



October 8, 2009



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

Reference: CPF 4-2009-5010

Dear Mr. Rod Seeley

This letter is in response to the Pipeline and Hazardous Material Safety Administration (PHMSA) Notice of Probable Violation, Proposed Civil Penalty and Proposed Compliance Order received by TE Products Pipeline Company, LLC (TEPPCO) on September 9, 2009.

The Notice stated that it appears that TEPPCO committed probable violations of Sections 195.402(a), 195.428(a), 195.428(d) and 195.573(a)(1) of Title 49 of the Code of Federal Regulations. TEPPCO would like to address items 3, 4 and 5 which are the subject of the Proposed Compliance Order:

Item Number 3 Section 195.428(a) pertaining to the pressure control valves at Hankamer Station:

At the time of the inspection, TEPPCO could not provide documentation to indicate that the Hankamer pressure control valves were inspected twice each calendar year for 2007 and 2008. Records were provided for the June 2007 inspection, but there were no other records available during the inspection to indicate that the control valves were inspected twice each calendar year for 2007 and 2008.

Corrective Action: Since the inspection, TEPPCO has located the completed PCV inspections for the Hankamer Station for 2007 and 2008. Please find a copy of the Work Order inspection forms enclosed with this letter. TEPPCO has reviewed the procedures for pressure control valves and finds that the procedures are adequate.

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TEPPCO Partners, L.P.
Texas Eastern Products Pipeline Company, LLC, General Partner

Item Number 4 Section 195.428(d) pertaining to overpressure safety devices and overfill protection systems.

At the Beaumont Terminal, there are three tanks (Breakout tanks 734, 735 and 771) that the overfill protection has not been tested. According to TEPPCO records, inspectors performing the inspections on these tanks have noted time and time again that they were unable to test. This indicates that when personnel perform their duties in inspecting breakout tanks and note deficiencies that these deficiencies are not being acted upon.

Corrective Action: Immediately following the inspection, the proper safety precautions were taken to inspect the overfill protection devices and subsequently have been inspected on a monthly basis. As of September 2009, tanks 734 and 735 have been physically disconnected from all piping going into and out of the tanks – no longer making them breakout tanks or jurisdictional by PHMSA. These tanks are being taken out of service, will be cleaned, and dismantled. After the inspection, Area Management was reminded of their responsibility to correct any deficiencies found and documented during inspections. We have reviewed the procedures for the inspection of overfill protection and believe that the procedures that TEPPCO has in place for these inspections is adequate. We have reviewed these procedures again with employees to assure that they understand their responsibilities.

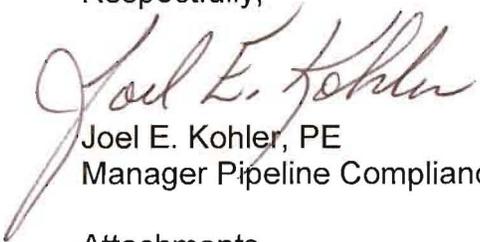
Item Number 5 Sections 195.589(c) and 195.573(a)(1) pertaining to the pipe-to-soil surveys for the P-2 and P-62 lines.

TEPPCO conducted their pipe-to-soil surveys in November of 2006 and again in November 2007. During the inspection, the inspectors reviewed your TEPPCO Products P/S Survey records and there are 19 locations that were not tested in 2007 for the P-2 and P-62 pipelines. The records indicate that the 'Water to high to access', 'No test lead', 'Hunters in ROW', or 'Not allowed access by landowner'. At the time of the inspection these locations still had not been surveyed, exceeding once each calendar year, not to exceed 15 months. TEPPCO had not conducted the 2008 survey at the time of the inspection.

Corrective Action: TEPPCO has reviewed the procedures for performing cathodic protection testing, and found that our procedures are adequate. Management has reviewed the procedures with the responsible employees for performing these tasks. Field personnel have shifted the inspections so that they will not be performed during hunting season. Test leads have been repaired. Management has requested the field technicians to move test leads that are continually under water. Attached is the documentation showing that the pipe-to-soil surveys have been performed. Highlighted in this documentation, is CIS performed by Coastal Corrosion during March, April, May and June of 2007. The regular annual survey performed by TEPPCO employees was performed in December 2008, which does exceed the 15 month limit. **Please notice that there were no recorded low potentials during any of these inspections.**

TEPPCO respectfully requests that you review the above responses and documentation attached for items 3, 4 and 5. TEPPCO requests that the fines assessed for items 3 and 5 be waived, and for item 4 that the fine be reduced. Your attention to this matter is greatly appreciated and TEPPCO awaits your decision.

Respectfully,



Joel E. Kohler, PE
Manager Pipeline Compliance

Attachments