COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

In The Matter Of:

Sunoco Pipeline, L.P.
535 Fritztown Road
Sinking Springs, PA 19608

Violations of The Clean Streams Law
and DEP Chapters 93 and 102 of Title 25 of
the Pennsylvania Code, and the Dam Safety
and Encroachments Act and DEP Chapter
105 of Title 25 of the Pennsylvania Code
Pennsylvania Pipeline Project—Mariner East II
E&S Permit No. ESCG0300015002
WO&E Permit No. E31-234
Penn Township, Huntingdon County
DEP File NOV 31 17 103

CONSENT ORDER AND AGREEMENT

This Consent Order and Agreement is entered into this ___ day of January 2020, by
and between the Commonwealth of Pennsylvania, Department of Environmental Protection
("Department") and Sunoco Pipeline, L.P. ("Sunoco").

The Department has found and determined the following:

A. The Department is the agency with the duty and authority to administer and
enforce The Clean Streams Law, Act of June 22, 1937, P.L. 1987, as amended, 35 P.S. §§ 691.1-
691.1001 ("Clean Streams Law"); the Dam Safety and Encroachment Act, the Act of November
26, 1978 P.L. 1375, as amended, 32 P.S. §§ 693.1 et seq. ("Dam Safety and Encroachment
Act"); Section 1917-A of the Administrative Code of 1929, Act of April 9, 1929, P.L. 177, as
amended, 71 P.S. § 510-17 ("Administrative Code"); and the rules and regulations ("rules and
regulations") promulgated thereunder.
B. Sunoco Pipeline, L.P. ("Sunoco") is a foreign limited partnership doing business in Pennsylvania and maintains a mailing address of 535 Fritztown Road, Sinking Springs, PA 19608. Sunoco Logistics Partners Operations GP LLC is the general partner of Sunoco Pipeline, L.P. Joseph Colella is Executive Vice President for Sunoco Logistics Partners Operations GP LLC. Mr. Colella has been granted authority by Sunoco Logistics Partners Operations GP LLC to sign documents for Sunoco on behalf of the General Partner.

C. Sunoco owns and operates numerous pipelines in Pennsylvania used to transport petroleum and natural gas products. Sunoco has undertaken an effort to expand existing transportation systems for natural gas liquids in Pennsylvania, which is collectively referred to as the Pennsylvania Pipeline Project—Mariner East II ("PPP-ME2"). As part of PPP-ME2, Sunoco is conducting pipeline installation activities in Huntingdon County, Pennsylvania.

D. Sunoco obtained Erosion and Sediment Control Permit, Permit Number ESG0300015002, and Water Obstruction and Encroachment Permit, Permit Number E31-234, to construct PPP-ME2 through Huntingdon County. Both permits require Sunoco to follow their Horizontal Directional Drilling Inadvertent Return Preparedness, Prevention, and Contingency Plan, ("HDD IR PPC Plan") that is part of the approved plans in the aforementioned permits to reduce, minimize, or eliminate a pollution event from their construction activities.

E. For purposes of this COA, the terms "Horizontal Directional Drilling", "Inadvertent Return", and "Loss of Circulation" shall be defined as follows:

1. Horizontal Directional Drilling ("HDD") is any steerable trenchless method used for installation of an underground pipe in an arc along a prescribed path by using a surface launched drilling rig.

2. An Inadvertent Return ("IR") is an unauthorized discharge of drilling fluids to the ground or surface waters, including wetlands, associated with HDD or other trenchless construction methodologies.

3. A Loss of Circulation ("LOC") is a condition when HDD operations are in progress and drilling fluid circulation to the HDD endpoints is either lost from the annulus or is significantly diminished.
F. The work area for PPP-ME2 in Huntingdon County, Pennsylvania includes the crossing of Raystown Lake, which is formed by a dam on the Raystown Branch Juniata River, in Penn Township (“Raystown Lake HDD Site”).

F. The receiving water for the Raystown Lake HDD Site is the Raystown Branch Juniata River, a water of this Commonwealth. The fishery classification for the Raystown Branch Juniata River in 25 Pa. Code § 93.9n is WWF, MF.

G. On December 11, 2017, Sunoco reported a LOC of approximately 2,000 gallons at the Raystown Lake HDD Site earlier in the day during the pilot hole stage of the 16-inch diameter pipeline.

H. On December 20, 2017, Sunoco reported that an approximate 25-gallon IR of HDD fluids (“drilling fluids”) to the surface of the ground at the Raystown Lake HDD Site had occurred earlier in the day during the pilot hole stage of the 16-inch diameter pipeline, which subsequently discharged into the Raystown Branch Juniata River.

I. On March 5, 2018, Sunoco submitted to the Department a report titled ‘Incident Assessment Memorandum, HDD Bore No. S2-0150A, Raystown Lake’ from Joe Biaglow, PG, and Tim Emerick, Jr., PG, of Rettew to Christopher Embry of Sunoco dated March 5, 2018 (“March 2018 Report”). The March 2018 Report indicated that during the construction of the 16-inch diameter pipeline, between the December 11, 2017 LOC and December 20, 2017 IR, additional LOCs that were previously unreported to the Department occurred on December 12, 13, 14, 15, 16, 18, 19, and 20, 2017, which comprised an additional 948,200 gallons of drilling fluid. The HDD IR PPC Plan (dated December 2, 2016 and Revised August 8, 2017) that was in effect at the time of the December 2017 LOCs at the Raystown Lake HDD Site required Sunoco to immediately report LOCs to DEP upon discovery. Sunoco’s failure to report the required LOCs associated with the 16-inch line construction at the Raystown Lake HDD Site extended from December 12, 2017 until March 5, 2018, a total of 83 days.

J. On December 6, 2018, Sunoco submitted to the Department a report titled, ‘Sampling Results and Inadvertent Return Assessment Report for Raystown Lake Horizontal Direction Drill (S2-0150)’ dated December 6, 2018 by Larry J. Gremminger, Geotechnical Evaluation Leader for Mariner II Pipeline Project (“December 2018 Report”). The December 2018 Report contained the conclusion that at least of the portion of the drilling fluids from the
LOCs described in Paragraphs G., and I., above, were confirmed to be found in a 2.55- acre area on the bottom of Raystown Lake and another 1.12-acre area of lake bottom was described as a “Possible Impact Area”.

K. On February 18, 2019 Sunoco submitted to the Department a report titled, ‘Loss of Returns Summary, Raystown Lake HDD S2-0150’, dated February 15, 2019 by Greg Ayres, PG, and David Anderson, PG of Rettew (“February 2019 Report”). The February 2019 Report indicated that during the construction of the 20-inch pipeline at the Raystown Lake HDD Site between April 9, 2017 and October 30, 2017, LOCs had occurred on thirty-nine (39) separate days, which comprised a total of 2,008,000 gallons of drilling fluid. Thirty (30) of the thirty-nine (39) LOCs were required to be immediately reported to the Department under the HDD IR PPC Plan (dated December 2, 2016 and Revised August 8, 2017) that was in effect at the time of their occurrence. However, Sunoco only provided the Department with notification of one (1) of the thirty (30) LOCs. Sunoco’s failure to report the required LOCs associated with the 20-inch line construction at the Raystown Lake HDD Site extended from September 23, 2017 until February 18, 2019, a total of 513 days.


M. Sunoco has calculated that 208,555 gallons of drilling fluids surfaced as an inadvertent return within the study area of the lake bottom.

N. Sunoco is not authorized to discharge drilling fluids to any water of the Commonwealth.

O. Sunoco’s investigations, as described in Paragraphs J., K., and L., above, found that Sunoco discharged drilling fluids into Raystown Lake, contrary to the terms and conditions of Erosion and Sediment Control Permit, Permit Number ESG0300015002, and Water Obstruction and Encroachment Permit, Permit Number E31-234.
P. The drilling fluids that comprised the LOC and described in Paragraphs G., I., J., K., and L., above, constitute Industrial Waste.

Q. Sunoco’s discharge of Industrial Waste to waters of the Commonwealth as described in Paragraphs G., I., J., K., L., and M., above, constitutes a violation of 25 Pa. Code § 92a.1(b) and Section 301 of the Clean Streams Law, 35 P.S. § 691.301.

R. Sunoco’s failure to timely comply with the notice requirements of the HDD IR PPC Plan as required by Erosion and Sediment Control Permit, Permit Number ESG0300015002, and Water Obstruction and Encroachment Permit, Permit Number E31-234 constitutes unlawful conduct under Section 611 of the Clean Streams Law, 35 P.S. § 691.611 and Section 18 of the Dam Safety and Encroachments Act, 32 P.S. § 693.18.

S. The violations described in Paragraphs P., and Q., above, constitute unlawful conduct under Sections 401 and 611 of the Clean Streams Law, 35 P.S. §§ 691.401 and 691.611 and Section 18 of the Dam Safety and Encroachments Act, 32 P.S. § 693.18; a statutory nuisance under Sections 401 and 601 of the Clean Streams Law, 35 P.S. §§ 691.401 and 691.601; and subject Sunoco to civil penalty liability under Section 605 of the Clean Streams Law, § 691.605 and Section 21 of the Dam Safety and Encroachments Act, 32 P.S. § 693.21.

After full and complete negotiation of all matters set forth in this Consent Order and Agreement and upon mutual exchange of covenants contained herein, the parties desiring to avoid litigation and intending to be legally bound, it is hereby ORDERED by the Department and AGREED to by Sunoco as follows:

1. Authority. This Consent Order and Agreement is an Order of the Department authorized and issued pursuant to Section 5 of the Clean Streams Law, 35 P.S. § 691.5, Section 20 of the Dam Safety and Encroachments Act, 32 P.S. § 693.20, and Section 1917-A of the Administrative Code, 71 P.S. § 510-17.

2. Findings.
   a. Sunoco agrees that the findings in Paragraph A. through N., are true and correct and, in any matter or proceeding involving Sunoco and the Department, Sunoco shall not challenge the accuracy or validity of these findings.
   b. The parties do not authorize any other persons to use the findings in this Consent Order and Agreement in any matter or proceeding.
3. **Corrective Action.**

a. **By March 1, 2020,** unless the Department approves a later date in writing, Sunoco shall submit to the Department for review and approval an Invasive Aquatic Vegetation Control Plan consisting of a plan and implementation schedule ("Vegetation Control Plan") for Sunoco’s completion of a minimum of 110 acres of treatment within Raystown Lake during the 2020, 2021, and/or 2022 calendar years, unless an alternate timeframe is approved by the Department in writing. Sunoco may treat any portion of the 110 acres in any of these three years, so long a total of as 110 acres have been treated by the end of calendar year 2022. The Vegetation Control Plan must be approved by the Pennsylvania Fish and Boat Commission and the United States Army Corps of Engineers prior to submission to the Department. If approval is still pending from either or both of the Pennsylvania Fish and Boat Commission or the US Army Corps of Engineers on March 1, 2020, Sunoco shall timely submit the Vegetation Control Plan to the Department following its receipt of approval from both agencies. In order to be approved by the Department, the Vegetation Control Plan must identify all applicable permits, licenses, and/or authorizations, along with the appropriate applicants for such permits/licenses/authorizations, that will be needed from State and Federal agencies including the Department, the Pennsylvania Fish and Boat Commission and the United States Army Corps of Engineers, for implementation of the plan.

b. **By February 1, 2020,** unless the Department approves a later date in writing, Sunoco shall submit to the Department for review and approval a Fish Habitat Improvement Plan consisting of a plan and implementation schedule ("Habitat Improvement Plan"). The Habitat Improvement Plan must be approved by the Pennsylvania Fish and Boat Commission and the United States Army Corps of Engineers prior to submission to the Department. If approval is still pending from either or both of the Pennsylvania Fish and Boat Commission or the US Army Corps of Engineers on February 1, 2020, Sunoco shall timely submit the Habitat Improvement Plan to the Department following its receipt of approval from both agencies. The Habitat Improvement Plan shall provide for the implementation of one or more of the following projects within Raystown Lake during the 2020, 2021, and/or 2022 calendar years, unless an alternate time frame is approved by the Department in writing. The
monetary value of the Habitat Improvement Plan shall be no less than ONE MILLION ONE HUNDRED FIFTY-FIVE THOUSAND DOLLARS ($1,155,000):

i. the creation of spawning reefs for warm-water fishes and/or cold-water fishes,

ii. the implementation of shoreline stabilization projects, including projects addressing fishing accessibility, and/or

iii. the implementation of fish stocking as prescribed by the Pennsylvania Fish and Boat Commission.

iv. the implementation of surveys or research regarding fishery health, fish populations or angler impacts as prescribed by the Pennsylvania Fish and Boat Commission.

v. the implementation of projects to enhance cooperative fish nurseries as prescribed by the Pennsylvania Striped Bass Association, a Pennsylvania Fish and Boat Commission cooperative partner.

In order to be approved by the Department, the Habitat Improvement Plan must identify all applicable permits, licenses and/or authorizations, along with the appropriate applicants for such permits/licenses/authorizations, that will be needed from State and Federal agencies including the Department, the Pennsylvania Fish and Boat Commission and the United States Army Corps of Engineers, for implementation of the plan.

c. Within 30 days of receiving written approval of the Vegetation Control Plan and the Habitat Improvement Plan ("Plans") from the Department, unless the Department approves a later date in writing, Sunoco shall submit a complete permit/license/authorization application(s) for each of the required State or Federal permits/licenses/authorizations identified in the Plans. The permit/license/authorization application(s) shall be made in the name of, and on behalf of, the applicants identified in the Plans. Sunoco shall provide all the necessary information on behalf of applicant(s) identified in the Plans to the satisfaction of the permitting agency.

d. Upon receiving written approval from the Department and obtaining all required permits/licenses/authorizations under subparagraph c., above, Sunoco shall implement
the Vegetation Control Plan and Habitat Improvement Plan in accordance with the schedules contained therein.

e. Sunoco shall provide quarterly status reports detailing the progress made in the implementation of the Plans. The quarterly status reports shall be submitted seven (7) days after the end of each calendar quarter with the first report due at the end of the first full calendar quarter following the approval of any one plan. Within 60 days of completion of work required by each of the Vegetation Control Plan and the Habitat Improvement Plan, Sunoco shall submit a Final Report to the Department, documenting the actions Sunoco has taken and the work completed under each respective plan.

f. In the event the Department determines that additional information, revisions, modifications, or amendments are necessary for any submission made pursuant to this Consent Order and Agreement, Sunoco shall submit such responses as are necessary to fully address the Department’s comments within ten business days after receipt of written notice unless an alternative timeframe is approved by the Department in writing.

g. In the event the Department determines that modifications to work required by this Consent Order and Agreement are required, within ten business days after receipt of written notice, Sunoco shall complete the modified work, unless an alternative timeframe is approved by the Department in writing.

h. In lieu of preparing and implementing the Plans, Sunoco may make a contribution to the Pennsylvania Lake Management Society, the Friends of the Reservoirs, and/or another 501(c)(3) non-profit organization approved by the Department whose mission is the improvement of water quality, aquatic resources or fisheries, which contribution shall be used solely for the purpose of developing and implementing the Plans, as required by Paragraphs 3.a. through 3.d. of this Consent Order and Agreement.

4. Civil Penalty Settlement. Sunoco consents to the assessment of a civil penalty of ONE MILLION NINE HUNDRED AND FIFTY-SIX THOUSAND DOLLARS ($1,956,000.00) which shall be paid in full within 7 days of the effective date of this Consent Order and Agreement. This payment is in settlement of the Department’s claim for civil penalties for the violations set forth in Paragraphs P. and Q., above, covering the period from April 9, 2017 to
February 18, 2019. The payment shall be made by corporate check or the like made payable to the “Commonwealth of Pennsylvania.” The penalty will be disbursed in the following amounts:

- Payment in the amount of NINE HUNDRED SEVENTY-EIGHT THOUSAND DOLLARS ($978,000.00) to the “Commonwealth of Pennsylvania, Clean Water Fund”.

- Payment in the amount of NINE HUNDRED SEVENTY-EIGHT THOUSAND DOLLARS ($978,000.00) to the “Commonwealth of Pennsylvania, Dams and Encroachment Fund”.

All payments shall be sent c/o Scott R. Williamson, DEP Waterways and Wetlands Program, 909 Elmerton Avenue, Harrisburg, PA 17110-8200.
5. **Stipulated Civil Penalties.**

   a. In the event Sunoco fails to comply in a timely manner with any term or provisions of this Consent Order and Agreement, Sunoco shall be in violation of this Consent Order and Agreement and, in addition to other applicable remedies, shall pay a civil penalty in the amount of $1,000.00 per day for each violation.

   b. For each future IR or LOC that occurs within or otherwise discharges to Waters of the Commonwealth during the HDD operations at the Raystown Lake HDD Site, Sunoco shall pay a civil penalty in the amount of $5,000.00 per day for each day or part thereof that the IR or LOC occurs. For the purposes of this COA, any LOC shall be presumed to result in a discharge to Waters of the Commonwealth.

   c. Stipulated civil penalty payments shall be payable monthly on or before the fifteenth day of each succeeding month and shall be forwarded as described in Paragraph 4 (Civil Penalties) above.

   d. Any payment under this paragraph shall neither waive the Sunoco’s duty to meet its obligations under this Consent Order and Agreement nor preclude the Department from commencing an action to compel Sunoco’s compliance with the terms and conditions of this Consent Order and Agreement. The payment resolves only Sunoco’s liability for civil penalties arising from the violations of this Consent Order and Agreement for which the payment is made.

   d. Stipulated civil penalties shall be due automatically and without notice.

6. **Additional Remedies.**

   a. In the event Sunoco fails to comply with any provision of this Consent Order and Agreement, the Department may, in addition to the remedies prescribed herein, pursue any remedy available for a violation of an order of the Department, including an action to enforce this Consent Order and Agreement.

   b. The remedies provided by this paragraph and Paragraph 5 (Stipulated Civil Penalties) are cumulative and the exercise of one does not preclude the exercise of any other. The failure of the Department to pursue any remedy shall not be deemed to be a waiver of that remedy. The payment of a stipulated civil penalty, however, shall preclude any further assessment of civil penalties for the violation for which the stipulated penalty is paid.
7. **Reservation of Rights.** The Department reserves the right to require additional measures to achieve compliance with applicable law. Sunoco reserves the right to challenge any action which the Department may take to require those measures.

8. **Liability of Operator.** Sunoco shall be liable for any violations of the Consent Order and Agreement, including those caused by, contributed to, or allowed by its officers, agents, employees, or contractors. Except as provided in Paragraph 9(c), Sunoco also shall be liable for any violation of this Consent Order and Agreement caused by, contributed to, or allowed by its successors and assigns.

9. **Transfer of Site.**
   a. The duties and obligations under this Consent Order and Agreement shall not be modified, diminished, terminated or otherwise altered by the transfer of any legal or equitable interest in the Site or any part thereof.
   b. If Sunoco intends to transfer any legal or equitable interest in the Site which is affected by this Consent Order and Agreement, Sunoco shall serve a copy of this Consent Order and Agreement upon the prospective transferee of the legal and equitable interest at least thirty (30) days prior to the contemplated transfer and shall simultaneously inform the Regional Office of the Department of such intent.
   c. The Department in its sole discretion may agree to modify or terminate Sunoco’s duties and obligations under this Consent Order and Agreement upon transfer of the Site. Sunoco waives any right that it may have to challenge the Department’s decision in this regard.

10. **Correspondence with Department.** All correspondence with the Department concerning this Consent Order and Agreement shall be addressed to:

    Scott R. Williamson  
    Waterways and Wetlands Program  
    909 Elmerton Avenue  
    Harrisburg, PA 17110  
    scwilliams@pa.gov
11. **Correspondence with Sunoco.** All correspondence with Sunoco concerning this Consent Order and Agreement shall be addressed to:

   Larry Gremminger  
   Sunoco Pipeline, L.P.  
   535 Fritztown Road  
   Sinking Springs, PA 16908  
   Larry.gremminger@energytransfer.com

Sunoco shall notify the Department whenever there is a change in the contact person’s name, title, or address. Service of any notice or any legal process for any purpose under this Consent Order and Agreement, including its enforcement, may be made by mailing a copy by first class mail to the above address.

12. **Force Majeure.**

   a. In the event that Sunoco is prevented from complying in a timely manner with any time limit imposed in this Consent Order and Agreement solely because of a strike, fire, flood, act of God, or other circumstance beyond Sunoco’s control and which Sunoco, by the exercise of all reasonable diligence, is unable to prevent, then Sunoco may petition the Department for an extension of time. An increase in the cost of performing the obligations set forth in this Consent Order and Agreement shall not constitute circumstances beyond Sunoco’s control. Sunoco’s economic inability to comply with any of the obligations of this Consent Order and Agreement shall not be grounds for any extension of time.

   b. Sunoco shall only be entitled to the benefits of this paragraph if it notifies the Department within five (5) working days by telephone and within ten (10) working days in writing of the date it becomes aware or reasonably should have become aware of the event impeding performance. The written submission shall include all necessary documentation, as well as a notarized affidavit from an authorized individual specifying the reasons for the delay, the expected duration of the delay, and the efforts which have been made and are being made by Sunoco to mitigate the effects of the event and to minimize the length of the delay. The initial written submission may be supplemented within ten working days of its submission. Sunoco’s failure to comply with the requirements of this paragraph specifically and in a timely fashion shall render this paragraph null and of no effect as to the particular incident involved.
c. The Department will decide whether to grant all or part of the extension requested on the basis of all documentation submitted by Sunoco and other information available to the Department. In any subsequent litigation, the Sunoco shall have the burden of proving that the Department’s refusal to grant the requested extension was an abuse of discretion based upon the information then available to it.

13. **Severability.** The paragraphs of this Consent Order and Agreement shall be severable and should any part hereof be declared invalid or unenforceable, the remainder shall continue in full force and effect between the parties.

14. **Entire Agreement.** This Consent Order and Agreement shall constitute the entire integrated agreement of the parties. No prior or contemporaneous communications or prior drafts shall be relevant or admissible for purposes of determining the meaning or extent of any provisions herein in any litigation or any other proceeding.

15. **Attorney Fees.** The parties shall bear their respective attorney fees, expenses and other costs in the prosecution or defense of this matter or any related matters, arising prior to execution of this Consent Order and Agreement.

16. **Modifications.** No changes, additions, modifications, or amendments of this Consent Order and Agreement shall be effective unless they are set out in writing and signed by the parties hereto.

17. **Titles.** A title used at the beginning of any paragraph of this Consent Order and Agreement may be used to aid in the construction of that paragraph, but shall not be treated as controlling.

18. **Decisions Under Consent Order.** Except for any Department approval with modification or rejection of any plan as provided in Paragraph 3., any decision which the Department makes under the provisions of this Consent Order and Agreement, including a notice that stipulated civil penalties are due, is intended to be neither a final action under 25 Pa. Code § 1021.2, nor an adjudication under 2 Pa. C.S. § 101. Any objection which Sunoco may have to the decision will be preserved until the Department enforces this Consent Order and Agreement.

19. **Termination.** The obligations of Paragraphs 5 and 9 shall terminate when the Department determines that Sunoco has complied with the requirements of Paragraph 3 and 4, above, and paid any stipulated penalties due under Paragraph 5, above.
20. **Execution of Agreement.** This Consent Order and Agreement may be signed in counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.
IN WITNESS WHEREOF, the parties hereto have caused this Consent Order and Agreement to be executed by their duly authorized representatives. The undersigned representatives of Sunoco certify under penalty of law, as provided by 18 Pa. C.S. § 4904, that they are authorized to execute this Consent Order and Agreement on behalf of Sunoco; that Sunoco consents to the entry of this Consent Order and Agreement as a final ORDER of the Department; and that Sunoco hereby knowingly waives its right to appeal this Consent Order and Agreement and to challenge its content or validity, which rights may be available under Section 4 of the Environmental Hearing Board Act, Act of July 13, 1988, P.L. 530, 35 P.S. § 7514; the Administrative Agency Law, 2 Pa. C.S. § 103(a) and Chapters 5A and 7A; or any other provisions of law. (Signature by Sunoco’s attorney certifies only that the agreement has been signed after consulting with counsel.)

FOR SUNOCO PIPELINE, L.P.:  

Joseph Colella  
Executive Vice President  
Jan 3, 2020

FOR THE COMMONWEALTH OF PENNSYLVANIA, DEPARTMENT OF ENVIRONMENTAL PROTECTION:

Scott R. Williamson  
Environmental Program Manager  
1/3/20

Curtis N. Stambaugh, Esq.  
Attorney for Sunoco Pipeline, L.P.  
1/3/20

Nels J. Taber  
Senior Litigation Counsel  
1/3/20