

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 31, 2009

Mr. Terry Hurlburt, Sr.
TE Products Pipeline Company, LLC
Senior Vice President Operations
1100 Louisiana Street
Houston, Texas 77002-5227

CPF 3-2009-5013W

Dear Mr. Hurlburt:

On August 11-15, 2008, August 25-29, 2008, September 29 – October 3, 2008, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your TE Products Pipeline, LLC (TEPPCO) records and field facilities in Missouri, Illinois, Indiana, Ohio & West Virginia.

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. **§195.428 Overpressure safety devices and overfill protection systems.**
 - (a) **Except as provided in paragraph (b) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7½ months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.**

TEPPCO overpressure protection inspection process failed to require the inspection and testing of the complete pressure information circuit loop for the pressure limiting devices and pressure control equipment at intervals not to exceed 7½ months, but at least twice each calendar year, to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.

TEPPCO failed to inspect the complete pressure information circuit loop for stations that used transmitters and PLCs as overpressure protection. The pressure transmitters pressure range was inspected. However, TEPPCO failed to inspect the PLC's actual pressure shutdown initiation.

2. §195.589 What corrosion control information do I have to maintain?

(c) You must maintain a record of each analysis, check, demonstration, examination, inspection, investigation, review, survey, and test required by this subpart in sufficient detail to demonstrate the adequacy of corrosion control measures or that corrosion requiring control measures does not exist. You must retain these records for at least 5 years, except that records related to Secs. 195.569, 195.573(a) and (b), and 195.579(b)(3) and (c) must be retained for as long as the pipeline remains in service.

Review of TEPPCO records revealed that the record for the following required corrosion control inspection was not retained for 5 years:

(a) 195. 583 What must I do to monitor atmospheric corrosion control?

TEPPCO has not been documenting atmospheric corrosion inspection of their Mainline Valves since this regulation went into effect. They affirm that the inspections were completed, but no documentation was made. Therefore, no records are available for atmospheric corrosion inspection for any of TEPPCO Mainline Valves.

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 TE Products Pipeline, LLC 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 3-2009-5013W**. 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