



Patricia A. Totten

Vice President

Texas Eastern Products Pipeline Company, LLC Secretary

March 30, 2007

R.M Seeley, Director
Southwest Region
Pipeline and Hazardous Materials Safety Administration
U.S Department of Transportation
8701 South Gessner, Suite 1110
Houston, TX 77074

Re: Notice of Probable Violation dated November 29, 2006 (the "Notice")
TEPPCO
CPF No. 4-2006-5049

Dear Mr. Seeley:

The following response to the Notice is hereby submitted on behalf of TEPPCO. References are to the numbered items in the Notice and regulatory provisions cited therein. By submitting this response, TEPPCO expresses no view of and shall not be deemed to have made any admission as to the validity or enforceability of the regulatory interpretations upon which the Notice was based.

For the items cited in the Notice, TEPPCO had prepared revised procedures and submitted them as part of the previous response dated December 28, 2006; however, because of the complexity and size of the pipeline integrity program, the migration from the TEPPCO Integrity Management Program which is referenced in the Notice to a new Integrity Management Program, and the development of the requisite documentation, TEPPCO was unable to complete responses to all of the alleged inadequacies in the Notice prior to the original response deadline included in the Notice. To the extent that its previous responses were incomplete, TEPPCO has prepared revised procedures and encloses them as part of this response.

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TEPPCO Partners, L.P.

Texas Eastern Products Pipeline Company, LLC, General Partner

PHMSA NOPV Item 1:

TEPPCO did not follow IM procedures regarding leak detection capability evaluation. Section 9, IDENTIFICATION OF PREVENTIVE AND MITIGATIVE MEASURES, of TEPPCO's Integrity Management Manual states "TEPPCO's Systems Integrity Guidelines and Standards manual includes a procedure for evaluating mitigation options following pipeline integrity assessment and rehabilitation. The procedure includes the consideration of enhanced leak detection to protect an HCA, among other options." With regard to leak detection evaluation, TEPPCO's Systems Integrity Guidelines and Standards manual states "Leak detection analysis shall include a thorough analysis of the current capabilities per pipeline or facility including the reliability of the current and any proposed leak detection system configurations considering the changes in the system. This analysis will provide the basis for recommendations on improvements to the current systems while investigating mitigation of leaks in those areas of highest risk ...". Completed P&M evaluation folders contained no discussion or implementation details for a leak detection evaluation process.

PHMSA Remedial Requirements:

In regard to Item Number 1 of the Notice, pertaining to leak detection capability evaluation required in 195.452(j)(3), TEPPCO must develop and document the leak detection capability evaluation process; perform the evaluation of leak detection capabilities required in 195.452(j)(3); and identify the modifications to those capabilities, as necessary, to protect high consequence areas. Documentation of the outcome of this evaluation must be provided to PHMSA.

TEPPCO Response:

The TEPPCO IMP is in the process of being migrated to a new IMP. In the new IMP, the preventive and mitigative measures required by 195.452(i) will be performed as outlined in the IMP-SEC6-01 "Information Analysis" procedure, previously submitted. The evaluation of the leak detection programs is specifically addressed within Section 2.2.5 of IMP-SEC6-01 "Information Analysis".

The plan to meet the remedial requirements of NOPV Item 1 includes performing leak detection evaluations as specified in the "Information Analysis" procedure as well as incorporating the operated TEPPCO liquids pipelines into the ongoing Enterprise liquids pipeline leak detection study. Enterprise is currently undergoing a leak detection study of operated liquid pipeline systems. This study will document current detection capability and provide recommendations for improvement where required. The following is a description of the scope and anticipated schedule for completion of the study.

Scope

The liquids pipeline leak detection study will document current detection capability, determine how effective and responsive the present systems are in the event of a leak, and provide recommendations for improvement, where required.

R.M. Seeley, Director

March 30, 2007

Page 3

Efforts will be placed on prioritizing the pipelines to be studied in accordance with the risk scores, giving preference to High Consequence Areas (HCA's).

For the TEPPCO operated DOT regulated pipelines in the study the project will consider the technical characteristics of the existing leak detection systems, remote pressure and flow indications, remotely controlled block valves, and pipeline instrumentation.

The estimated schedule for the leak detection study is to commence work on April 15, 2007 with a completion date of August 15, 2008.

PHMSA NOPV Item 2A:

While an IMP begins with an initial framework, required by March 31, 2002 for Category 1 assets, it is expected at this time that the required processes would be mature and documented in sufficient specificity to ensure consistent application and repeatability. TEPPCO's Integrity Management Manual contained no process documentation for periodic evaluations of pipeline integrity as required by 195.452(j)(2). Additionally, no evidence of the performance of any periodic evaluations was observed. TEPPCO's IMP Section 8 addresses periodic updates to HCAs and associated pipeline mileage classified as potentially affecting an HCA (at least once per year) and periodically updating evaluation of pipeline risk assessment factors to address new information (at least once per year). The rule also requires determination of a frequency of evaluation per specific criteria and consideration of a minimum set of rule-required information. The IMP continual evaluation section does not explicitly include consideration of the rule-required minimum set of information beyond putting information into the risk analysis algorithm.

PHMSA Remedial Requirements:

In regard to Item Number 2A of the Notice, TEPPCO must document a process for periodic evaluations as required in 195.452(j)(2) and demonstrate performance of the evaluations. The process documentation and documentation of the outcome of the evaluations must be provided to PHMSA.

TEPPCO Response:

The TEPPCO IMP is in the process of being migrated to a new IMP. In the new IMP, the process for periodic evaluations as required by 195.452(j)(2) will be performed as outlined in the attached "Integrity Evaluation & Assessment Interval Determination Procedure", for all TEPPCO assets assessed prior to January 1, 2006. These evaluations will be completed and provided to PHMSA by October 31, 2007. For all TEPPCO assets assessed after December 31, 2005, the process for periodic evaluations as required by 195.452(j)(2) will be performed as outlined in IMP-SEC6-01 "Information Analysis -Line Pipe" procedure, attached.

PHMSA NOPV Item 2B:

While an IMP begins with an initial framework, required by March 31, 2002 for Category 1 assets, it is expected at this time that the required processes would be mature and documented in sufficient specificity to ensure consistent application and repeatability. TEPPCO's Integrity Management Manual contained no process documentation regarding assessment interval

determination as required by 195.452(j)(3) other than noting that the initial reassessment schedule follows the same sequence of testing conducted under the baseline assessment program. TEPPCO's IMP Section 8 contained a paragraph entitled "Assessment Intervals" that provides an overview of how assessment intervals are selected. No re-assessment interval determinations had been conducted at the time of inspection; instead, TEPPCO "defaulted" to a five year rotation for re-assessments. Rule-required consideration of "analysis of the results from the last integrity assessment" did not appear to be considered other than applicable updates to IAP risk model input data.

PHMSA Remedial Requirements:

In regard to Item Number 2B of the Notice, TEPPCO must document a process for integrity assessment interval determinations required in 195.452(j)(3) and document the justification for those intervals determined by this process. Analysis of the results from previous integrity assessments must be considered in making determinations of re-assessment intervals. In determining the re-assessment intervals, note that 5 years is not a default interval, rather, the threshold time for which PHMSA must be proactively notified with technical justification for intervals that exceed 5 years.

TEPPCO Response:

The TEPPCO IMP is in the process of being migrated to a new IMP. In the new IMP, the process for integrity assessment interval determination as required by 195.452(j)(3) will be performed as outlined in the attached "Integrity Evaluation & Assessment Interval Determination Procedure", for all TEPPCO assets assessed prior to January 1, 2006. These determinations will be completed and provided to PHMSA by October 31, 2007. For all TEPPCO assets assessed after December 31, 2005, the process for integrity assessment interval determination as required by 195.452(j)(3) will be performed as outlined in IMP-SEC6-01 "Information Analysis – Line Pipe" procedure, attached.

PHMSA NOPV Item 3:

TEPPCO's program evaluation process has not yet been fully implemented. Section 11 of TEPPCO's Integrity Management Manual, PROGRAM EVALUATION PROCEDURE, states "TEPPCO continually reviews the Integrity Management Program to assess its effectiveness and to determine whether or not improvements are needed. This section describes the parameters that TEPPCO continually measures and evaluates to improve program performance and, consequently, overall system integrity." Three of the methods for evaluating the effectiveness of TEPPCO's IMP, as described in Section 11, which had not been implemented at the time of the inspection are the biennial report, the triennial audit, and implementation of performance and process measures. The IMP has an issue date of 3/31/2002; However, at the time of the inspection, the biennial report and triennial internal audit had not been completed, and the performance measures process had not been implemented beyond the identification of candidate performance measures adapted from API 1160.

R.M. Seeley, Director
March 30, 2007
Page 5

PHMSA Remedial Requirements:

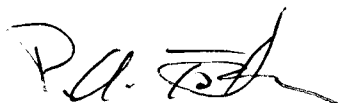
In regard to Item Number 3 of the Notice, TEPPCO must identify specific program performance measures and perform a program effectiveness evaluation as required in 195.452(k). TEPPCO must document the outcome of this evaluation and provide this documentation to PHMSA.

TEPPCO Response:

The TEPPCO IMP is in the process of being migrated to a new IMP. In the new IMP, the previously submitted Measure IMP Effectiveness procedure (IMP-SEC8-01) identifies the specific program performance measures and serves as the program effectiveness evaluation as required by 195.452(k). The plan to meet the remedial requirements of NOPV Item 3 includes the completion of the 2006 IMP Program Evaluation in accordance with IMP-SEC8-01 and submittal of the required program evaluation documentation to PHMSA by April 30, 2007.

TEPPCO appreciates having the opportunity to respond to the Notice and looks forward to continuing to work with the Pipeline and Hazardous Materials Safety Administration to assure the safe operation of our pipelines. In conjunction with an amended and restated administrative services agreement, EPCO performs all management, administrative and operating functions required for us and you should continue to work with Chip Brabson and his team who provide engineering services to TEPPCO. Please let me know if you have any questions.

Sincerely yours,



Patricia A. Totten
Vice President & General Counsel

Enclosures

cc: Charles M. Brabson
Michael Palmer w/ encls.