WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 29, 2008

Mr. Terry L. Hurlburt
Senior Vice President of Operations
Texas Eastern Products Pipeline Company, LP
1100 Louisiana St.
Houston, TX  77002

CPF 3-2008-5001W

Dear Mr. Hurlburt:

On June 9, 2006, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Texas Eastern Products Pipeline Company’s (TEPPCO) repair of a failed girth weld on the A1 pipeline near the intersection of County Road 22 and Cory Road near the Village of Port William, in Clinton County, Ohio.

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

1. §195.404 Maps and Records.

   (a) Each operator shall maintain current maps and records of its pipeline systems that include at least the following information;

   (1) Location and identification of the following pipeline facilities;

   (ii) Pump stations;
TEPPCO did not have current accurate maps available for field personnel utilization during the response to the June 7, 2006 girth weld leak on the A-1 pipeline in Clinton County, Ohio. During the course of PHMSA’s investigation, alignment sheets were reviewed onsite. These alignment sheets did not contain the location of the Chester pump station. TEPPCO’s latest alignment sheets obtained through a January 31, 2007 PHMSA Data Request, indicated that the Chester pump station was added to the sheet on 11-18-03.

2. §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.

   TEPPCO did not follow their procedures while conducting hot tapping operations during a cut out repair on the A-1 pipeline. TEPPCO’s procedures for the operation of the stoppling equipment are the same as the equipment manufacturer, TD Williamson (TDW).

On June 6, 2006, TEPPCO discovered a leak on the A-1 pipeline at MP 39.4. The leak was caused by a failed girth weld. To cut out the leaking girth weld on June 9, 2006, workmen welded stopple fittings to the A-1 pipeline in bell holes dug on the north and south sides of the leaking girth weld. TDW drilling and stopping equipment was used to stop the flow. TEPPCO owns the stoppling equipment and three TEPPCO employees were observed operating the equipment. All three employees were trained and qualified on July 19, 2005 by attending a TDW training session and taking an exam.

During the course of operations in the north bell hole, a sandwich valve was installed over the spit tee and the drilling equipment was set on the tee. Connections were made tight and a pressure gauge was installed. Workmen then proceeded to immediately cut the “cookie” without completing the pressure test as required by Step 3.7 of TDW Model 660a/760a Tapping Machines Operation and Maintenance Instructions. TDW instructions specify a pressure test be done after plumbing and bolt up of the drilling machine to verify no product leaks will be present after the pilot drill bit punctures the pipe.

When our representative realized that no pressure test had taken place prior to commencement of the drilling, your onsite engineer was notified that TDW’s procedures were not being followed. As a result, your onsite engineer stopped the operation before puncturing the pipe and pressure tested the fitting as required by procedures.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed $100,000 for each violation for each day the violation persists up to a maximum of $1,000,000
for any related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item(s) identified in this letter. Failure to do so will result in Texas Eastern Products Pipeline Company, LP being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to CPF 3-2008-5001W. 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).

Sincerely,

Ivan A. Huntoon
Director, Central Region
Pipeline and Hazardous Materials Safety Administration