



By Electronic Mail

July 31, 2024

Mr. Bryan Lethcoe
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration
US Department of Transportation
8701 South Gessner, Suite 630
Houston, Texas 77074

**Re: CPF 4-2024-027-NOPV
Notice of Probable Violation and Proposed Compliance Order**

Dear Mr. Lethcoe:

Pursuant to 49 C.F.R. § 190.208, Sunoco Pipeline L.P. (SPLP or Company) submits this written response to a Notice of Probable Violation (NOPV), and Proposed Compliance Order (PCO) (collectively referred to as the “Notice”) issued on May 31, 2024, by the Pipeline and Hazardous Materials Safety Administration (PHMSA) and received by SPLP on June 3, 2024. The PHMSA Notice alleges three (3) violations and includes a PCO requiring remedial actions to ensure compliance with the pipeline safety regulations. SPLP is a subsidiary of Energy Transfer Company.

On June 3, 2024, SPLP requested PHMSA provide the Case File and Civil Penalty Worksheet as allowed by § 190.208(c) and § 190.209(b)(2) and Docket No. PHMSA 2016-0101. PHMSA provided the Case File via electronic mail on June 6, 2024. Also, on June 3, 2024 SPLP requested an extension of time to respond until July 31, 2024 and by letter dated June 6, 2024 PHMSA approved this request; thus, this response is timely.

By way of background, this Notice was issued following an inspection of an SPLP hazardous liquid pipeline in Houston, Delmont, and Montello, Pennsylvania from March 13 through July 14, 2023. SPLP provides this comprehensive response which contests certain findings, requests modifications to the PCO, explains certain underlying circumstances and indicates what steps the Company has taken to address certain findings.

Please note that this submission contains certain confidential business information and confidential security information that is protected from public disclosure under the Freedom of Information Act (FOIA), 5 U.S.C. § 552. Should PHMSA receive a FOIA request for this information, the Agency is required to notify SPLP and provide the Company with an adequate opportunity to substantiate its claim, prepare redactions, and/or object, if warranted.



The Company appreciates PHMSA's review and consideration of this submission and shares PHMSA's commitment to pipeline safety, public safety, and pipeline integrity. Should you have any questions please contact me at (713) 989-7126 or via email at todd.nardozzi@energytransfer.com.

Sincerely,
Todd
Nardozzi

Digitally signed by
Todd Nardozzi
Date: 2024.07.31
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Todd Nardozzi
Director – DOT Compliance

cc: Todd Stamm, SVP Operations
Matt Stork, VP Tech Services
Chris Lason, VP Asset Integrity

1. **§ 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.

Sunoco failed to take measures to prevent and mitigate the consequences of a pipeline failure that could affect a high consequence area (HCA) in accordance with § 195.452(i)(1). Specifically, Sunoco failed to consider or recommend a preventive and mitigative measure (P&MM) to address dead legs and lightning strikes.

PHMSA reviewed Sunoco's DOT 195 Facility HCA Analysis (May 21, 2022) that analyzed Beckersville Station, Delmont Pump Station, Elverson Station, Marcus Hook Station, and Montello Station. The analysis identified as issues historic call-outs due to lightning strikes at Beckersville Station, Elverson Station, and Marcus Hook Station. The analysis also identified as issues operational dead legs at Elverson Station, Marcus Hook Station, and Montello Station. Section 5.3 of Sunoco's *Pipeline Integrity Management Plan* (Rev. 7, Oct. 5, 2022) stated that after the DOT 195 Facility HCA Analysis is completed operator personnel will list all threat concerns prioritized by risk for the facility and develop proposed preventive and/or mitigative measures and time frame to address each concern. However, Sunoco failed to develop proposed preventive and/or mitigative measures for each threat/concern (historic call outs due to lightning strikes and dead legs) and develop time frames to address each concern determined in the DOT 195 Facility HCA Analysis.

Therefore, Sunoco failed to take measures to prevent and mitigate the consequences of a pipeline failure that could affect an HCA in accordance with § 195.452(i)(1).

Proposed Compliance Order

In regard to Item 1 of the Notice pertaining to Sunoco's failure to take measures to prevent and mitigate the consequences of pipeline failure that could affect a high consequence area, Sunoco must implement preventive and mitigative measure to address operational dead legs and lightning strikes, and provide records of the implemented measures to the Director, Southwest Region, PHMSA within 60 days of receipt of the Final Order.

SPLP Response

SPLP neither admits nor denies the allegation of Probable Violation of 49 C.F.R. § 195.452(i)(1) described in Item 1 of the Notice but offers the discussion below explaining the underlying details that support the Company decisions related to P&MMs at the Beckersville, Elverson, Montello, and Marcus Hook facilities.

In the violation, PHMSA contends SPLP failed to develop proposed preventive and/or mitigative measures (P&MMs) for each threat/concern (historic call outs due to lightning strikes and dead legs) and develop time frames to address each concern determined in the DOT 195 Facility HCA Analysis. The purpose of the meetings identified in Section 5.3 of *Sunoco's Pipeline Integrity Management Plan (Rev. 7, Oct. 5, 2022)* of the IMP that generated the DOT 195 HCA Facility Analysis documents previously provided to PHMSA is to review a series of questions pertaining to potential threats/risks at the facilities. The questions are to drive discussions to identify concerns, and potentially recommend preventive or mitigative measures, but P&M activities are not mandated simply by a question being answered as "Yes". For example, if the items were historic (past issues previously addressed), are being addressed through existing efforts or procedures, and/or are not considered to be a significant enough threat/concern to warrant a P&MM, they are not "recommended" through this document.

Specifically relating to lightning strikes and dead legs, the following information is presented to further explain the decision by SPLP to not consider each item a significant concern, and therefore not recommend P&MM measures targeted at these items.

Lightning Strikes: (Beckersville, Elverson, Montello, and Marcus Hook)

At each of these meetings, it was asked if there was any equipment susceptible to failure due to lightning strike. It was answered "yes" because each of these facilities had experienced past callouts related to commercial power loss due to lightning events. These issues were not considered to be a threat to integrity and are currently being addressed sufficiently as follows:

- If the systems lose facility transmitters, communication procedures exist for the system to initiate a station shut down or the station is programmed to shut down automatically.
- There are lightning arrestors across all insulating gaskets and lightning protection at the facilities/tanks to meet NEC code.

In addition, Weather/Outside Force was considered a relatively low risk overall on the subject pipeline system.

Dead Legs: (Elverson, Montello, and Marcus Hook)

Both Montello and Marcus Hook are relatively larger facilities and at each of these locations, it was noted that there were dead legs present within the facility. These responses were somewhat speculative based on the subject matter experts (SMEs) that participated in the meetings, but a more detailed analysis of the facilities was being accomplished through other efforts. Addressing these sites individually, the more detailed analysis identified the following:

- 1) Elverson – At this location, the pipe that was identified as potential dead leg is actually a pig trap bypass line that operates when receiving ILI tools and can be flushed. The pipe is above grade, the site is monitored during weekly site visits, security cameras are at the facility, and the lines have little to no internal corrosion threat. In addition, this piping is scheduled to be removed in 2025 as part of separate operational project.
- 2) Montello - The assumption at that time was that there could be a dead leg at Montello based on the size and complexity of the facility. No specific P&MM was recommended for this as there was already a 2022 budgeted project to assess the facility piping and determine if dead legs were present. The Company Asset Integrity Group contracted a third-party consultant to perform API

570 visual inspections and corrosion monitoring for all of the piping within the facility. The inspections were completed between July 18, 2022 and November 12, 2022 did not identify any dead leg piping.

- 3) Marcus Hook – Based on input from the SME’s there was the belief that there could be some dead legs on the DOT piping at Marcus Hook based on the size and complexity of the facility. As with the Montello facility, there was already a 2022 budgeted project to assess the facility piping. The Company Asset Integrity Group contracted a third-party consultant to perform API 570 visual inspections and corrosion monitoring for all of the piping within the facility. The inspections were completed between September 16, 2022 and October 21, 2022. A list of identified dead legs at the facility was updated within the Asset Integrity’s SHIELD program and any recommendations are being managed as part of that program.

For the reasons and information detailed above, the Company respectfully requests that PHMSA withdraw the PCO associated with Item 1.

2. § 195.452 Pipeline integrity management in high consequence areas.

(a). . . .

1) *What records must an operator keep to demonstrate compliance?*

(1) An operator must maintain, for the useful life of the pipeline, records that demonstrate compliance with the requirements of this subpart. At a minimum, an operator must maintain the following records for review during an inspection:

(i). . . .

(ii) Documents to support the decisions and analyses, including any modifications, justifications, deviations and determinations made, variances, and actions taken, to implement and evaluate each element of the integrity management program listed in paragraph (f) of this section.

Sunoco failed to maintain documents to support the decisions and analyses, including any modifications, justifications, deviations, and determinations made, variances, and actions taken, to implement and evaluate each element of the integrity management program in accordance with § 195.452(l)(1)(ii). Specifically, Sunoco failed to maintain documentation showing that recommended preventive measures were implemented for line segments 11190.2 (BECK-TWIN8) and 12124.1 (DELM-HOLL-8).

Sunoco’s Pipeline Integrity Segment Summary (ISS) report is the primary record for periodic evaluation and preventive and mitigative action recommendations. The ISS report for line segment 11190.2 (BECK-TWIN-8) indicated that anode bed installation and recoat projects were recommended as preventive measures. The ISS report for line segment 12124.1 (DELM-HOLL 8) indicated that anode bed installation, recoat projects, and shorted casing removals were recommended as preventive measures. The ISS report failed to provide details on any actions taken to implement the recommended preventative measures.

Due to the inadequate documentation, PHMSA could not determine if the recommended preventive measures were implemented.

Therefore, Sunoco failed to maintain documents to support the decisions and analyses, including any modifications, justifications, deviations, and determinations made, variances, and actions taken, to implement and evaluate each element of the integrity management program in accordance with § 195.452(l)(1)(ii).

Proposed Compliance Order

In regard to Item 2 of the Notice pertaining to Sunoco's failure to maintain documents to support the decisions and analyses, including any modifications, justifications, deviations and determinations made, variances, and actions taken, to implement and evaluate each element of the integrity management program, Sunoco must revise its integrity management records, such as the ISS report, to indicate if, and when, recommended preventive measures on line segments 11190.2 and 12124.1 were installed and provide the revised records to the Director, Southwest Region, PHMSA within 60 days of receipt of the Final Order.

SPLP Response

SPLP neither admits nor denies the allegation of Probable Violation of 49 C.F.R. § 195.452(l) described in Item 2 of the Notice but offers the discussion below explaining the enhancements the Company has already affected to address this finding.

The Company has revised the ISS reports to include details of the actions taken to complete the recommended P&M measures. The revised ISS reports are included with this submission under Attachment A.

SPLP is committed to ensuring the safety of people and environment in the proximity to our pipelines and is dedicated to continuous improvement. In addition to updating the documents the Company also performed an overall review of its PMM program. As a result, Section 9 of the *Pipeline Integrity Management Plan (Rev. 9, June 1, 2024), Provisions for Preventative & Mitigative (P&M) Measures (PMM)*, has been revised. The Company has also made changes to the Pipeline Assessment Report (PAR), previously the ISS Report, with additional requirements to document existing PMM and document proposed PMM utilizing the new PMM Request form generated in the company GIS database. The revised Section 9 of the IMP is included with this submission under Attachment B.

In the revised Company PMM process, all applicable threats shall be identified and documented on the PAR - Pipeline Assessment Report. If a threat is addressed through other means, then a PMM may not be necessary. Discussions should take place to "determine if a PMM could reduce the risk for a particular threat and to review the PMM pick list to determine an applicable PMM item for potential consideration." "Any PMM identified and agreed upon will be given a ranking and should be completed in the appropriate time frame". As stated in Section 9 of the Company IMP Plan, "If a PMM is not approved, the reasoning for such decision will be documented in the PMM GForm. An outcome to the PMM Review may be the decision not to add additional PMMs based on existing PMMs in place or Assessment results".

For the reasons detailed above and the additional information included with this submission in Attachment A and Attachment B, the Company believes that the requirements of the PCO associated with Item have been satisfied and SPLP respectfully requests that the Final Order reflect such.

3. § 195.402 Procedural manual for operations, maintenance, and emergencies.

a. General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes

made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

(c) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:

(1)

(13) Periodically reviewing the work done by operator personnel to determine the effectiveness of the procedures used in normal operation and maintenance and taking corrective action where deficiencies are found.

Sunoco failed to periodically review the work done by operator personnel to determine the effectiveness of the procedures used in normal operation and maintenance and take corrective action where deficiencies are found in accordance with § 195.402(c)(13), and section 4.0 of Sunoco's procedure, *Guiding Principles for Standard Operating Procedures, A-HLA.02* (Rev. Sept. 1, 2023). Specifically, Sunoco failed to provide records showing that periodic reviews of the work performed by personnel were conducted and corrective actions taken to correct deficiencies in the procedures used for normal operation and maintenance where found.

Proposed Compliance Order

In regard to Item 3 of the Notice pertaining to Sunoco's failure to periodically review the work done by operator personnel to determine the effectiveness of the procedures used in normal operation and maintenance and take corrective action where deficiencies are found, Sunoco must develop and establish process for periodically conducting and documenting reviews of work performed by personnel to determine the effectiveness of the procedures used in normal operation and maintenance and take corrective action where deficiencies are found and submit the plan to the Director, Southwest Region, PHMSA for approval within **60** days of receipt of the Final Order.

SPLP Response

SPLP disagrees with the PHMSA finding of Probable Violation of § 195.402(c)(13) and the PCO associated with the same. The Company complies with the requirements of § 195.402(c)(13) via a collective process that consists of (1) Quality Job Reviews, (2) Annual Work History Reviews and additional methods by which Company personnel may request modifications to procedures, and (3) Annual O&M SOP Reviews.

The Company conducts, as part of a company-wide safety program, Quality Job Reviews (QJR's). These QJR's involve supervisors, managers and/or directors traveling into the field to witness their employees conducting their work. The results of conducting the QJR's range from acknowledgment of adequately performed tasks, identification of an update to procedure(s), the need for additional training and any other areas for improvement.

Second, the Company conducts as a part of its Operator Qualification (OQ) program, Annual Work History Reviews of OQ qualified employees. These Annual Work History Reviews are conducted by supervisors and consist of a review of the OQ tasks performed to determine effectiveness of procedures and identify any questions or need for changes or updates to any of the procedures utilized in performing tasks.

Other processes present all company personnel with the opportunity at any time to request amendments to procedures. The Company maintains an electronic process through which employees may submit a redlined procedure through the Company SharePoint site. This redlined document is then routed to the document and volume owner for review of the redlines. The document owner has the opportunity to further revise the document or reject the proposed changes. Should the redlines (either as submitted or further revised by the document owner) be deemed appropriate and necessary the changes are then routed to a larger SME group for evaluation. After review and final preparation, the procedure then would be routed through the Management of Change process for approval, followed by training to appropriate personnel on the changes and finally publication in the Company SOP catalog. See A-HLA.02 'Guiding Principles for Standard Operating Procedures' Section 1.0, 4.0, 7.2 and Appendix C for a description of this process.

Lastly, the Company SOP Annual Review process wherein the document owners and volume owners of the procedures review such on an annual basis to identify any changes that may be necessary, along with considering changes offered by other personnel.

SPLP has included the following items to support this collective process with this submission under Attachment C:

- Quality Job Review Example Documentation
- Quality Job Review Listing - Eastern Area Liquid Pipeline Operations
- Annual Work History Review Example Documentation
- A-HLA.02 'Guiding Principles for Standard Operating Procedures'
- Annual O&M SOP Review Documentation

For the reasons detailed above and the additional information included with this submission in Attachment C, the Company respectfully requests that PHMSA withdraw the Probable Violation of § 195.402(c)(13) and the PCO associated with the same as it is clear that the Company employs a process for periodically conducting and documenting reviews of work performed by personnel to determine the effectiveness of the procedures used in normal operation and maintenance and take corrective action where deficiencies are found.