liquid pipeline facility operated. Specifically, Sunoco failed to submit complete and accurate annual reports for 2019, 2020, 2021, and 2022 with respect to bare pipe mileage.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 CFR § 195.49 by failing to annually complete and submit DOT Form PHMSA F 7000-1.1 for each type of hazardous liquid pipeline facility operated.

Item 3: The Notice alleged that Respondent violated 49 CFR § 195.452(i)(1), which states:

> **§ 195.452 Pipeline integrity management in high consequence areas**.
> (a) . . . .
> (i) *What preventive and mitigative measures must an operator take to protect the high consequence area?* —
> (1) *General requirements*. An operator must take measures to prevent and mitigate the consequences of a pipeline failure that could affect a high consequence area. These measures include conducting a risk analysis of the pipeline segment to identify additional actions to enhance public safety or environmental protection. Such actions may include, but are not limited to, implementing damage prevention best practices, better monitoring of cathodic protection where corrosion is a concern, establishing shorter inspection intervals, installing EFRDs on the pipeline segment, modifying the systems that monitor pressure and detect leaks, providing additional training to personnel on response procedures, conducting drills with local emergency responders and adopting other management controls.

The Notice alleged that Respondent violated 49 CFR § 195.452(i)(1) by failing to conduct a risk analysis of each pipeline facility that could affect a high consequence area (HCA) to identify additional actions to enhance public safety or environmental protection. Specifically, Sunoco failed to conduct a risk analysis in line with Section 5.2 of Energy Transfer, LP's *Pipeline Integrity Management Plan* (Rev. 6, Feb. 1, 2022), which required Sunoco to conduct a facility threat/risk analysis for new facilities and/or newly determined existing facilities within 15 months of the HCA determination and to conduct the assessment within 5 years at the Tonawanda/Buffalo Sun and Rochester Sun/Alaskan facilities.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 CFR § 195.452(i)(1) by failing to conduct a risk analysis of each pipeline facility that could affect a high consequence area (HCA) to identify additional actions to enhance public safety or environmental protection.

Item 4: The Notice alleged that Respondent violated 49 CFR § 195.583(c), which states:

> **§ 195.583 What must I do to monitor atmospheric corrosion control?**
> **(a) . . . .**
> **(c) If you find atmospheric corrosion during an inspection, you must provide protection against the corrosion as required by § 195.581.**

The Notice alleged that Respondent violated 49 CFR § 195.583(c) by failing to provide protection against corrosion that was found during an inspection. Specifically, photos from an inspection on GForm 311650 at Berne Junction in the Montello area showed corrosion on the valve body that required remediation, but no remediation was taken.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 CFR § 195.583(c) by failing to provide protection against corrosion that was found during an inspection.

Item 5: The Notice alleged that Respondent 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 Notice alleged that Respondent violated 49 CFR § 195.563(a) by failing to have cathodic protection in operation not later than one (1) year after its pipeline is constructed, relocated, replaced, or otherwise changed. Specifically, the Notice alleged that Sunoco replaced the tank bottoms on tanks 510 and 511 at the Montello station on May 4, 2006, and August 9, 2004, respectively and failed to install cathodic protection.

In its Response, Sunoco argued that cathodic protection was unnecessary for Tanks 510 and 511 at the Montello Station and therefore Sunoco could not be in violation of section 195.563(a). Sunoco referenced section 195.565 which states that, operators do not "need to comply with ANSI/API RP 651 when installing any tank for which [an operator] note[s] in the corrosion control procedures established under section 195.402(c)(3) why complying with all or certain provisions of ANSI/API RP 651 is not necessary for the safety of the tank." Sunoco stated that Tanks 510 and 511 have double tank bottoms and that cathodic protection is only effective for corrosion control if it is possible to pass electrical current between the anode and cathode (tank bottom), which Sunoco argued is not possible for double tank bottoms. Sunoco further argued that the tank bottoms for Tanks 510 and 511 are not resting on a corrosive environment because of the concrete foundations with a liquid impervious liner underneath. Sunoco further stated that Section 7.2 and Appendix B of Energy Transfer Standard Operating Procedure (SOP).HLD.48, *Installation of Cathodic Protection on Breakout Tanks* (Apr. 1, 2018) outlines the reasons why cathodic protection would be ineffective for tank with a double bottom. In addition, Sunoco stated that the electronic resistance (ER) corrosion rate of the steel in the environment the tank bottoms are in contact with are negligible and provided data.

Sunoco stated that it had sufficient justification for not complying with § 195.563(a) because, 1. cathodic protection was unnecessary for tanks due to API RP 651; 2. there are limitations with regards to cathodic protection of double tank bottoms; 3. there are limitations with regards to cathodic protection when there is an impervious liner, and; 4. the ER data was inconclusive.

Tanks 510 and 511 are breakout tanks. The definition of pipeline includes breakout tanks.[2] Section 195.563(a) requires that "[e]ach buried or submerged pipeline that is constructed, relocated, replaced, or otherwise changed after the applicable date in § 195.401(c) *must* have cathodic protection" (emphasis added). The word "must" in the regulation creates a legal obligation, in this case a legal obligation to have cathodic protection on the pipeline. This obligation is established if the pipeline meets two requirements: 1. it is buried or submerged, and 2. it is constructed, relocated, replaced, or otherwise changed after the applicable date in § 195.401(c).[3] A buried pipeline is one that is covered or in contact with soil.[4]

Tanks 510 and 511 meet both requirements established in § 195.563(a) and, therefore, Sunoco must have cathodic protection for the tanks. Tanks 510 and 511 are in contact with soil and Tanks 510 and 511 were otherwise changed in 2006 and 2004, respectively. Therefore, Sunoco must install cathodic protection on its tanks and may not forego cathodic protection for any reason.

Sunoco argued four additional points that are moot due to the legal obligation to install cathodic protection established by § 195.563(a). However, I shall address them each briefly.

Sunoco incorrectly interpreted § 195.565 incorporated by reference standards for installing cathodic protection on breakout tanks under § 195.563(a). This section provides flexibility for how cathodic protection is installed respective to API RP 651. It does not allow the operator an option to do without cathodic protection, as Sunoco stated.[5] PHMSA has considered and

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[2] 49 C.F.R § 195.2 "[p]ipeline or pipeline system" to mean "all parts of a pipeline facility through which a hazardous liquid or carbon dioxide moves in transportation, . . . , and breakout tanks."

[3] The applicable date being March 31, 1970.

[4] 49 C.F.R § 195.553.

[5] Sunoco Response at 5. In their Response Sunoco quoted the second half of § 195.565 "you must install the system in accordance with ANSI/API RP 651 (incorporated by reference, see § 195.3). However, you don't need to comply with ANSI/API RP 651 when installing any tank for which you note in the corrosion control procedures established under § 195.402(c)(3) why complying with all or certain provisions of ANSI/API RP 651 is not necessary for the safety of the tank" in order to imply that cathodic protection was optional. However, Sunoco failed to quote the preceding sentence of the regulation "After October 2, 2000 ,*when you install cathodic protection* under §

rejected an argument analogous to Sunoco's before, where the operator argued that it was not required to install cathodic protection on a breakout tank due to the language in § 195.565.[6] However, the Associate Administrator for Pipeline Safety rejected this argument stating "§ 195.563 is clear from its title and text of the rule that each breakout tank in contact with the soil must have cathodic protection. Cathodic protection is explicitly required by the regulation and there is no qualification or exception to this statement in the rule."[7] This case is analogous in fact and the same reasoning should be applied in this case. Sunoco must install cathodic protection on breakout tanks, but it has the option to explain in its corrosion control procedures "why complying with all or certain provisions of API RP 651 is not necessary for the safety of the tank."[8]

Sunoco's technical statements are not correct. Contrary to Section 7.2 of the SOP.HLD.48,[9] cathodic protection is effective on double bottom tanks when installed correctly. API RP 651 (1997)[10] includes, in sections 7.2.2 and 7.2.4.3, guidance for installing a cathodic protection system on double bottom breakout tanks. Further, Sunoco alleges cathodic protection is unnecessary if the tank has an impervious liner underneath. However, Section 7.2.5 of API RP 651 provides guidance for how to install cathodic protection in the instance a tank bottom has an impervious liner underneath.

Finally, Sunoco argued that electrical resistance corrosion probe data indicates that the corrosion rate for steel in the same environment as the tank bottoms was negligible. Sunoco stated this meant cathodic protection was unnecessary. However, this argument is moot because, as already stated, regulations do not permit operators to forego cathodic protection. The data from the probe does not change Sunoco's regulatory obligation.

Accordingly, after considering all of the evidence, I find that Respondent violated 49 CFR § 195.563(a) by failing to have cathodic protection in operation not later than one (1) year after its pipeline is constructed, relocated, replaced, or otherwise changed.

These findings of violation will be considered prior offenses in any subsequent enforcement

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195.563(a) to protect the bottom of an aboveground breakout tank of more than 500 barrels 79.49m3 capacity built to API Spec 12F (incorporated by reference, *see* § 195.3), API Std 620 (incorporated by reference, *see* § 195.3), API Std 650 (incorporated by reference, *see* § 195.3), or API Std 650's predecessor, Standard 12C, you must install the system in accordance with ANSI/API RP 651 (incorporated by reference, *see* § 195.3) (emphasis added)."

[6] *See Plains All American Pipeline, L.P.,* CPF No. 4-2013-5007.

[7] *See id*.

[8] 49 CFR § 195.565; *see also See Plains All American Pipeline, L.P.,* CPF No. 4-2013-5007 (holding "[a]n operator who documents why it is unnecessary to comply with API RP 651 when installing cathodic protection is permitted to install the cathodic protection in a manner that does not follow the recommended practice. Nothing in the regulation permits an operator to avoid installation of cathodic protection entirely.").

[9] *See* Sunoco SOP.HLD, Section 7.2 "installation of cathodic protection may not be feasible and effective in all cases, such as with floor replacements in existing tanks using a double bottom configuration."

[10] API RP 651(1991) was incorporated by reference at the time the changes were made to Tanks 510 and 511.

action taken against Respondent.

ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to an administrative civil penalty exceeding $200,000 per violation for each day of the violation, with a maximum administrative civil penalty exceeding $2,000,000 for any related series of violations.[11]

In determining the amount of a civil penalty under 49 U.S.C. § 60122 and 49 CFR § 190.225, I must consider the following criteria: the nature, circumstances, and gravity of the violation, including adverse impact on the environment; the degree of Respondent's culpability; the history of Respondent's prior offenses; any effect that the penalty may have on its ability to continue doing business; the good faith of Respondent in attempting to comply with the pipeline safety regulations; and self-disclosure or actions to correct a violation prior to discovery by PHMSA. In addition, I may consider the economic benefit gained from the violation without any reduction because of subsequent damages, and such other matters as justice may require. The Notice proposed a total civil penalty of $36,600 for the violations cited above.

Item 1: The Notice proposed a civil penalty of $36,600 for Respondent's violation of 49 CFR § 195.428(d), for failing to inspect and test each overfill protection system to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used at intervals not exceeding 15 months, but at least once each calendar year. Sunoco neither contested the allegation nor presented any evidence or argument justifying a reduction in the proposed penalty. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of $36,600 for violation of 49 CFR § 195.428(d).

Payment of the civil penalty must be made within 20 days after receipt of this Final Order. Federal regulations (49 CFR § 89.21(b)(3)) require such payment to be made by wire transfer through the Federal Reserve Communications System (Fedwire), to the account of the U.S. Treasury. Detailed instructions are contained in the enclosure. Questions concerning wire transfers should be directed to: Financial Operations Division (AMK-325), Federal Aviation Administration, Mike Monroney Aeronautical Center, 6500 S MacArthur Blvd, Oklahoma City, Oklahoma 79169. The Financial Operations Division telephone number is (405) 954-8845.

Failure to pay the civil penalty will result in accrual of interest at the current annual rate in accordance with 31 U.S.C. § 3717, 31 CFR § 901.9 and 49 CFR § 89.23. Pursuant to those same authorities, a late penalty charge of six percent (6%) per annum will be charged if payment is not made within 110 days of service. Furthermore, failure to pay the civil penalty may result in referral of the matter to the Attorney General for appropriate action in a district court of the United States.

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[11] These amounts are adjusted annually for inflation. *See* 49 C.F.R. § 190.223 for adjusted amounts.

COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Items 2, 3, 4, and 5 in the Notice for violations of 49 CFR §§ 195.49, 195.452(i)(1), 195.583(c), and 195.563(a), respectively. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of hazardous liquids or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601.

In its Response, Respondent agreed to complete the proposed compliance order for Items 2, 3, and 4.

With regard to the violation of § 195.563(a) (Item 5), Respondent argued the compliance terms should be withdrawn. Respondent argued that cathodic protection was not necessary for the safety of the tank and therefore it need not comply with the PCO. Sunoco also stated its existing procedure satisfies the proposed compliance order.

For the above reasons, the Compliance Order is not withdrawn as set forth below.

Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 CFR § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of § 195.49 (**Item 2**), Respondent must revise and resubmit its previously submitted annual reports to accurately reflect the amount of bare pipe mileage and provide copies to the Director, Southwest Region within **30** days of receipt of the Final Order.

2. With respect to the violation of § 195.452(i)(1) (**Item 3**), Respondent must conduct a risk analysis at the Tonawanda/Buffalo Sun and Rochester Sun/Alaskan facilities and submit records of the analysis to the Director, Southwest Region within **90** days of receipt of the Final Order.

3. With respect to the violation of § 195.583(c) (**Item 4**), Respondent must remediate the identified corrosion, retrain the technician that performed the inspection on GForm 311650, and submit records of the remediation and retraining to the Director, Southwest Region within **90** days of receipt of the Final Order.

4. With respect to the violation of § 195.563(a) (**Item 5**), Respondent must revise its existing procedures to ensure that any such tanks that receive a new bottom receive a cathodic protection system and provide the revised procedures to the Director, Southwest Region within **90** days of receipt of the Final Order.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

PHMSA requests that Respondent maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the Director. It is requested that these costs be reported in two categories: (1) total cost associated with preparation/revision of plans, procedures, studies and analyses; and (2) total cost associated with replacements, additions and other changes to pipeline infrastructure.

Failure to comply with this Order may result in the administrative assessment of civil penalties exceeding $200,000, as adjusted for inflation (*see* 49 CFR § 190.223 for adjusted amounts), for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

WARNING ITEMS

With respect to Items 6 and 7 the Notice alleged probable violations of Part 195 but identified them as warning items pursuant to § 190.205. The warnings were for:

> 49 CFR § 195.402(a) **(Item 6)** ─ Respondent's alleged failure to follow its manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies; and
>
> 49 CFR § 195.573(c) **(Item 7)** ─ Respondent's alleged failure to electrically check for proper performance of each rectifier at least six times each calendar year, but with intervals not exceeding 2 ½ months.

Sunoco presented information in its Response showing that it had taken certain actions to address the cited items. If OPS finds a violation of any of these items in a subsequent inspection, Respondent may be subject to future enforcement action.

Under 49 CFR § 190.243, Respondent may submit a Petition for Reconsideration of this Final Order to the Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2nd Floor, Washington, DC 20590, with a copy sent to the Office of Chief Counsel, PHMSA, at the same address. The written petition must be received no later than 20 days after receipt of the Final Order by Respondent. Any petition submitted must contain a statement of the issue(s) and meet all other requirements of 49 CFR § 190.243. The filing of a petition automatically stays the payment of any civil penalty assessed. The other terms of the order, including corrective action, remain in effect unless the Associate Administrator, upon request, grants a stay. The terms and conditions of this Final Order are effective upon service in accordance with 49 CFR § 190.5.

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Linda Daugherty　　　　　　　　　　Date Issued
Acting Associate Administrator
for Pipeline Safety