



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

820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628
609.989.2171

**NOTICE OF PROBABLE VIOLATION
PROPOSED CIVIL PENALTY
and
PROPOSED COMPLIANCE ORDER**

OVERNIGHT EXPRESS MAIL

May 13, 2013

T. Scott Collier
VP, Performance Assurance & Asset Integrity
Buckeye Partners, L.P.
Five Tek Park
9999 Hamilton Boulevard
Breinigsville, PA 18031

CPF 1-2013-5007

Dear Mr. Collier:

During June 11-15, 2012, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code inspected Buckeye Partners, L.P.'s (Buckeye) facilities in Boothwyn, Pennsylvania.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation is:

1. **§195.573 What must I do to monitor external corrosion control?**
 - (a) . . .
 - (e) ***Corrective action.* You must correct any identified deficiency in corrosion control as required by Sec. 195.401(b). However, if the deficiency involves a pipeline in an integrity management program under Sec. 195.452, you must correct the deficiency as required by Sec. 195.452(h).**

Buckeye failed to correct any identified deficiency in corrosion control as required by Sec. 195.401(b).

Buckeye’s Cathodic Protection Survey Reports for 2010 and 2011 for Breakout Tanks 1 through 19 at Booth Station were reviewed by the PHMSA inspector. For the eleven tanks noted below, the report shows two consecutive cathodic protection (CP) readings that were below Buckeye’s stated criteria of -0.850 millivolt (mV) cathodic potential, including voltage drop. There was no documentation to indicate that the low readings had been remediated. According to Buckeye’s Corrosion Manual Procedure A-02 issued 12/2011, and with prior versions of the same procedure (Buckeye’s Maintenance Manual Procedure J-02 issued 9-2009 and 9-2010), any abnormality or equipment deficiency should be corrected within one inspection cycle. The inspection is performed on an annual basis.

During the dates of 8/3/2010 through 8/10/2010 and 6/3/2011 through 6/21/2011, electrical structure to soil and potential difference readings were taken:

1. Out of the eight locations around the perimeter of Tanks 1, 2, 3, 4, 5, 6, 8, 12, 13 and 14, each of those tanks had at least one location where CP readings were below criteria for two consecutive inspection cycles.
2. Out of the four locations around the perimeter of Tank 18, there was one location where CP readings were below criteria for two consecutive inspection cycles.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation and has recommended that you be preliminarily assessed a civil penalty of \$60,000 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$60,000

Proposed Compliance Order

With respect to item 1 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Buckeye Partners, L.P. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. All material you submit in response to this enforcement action may be 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). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

Please submit all correspondence in this matter to Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, W. Trenton, NJ 08628. Please refer to **CPF 1-2013-5007** on each document you submit, and please whenever possible provide a signed PDF copy in electronic format. Smaller files may be emailed to Byron.Coy@dot.gov. Larger files should be sent on a CD accompanied by the original paper copy to the Eastern Region Office.

Sincerely,

Byron Coy, PE
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Buckeye Partners, L.P. (Buckeye) a Compliance Order incorporating the following remedial requirements to ensure the compliance of Buckeye with the pipeline safety regulations:

1. With respect to Item Number 1 of the Notice, pertaining to failing to correct any identified deficiency in corrosion control, Buckeye must evaluate and correct the deficiencies in corrosion control that were identified in the 2010 and 2011 cathodic protection survey for Tank #s 1, 2, 3, 4, 5, 6, 8, 12, 13, 14 and 18.
2. Buckeye must submit any and all documentation that demonstrate completion with the above item within ninety (90) days after receipt of the Final Order to Byron Coy, Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration.
3. It is requested (not mandated) that Buckeye Partners, LP maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Byron Coy, Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration. 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.