

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 Chapter 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
:
: PA Pipeline Project—Mariner East II
: E&S Permit Nos. ESCG0300015002;
: ESG0500015001; ESG0100015001
:
: WO&E Permit Nos. E02-1718; E06-
: 701; E07-459; E11-352; E15-862; E21-
: 449; E22-619; E23-524; E31-234; E32-
: 508; E36-945; E38-194; E63-674;
: E65-973

CONSENT ASSESSMENT OF CIVIL PENALTY

This Consent Assessment of Civil Penalty (“CACP”) is entered into this 27th day of April 2018, 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:

Parties

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 promulgated thereunder (“rules and regulations”).

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 seventeen counties in Pennsylvania, including Allegheny, Berks, Blair, Cambria, Chester, Cumberland, Dauphin, Delaware, Huntingdon, Indiana, Lancaster, Perry, Washington, Westmoreland, and York Counties.

Permits

D. To construct PPP-ME2 through Pennsylvania, Sunoco obtained the following permits from the Department:

- a. Three (3) Erosion and Sediment Control Permits under 25 Pa. Code Chapter 102, Permit Numbers ESG0300015002, ESG0500015001, and ESG0100015001 (Chapter 102 Permits) and;

b. Seventeen (17) Water Obstructions and Encroachment (“WOE”) Permits under 25 Pa. Code Chapter 105, Permit Numbers E02-1718, E06-701, E07-459, E11-352, E15-862, E21-449, E22-619, E23-524, E31-234, E32-508, E34-136, E36-945, E38-194, E50-258, E63-674, E65-973, and E67-920 (Chapter 105 Permits). Sunoco obtained one Chapter 105 Permit for each of the seventeen (17) counties where the Department permitted PPP-ME2 activities to occur.

E. Sunoco obtained Erosion and Sediment Control Permit, Permit Number ESG0500015001, and Water Obstructions and Encroachment Permit, Permit Number E02-1718, to construct PPP-ME2 through Allegheny County.

F. Sunoco obtained Erosion and Sediment Control Permit, Permit Number ESG0300015002, and Water Obstructions and Encroachment Permit, Permit Number E06-701, to construct PPP-ME2 through Berks County.

G. Sunoco obtained Erosion and Sediment Control Permit, Permit Number ESG0300015002, and Water Obstruction and Encroachment Permit, Permit Number E07-459, to construct PPP-ME2 through Blair County.

H. Sunoco obtained Erosion and Sediment Control Permit, Permit Number ESG0500015001, and Water Obstructions and Encroachment Permit, Permit Number E11-352, to construct PPP-ME2 through Cambria County.

I. Sunoco obtained Erosion and Sediment Control Permit, Permit Number ESG0100015001, and Water Obstructions and Encroachment Permit, Permit Number E15-862, to construct PPP-ME2 through Chester County.

J. Sunoco obtained Erosion and Sediment Control Permit, Permit Number ESG0300015002, and Water Obstruction and Encroachment Permit, Permit Number E21-449 to construct PPP-ME2 through Cumberland County.

K. Sunoco obtained Erosion and Sediment Control Permit, Permit Number ESG0300015002, and Water Obstruction and Encroachment Permit, Permit Number E22-619 to construct PPP-ME2 through Dauphin County.

L. Sunoco obtained Erosion and Sediment Control Permit, Permit Number ESG0100015001, and Water Obstructions and Encroachment Permit, Permit Number E23-524, to construct PPP-ME2 through Delaware County.

M. 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.

N. Sunoco obtained Erosion and Sediment Control Permit, Permit Number ESG0500015001, and Water Obstructions and Encroachment Permit, Permit Number E32-508, to construct PPP-ME2 through Indiana County.

O. Sunoco obtained Erosion and Sediment Control Permit, Permit Number ESG0300015002, and Water Obstructions and Encroachment Permit, Permit Number E36-945, to construct PPP-ME2 through Lancaster County.

P. Sunoco obtained Erosion and Sediment Control Permit, Permit Number ESG0300015002, and Water Obstruction and Encroachment Permit, Permit Number E38-194 to construct PPP-ME2 through Lebanon County.

Q. Sunoco obtained Erosion and Sediment Control Permit, Permit Number ESG0500015001, and Water Obstruction and Encroachment Permit, Permit Number E63-674 to construct PPP-ME2 through Washington County.

R. Sunoco obtained Erosion and Sediment Control Permit, Permit Number ESG0500015001, and Water Obstructions and Encroachment Permit, Permit Number E65-973, to construct PPP-ME2 through Westmoreland County.

S. For purposes of this CACP, the terms “Horizontal Directional Drilling” and “Inadvertent Return” shall be defined as follows:

- a. 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.
- b. 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.

Sites

T. The work area for PPP-ME2 in Allegheny County, Pennsylvania includes the crossings of two unnamed tributaries (“UNTs”) to Sunfish Creek in Forward Township (“Allegheny HDD Site”).

V. The work area for PPP-ME2 in Berks County, Pennsylvania includes the crossing of an UNT to Wyomissing Creek in Cumru Township and the crossing of an UNT to Hay Creek in New Morgan Borough (“Berks HDD Sites”).

W. The work area for PPP-ME2 in Blair County, Pennsylvania includes the crossing of an UNT to Piney Creek in Woodbury Township, the crossing of Wetland M79 and Wetland BB58 in Blair Township, and the crossing of an UNT to Frankstown Branch Juniata River in Frankstown Township (“Blair HDD Sites”).

X. The work area for PPP-ME2 in Cambria County, Pennsylvania includes the crossing of Wetland M59 in Washington Township and the crossing of an UNT to Stewart Run in Cambria Township (“Cambria HDD Sites”).

Y. The work area for PPP-ME2 in Chester County, Pennsylvania includes the crossings of Marsh Creek and Wetland W-H17 in Upper Uwchlan Township and the crossing of East Branch Chester Creek in East Goshen Township (“Chester HDD Sites”).

Z. The work area for PPP-ME2 in Cumberland County, Pennsylvania includes the crossing of Wetland J35 and an UNT to Locust Creek in Lower Frankford Township (“Cumberland HDD Site”).

AA. The work area for PPP-ME2 in Dauphin County, Pennsylvania includes the crossing of the Susquehanna River and Wetland W118 in Lower Swatara Township and the crossing of Wetland C26 in Derry Township (“Dauphin HDD Sites”).

BB. The work area for PPP-ME2 in Delaware County, Pennsylvania includes crossings of Chester Creek in Brookhaven Borough and Middletown Township and the crossing of an UNT to Chester Creek in Middletown Township (“Delaware HDD Sites”).

CC. The work area for PPP-ME2 in Huntingdon County, Pennsylvania includes the crossings of Aughwick Creek and Wetland K69 in Shirley Township and the crossing of Raystown Lake in Penn Township (“Huntingdon HDD Sites”).

DD. The work area for PPP-ME2 in Indiana County, Pennsylvania includes the crossings of an UNT to Weirs Run, Weirs Run, Blacklick Creek, and Wetland J53 in Burrell Township (“Indiana HDD Sites”).

EE. The work area for PPP-ME2 in Lancaster County, Pennsylvania includes the crossings of an UNT to Cocalico Creek, Wetland K32 and Wetland A56 in West Cocalico Township (“Lancaster HDD Sites”).

FF. The work area for PPP-ME2 in Lebanon County, Pennsylvania includes the crossing of Wetland H13 in Heidelberg Township, the crossing of Snitz Creek in Cornwall Township, and the crossings of Wetland J47 and Wetland A30 in South Londonderry Township (“Lebanon HDD Sites”).

GG. The work area for PPP-ME2 in Washington County, Pennsylvania includes the crossings of an UNT to Froman and Froman Run in Union Township and the crossings of an UNT to Little Chartiers Creek and Little Chartiers Creek in North Strabane Township (“Washington HDD Sites”).

HH. The work area for PPP-ME2 in Westmoreland County, Pennsylvania includes the crossings of an UNT to Boatyard Run, Spruce Run, Wetland W045, and Wetland WN28 in Derry Township, a crossing of Sewickley Creek in Hempfield Township, and a crossing of an UNT to Turtle Creek in Murrysville Township (“Westmoreland HDD Sites”).

II. The receiving waters for the Allegheny HDD Site are UNTs to Sunfish Creek, waters of this Commonwealth. The fishery classification for the Sunfish Creek basin in 25 Pa. Code § 93.9v is Warm Water Fishes (“WWF”).

JJ. The receiving waters for the Berks HDD Sites are an UNT to Wyomissing Creek and an UNT to Hay Creek, waters of this Commonwealth. The fishery classification for the Wyomissing Creek basin in 25 Pa. Code § 93.9f is High Quality Waters – Cold Water Fishes (“HQ-CWF”), Migratory Fishes (“MF”). The fishery classification for the Hay Creek basin in 25 Pa. Code § 93.9f is Exceptional Value waters (“EV”), MF.

KK. Wyomissing Creek is classified as a wild trout (natural reproduction) water by the Fish and Boat Commission. See

http://www.fishandboat.com/Fish/PennsylvaniaFishes/Trout/Documents/trout_repro.pdf

LL. Hay Creek is classified as a Class A wild trout water by the Fish and Boat Commission. 25 Pa. Code § 93.1. See

<http://www.fishandboat.com/Fish/PennsylvaniaFishes/Trout/Documents/classa.pdf>

MM. The receiving waters for the Blair HDD Sites are an UNT to Piney Creek, an UNT to Frankstown Branch Juniata River, and Dry Run, waters of this Commonwealth. The fishery classification for the Piney Creek basin in 25 Pa. Code § 93.9n is HQ-CWF, MF. The fishery classification for UNTs to Frankstown Branch Juniata River and Dry Run in 25 Pa. Code § 93.9n is WWF, MF.

NN. Piney Creek is classified as a Class A wild trout water by the Fish and Boat Commission. 25Pa. Code § 93.1. See

<http://www.fishandboat.com/Fish/PennsylvaniaFishes/Trout/Documents/classa.pdf>

OO. Frankstown Branch Juniata River is classified as a wild trout (natural reproduction) water by the Fish and Boat Commission. See

http://www.fishandboat.com/Fish/PennsylvaniaFishes/Trout/Documents/trout_repro.pdf

PP. The receiving water for the Cambria HDD Sites is an UNT to Stewart Run, a water of this Commonwealth. The fishery classification for the Stewart Run basin in 25 Pa. Code § 93.9t is HQ-CWF.

QQ. The receiving waters for the Chester HDD Sites are Marsh Creek and East Branch Chester Creek, waters of this Commonwealth. The fishery classification for Marsh Creek in 25 Pa. Code § 93.9g is High Quality Waters Trout Stocking (“HQ-TSF”), MF. The fishery classification for East Branch Chester Creek in 25 Pa. Code § 93.9g is Trout Stocking (“TSF”), MF.

RR. The receiving water for the Cumberland HDD Site is Locust Creek, a water of this Commonwealth. The fishery classification for Locust Creek in 25 Pa. Code § 93.9o is WWF, MF.

SS. The receiving waters for the Dauphin HDD Sites are an UNT to Iron Run and the Susquehanna River, waters of this Commonwealth. The fishery classification for the Iron Run basin and the Susquehanna River in 25 Pa. Code § 93.9o is WWF, MF.

TT. The receiving waters for the Delaware HDD Sites are an UNT to Chester Creek and Chester Creek, waters of this Commonwealth. The fishery classification for the Chester Creek basin in 25 Pa. Code § 93.9g is WWF, MF.

UU. The receiving waters for the Huntingdon HDD Sites are Aughwick Creek, Blacklog Creek, and the Raystown Branch Juniata River, waters of this Commonwealth. The fishery classification for Aughwick Creek in 25 Pa. Code § 93.9n is TSF, MF. The fishery classification for Blacklog Creek in 25 Pa. Code § 93.9n is HQ-CWF, MF. The fishery classification for the Raystown Branch Juniata River in 25 Pa. Code § 93.9n is WWF, MF.

VV. Blacklog Creek is classified as a wild trout (natural reproduction) water by the Fish and Boat Commission. See

http://www.fishandboat.com/Fish/PennsylvaniaFishes/Trout/Documents/trout_repro.pdf

WW. The receiving waters for the Indiana HDD Sites are an UNT to Blacklick Creek, Blacklick Creek, an UNT to Weirs Run, and Weirs Run, waters of this Commonwealth. The fishery classification for UNT to Blacklick Creek, and the Weirs Run basin in 25 Pa. Code § 93.9t is CWF. The fishery classification for Blacklick Creek in 25 Pa. Code § 93.9t is TSF.

XX. The receiving water for the Lancaster HDD Sites is an UNT to Cocalico Creek, a water of this Commonwealth. The fishery classification for the Cocalico Creek basin in 25 Pa. Code § 93.9o is High Quality Waters – Warm Water Fishes (“HQ-WWF”).

YY. The receiving waters for the Lebanon HDD Sites are Middle Creek, Snitz Creek, and an UNT to Spring Creek, waters of this Commonwealth. The fishery classification for Middle Creek and the Spring Creek basin in 25 Pa. Code § 93.9o is WWF, MF. Snitz Creek is tributary to Quittapahilla Creek; the fishery classification for the Quittapahilla Creek basin in 25 Pa. Code § 93.9o is TSF, MF.

ZZ. The receiving waters for the Washington HDD Sites are an UNT to Froman Run, Froman Run, an UNT to Little Chartiers Creek, and Little Chartiers Creek, waters of this Commonwealth. The fishery classification for the Froman Run basin in 25 Pa. Code § 93.9v is TSF. The fishery classification for the Little Chartiers Creek basin in 25 Pa. Code § 93.9w is HQ-WWF.

AAA. The receiving waters for the Westmoreland HDD Sites are Boatyard Run, Sewickley Creek, Spruce Run, and an UNT to Turtle Creek, waters of this Commonwealth. The

fishery classification for Boatyard Run in 25 Pa. Code § 93.9t is CWF. The fishery classification for Sewickley Creek and UNTs to Turtle Creek in 25 Pa. Code § 93.9v is TSF. The fishery classification for Spruce Run in 25 Pa. Code § 93.9t is HQ-CWF.

BBB. Between May 3, 2017, and February 27, 2018, the Department received sixty-nine notices from Sunoco that IRs either occurred within or discharged into waters of the Commonwealth at the sites referenced above and as more fully described in Exhibit A, attached.

Violations

CCC. The drilling fluids that comprised the IRs described in Exhibit A constitute Industrial Waste. Sunoco's discharge of Industrial Waste to waters of the Commonwealth without a permit is a violation of 25 Pa. Code § 92a.1(b) and Section 301 of the Clean Streams Law, 35 P.S. § 691.301, a nuisance under Section 401 of the Clean Streams Law, 35 P.S. § 691.401, and unlawful conduct under Section 611 of the Clean Streams Law, 35 P.S. § 691.611.

DDD. Sunoco's conduct allowing the unauthorized discharge of Industrial Waste to waters of the Commonwealth, constitutes a violation of Section 301 of the Clean Streams Law, 35 P.S. § 691.301 and 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.

EEE. The violations described in Paragraph CCC and DDD, above, constitute unlawful conduct under Sections 401 and 611 of the Clean Streams Law, 35 P.S. §§ 691.401 and 691.611; 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. The violations in Paragraph DDD constitute unlawful conduct under Section 18 of the Dam Safety and Encroachments Act, 32 P.S. § 693.18, subject Sunoco to an order under

Section 20 of the Dam Safety and Encroachments Act, 32 P.S. § 693.20, and subject Sunoco to civil penalty liability under 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 CACP and upon mutual exchange of covenants contained herein, the parties desiring to avoid litigation and intending to be legally bound, it is hereby ASSESSED by the Department and AGREED to by Sunoco as follows:

1. **Assessment.** In resolution of the Department's claim for civil penalties, which the Department is authorized to pursue under Section 605 of The Clean Streams Law, 35 P.S. § 691.605 and Section 21 of the Dam Safety and Encroachments Act, 32 P.S. § 693.21, the Department hereby assesses a civil penalty of \$355,622.00 which Sunoco hereby agrees to pay.

2. **Civil Penalty Settlement.** Sunoco consents to the assessment of the civil penalty of THREE HUNDRED FIFTY-FIVE THOUSAND SIX HUNDRED AND TWENTY-TWO DOLLARS (\$355,622.00), which shall be paid in full within thirty (30) days of the execution of this CACP. This payment is in settlement of the Department's claim for civil penalties for the violations set forth in Paragraphs CCC through DDD, above, covering the period from May 3, 2017 to February 27, 2018. The payments shall be by corporate check(s) or the like, made payable to the following: a) THREE HUNDRED THIRTY-SEVEN THOUSAND SEVEN HUNDRED TWENTY FOUR DOLLARS (\$337,724.00) to the "Commonwealth of Pennsylvania" with an annotation "Clean Water Fund" on the memo line, b) TWO HUNDRED SEVENTY-SEVEN DOLLARS (\$277.00) to the "Allegheny County Conservation District", and c) NINE HUNDRED TEN DOLLARS (\$910.00) to the "Blair

County Conservation District”, ONE THOUSAND SEVEN HUNDRED NINETY-FIVE DOLLARS (\$1,795.00) to the “Cambria County Conservation District”, ONE THOUSAND SEVENTY TWO DOLLARS (\$1,072.00) to the “Cumberland County Conservation District”, THREE THOUSAND SEVEN HUNDRED THIRTY-THREE DOLLARS (\$3,733.00) to the “Dauphin County Conservation District”, FOUR HUNDRED THREE DOLLARS (\$403.00) to the “Huntingdon County Conservation District”, THREE THOUSAND THREE HUNDRED THIRTEEN DOLLARS (\$3,313.00) to the “Indiana County Conservation District”, ONE THOUSAND NINETY-FOUR DOLLARS (\$1,094.00) to the “Lancaster County Conservation District”, ONE THOUSAND ONE HUNDRED SEVENTEEN DOLLARS (\$1,117.00) to the “Washington County Conservation District”, and FOUR THOUSAND ONE HUNDRED EIGHTY-FOUR DOLLARS (\$4,184.00) to the “Westmoreland County Conservation District.” All checks shall be sent c/o Ronald C. Eberts, Jr., Environmental Protection Compliance Specialist, DEP-SCRO Waterways and Wetlands Program, 909 Elmerton Avenue, Harrisburg, PA 17110-8200.

3. **Findings.**

a. Sunoco agrees that the findings in paragraphs A through BBB are true and correct, and in any matter or proceeding involving Sunoco or any of their affiliates 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 CACP in any matter or proceeding.

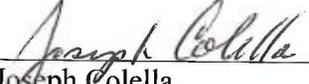
4. **Remedies.** In the event that Sunoco fails to make the payment required by this CACP, all remaining payments shall be immediately due and payable. In that event, the

Department may pursue any remedy available for failure to pay a civil penalty, including an action for breach of contract or the filing of this CACP as a lien in any county in this Commonwealth.

5. **Reservation of Rights.** The Department reserves all other rights with respect to any matter addressed by this CACP, including the right to require abatement of any conditions resulting from the events described in the Findings. Sunoco reserves the right to challenge any action which the Department may take, but waives the right to challenge the content or validity of this CACP.

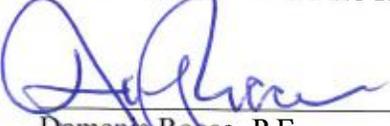
IN WITNESS WHEREOF, the parties hereto have caused this Consent Order and Agreement to be executed by their duly authorized representatives. The undersigned representatives of Sunoco certify under penalty of law, as provided by 18 Pa. C.S. § 4904, that they are authorized to execute this Consent Order 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.

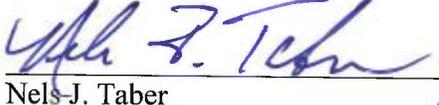
FOR SUNOCO PIPELINE, L.P.:

 4-23-18
Joseph Colella Date
Senior Vice President

 4/25/18
Curtis N. Stambaugh, Esq. Date
Attorney for Sunoco Pipeline L.P.

FOR THE COMMONWEALTH OF
PENNSYLVANIA, DEPARTMENT OF
ENVIRONMENTAL PROTECTION:

 4-27-18
Domenic Rosco, P.E. Date
Acting Environmental Program Manager

 4/27/18
Nels-J. Taber Date
Senior Litigation Counsel