



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

NOTICE OF AMENDMENT

233 Peachtree Street Ste. 600
Atlanta, GA 30303

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 21, 2008

Mr. Larry F. Clynch
Chairman
TPM Incorporated
P O Box 486
Alpharetta, GA 30009-0486

CPF 2-2008-6003M

Dear Mr. Clynch:

On May 27-30, 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected the TPM Inc. Integrity Management Plan in Memphis, Tennessee.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within the TPM Integrity Management Plan (IMP), as described below:

1. 195.452(i) What preventive and mitigative measures must an operator take to protect the high consequence area?

(2) Risk analysis criteria. In identifying the need for additional preventive and mitigative measures, an operator must evaluate the likelihood of a pipeline release occurring and how a release could affect the high consequence area. This determination must consider all relevant risk factors, including, but not limited to 195.452(i)(2)(i) thru 195.452(i)(2)(viii) risk factors.

TPM has contracted with American Innovations to perform a risk assessment of the pipeline system every three years. TPM must amend its IMP to consider all relevant risk factors in performing the risk analysis process. The current IMP does not adequately address the risk analysis process in a manner that considers:

- Determination of the most effective mitigation measures for identified threats;
- Assessment of the integrity impact from modified inspection intervals;
- Assessment of the use of or need for alternative inspection methodologies; or
- Facilitation of decisions to address risks along a pipeline or within a facility.

2. **192.452(f) What are the elements of an integrity management program?**

(7) Methods to measure the program's effectiveness.

TPM lacked adequate documentation of the process to evaluate and measure the program's effectiveness in assessing and evaluating pipeline integrity and in protecting the high consequences areas.

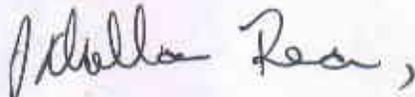
Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. 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. Be advised that all material you submit in response to this enforcement action is subject to being 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.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 45 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

In correspondence concerning this matter, please refer to **CPF 2-2008-6003M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



for Linda Daugherty
Director, Southern Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*