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March 20, 2008

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

RE: Integrity Management Program Audit
October/November 2007
CPF 4-2007-5049M

Dear Mr. Seeley:

As indicated in my letter to you dated January 16, 2008 (Attachment 1), LOOP committed to respond to Items 1, 3A, 3B, 4A, 5B, 5C, and 8 of the Notice of Amendment (NOA) dated December 17, 2007 (included in Attachment 1) by March 21, 2008. By submission of this letter, LOOP is forwarding a "redlined" copy and "clean" copy of the revised procedures proposed to address the issues identified in these items of the NOA, as summarized below.

NOA ITEM 1

LOOP must take into account the entire operating range of H₂S values into the air dispersion analysis for HCA boundaries in their IMP procedures. LOOP must provide technical justification for its H₂S air dispersion analysis for all operating parameters including H₂S worst concentration case scenarios. LOOP must amend its IMP procedures based upon the technical findings of the H₂S air dispersion analysis.

See revised Sections 1.4 and 1.5 of the LOOP Integrity Management Program Manual. (Attachment 2)

NOA ITEM 3A

LOOP's procedures for in-line inspection (ILI) logs are in IMP, Assessment Section Method, Section 4.3, Appendix G – Geometry Tool ILI Survey Specification, and Appendix H – Metal Loss Tool ILI Survey Specification. LOOP must amend these IMP procedures to add sufficient specificity/detail to its ILI assessment processes and procedures to define integrity assessment criteria used in evaluations such as; evaluation methods used to determine ILI safe pressures, usage of these evaluation methods, design factors used, pipeline MOP, and tool tolerance.

See revised Section 4.3.4, Appendices G and H (applicable sections) and Attachment 11.2(within Appendix H) of the LOOP Integrity Management Program Manual. (Attachment 3)

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NOA ITEM 3B

LOOP IMP, Data Analysis-Section 6.1, does not specify criteria for performing validation or calibration digs or other vendor quality assurance processes. LOOP must amend their IMP procedures to require the validation of assessment results and documentation of: a) technical justification to demonstrate that validation activities are not necessary for its circumstances or b) if LOOP can not provide technical validation of tool results then validation digs of the appropriate number, representative sample, and type of effects are required for validation digs. If LOOP intends to use unity charts developed in re-defining ILI tool tolerances for the purposes of anomaly evaluations and repair decisions, then LOOP must ensure that the procedure handles the issue of ILI tool tolerances in a technically justifiable manner.

**See revised Section 6.1.1 of the LOOP Integrity Management Program Manual.
(Attachment 4)**

NOA ITEM 4A

This item was addressed in the responses to the NOA forwarded to your office on February 20, 2008 in the response letter of the same date.

NOA ITEM 5B

LOOP must amend its processes and procedures to further define documentation of the risk analysis process such as: a) logical, structured guidelines for any subject matter expert (SME) evaluations that are used to perform or influence the integration of risk information, b) technically justifiable basis for the analytical structure of any tools, models, or algorithms utilized to integrate risk information, and recognition of any limitations of these analytical structures, c) justification for the relative magnitude of any numerical weights used to estimate measures of risk.

**See revised Section 3.0 of the LOOP Integrity Management Program Manual.
(Attachment 5)**

NOA ITEM 5C

LOOP's IMP procedures must be amended to document where all risk model input data is gathered from (e.g., completed forms, external databases) and the methodology for the analysis of risk in sufficient detail to ensure consistent application and repeatability.

**See revised Section 3.0 of the LOOP Integrity Management Program Manual.
(Attachment 5)**

NOA ITEM 8

LOOP must amend its IMP process and procedures to develop specificity and detail for determining re-assessment intervals for pipeline segments that could affect HCAs.

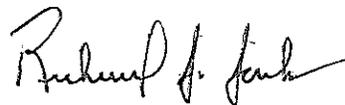
**See revised Section 6.5 of the LOOP Integrity Management Program Manual.
(Attachment 6)**

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Your review of the revised procedures is appreciated. If additional information or action is required relative to revisions provided to address the NOA items noted above, please contact Cynthia Gardner-LeBlanc at (504) 363-9299 or at the address specified above.

Your cooperation and assistance in this matter is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard J. Jackson". The signature is written in a cursive style with a large initial "R".

Richard J. Jackson
Vice-President Operations

Attachments