



RECEIVED

NOV 02 2007

803 Highway 212 S
P.O. Box 909
Laurel, MT 59044-0909

406-628-5200
chsinc.com

November 1, 2007

Mr. Chris Hoidal
Director, Western Region
Office of Pipeline Safety
Research and Special Programs Administration
12300 W. Dakota Avenue, Suite 110
Lakewood, Colorado 80228

SENT TO COMPLIANCE REGISTRY
Hardcopy Electronically
of Copies 1 / Date 11/02/07

RE: CPF No. 5-2007-5035M

Dear Mr. Hoidal,

This letter is in response to the Notice of Amendment (NOA) issued by the Office of Pipeline Safety on September 27, 2007 for the above referenced case. Unfortunately, some of the procedures reviewed by the inspector were outdated since the copy of the O&M Manual that was sent with the inspector was an archive copy that was not the most recent version. Additionally, some existing procedures were absent from the archive copy of the manual. Therefore, the review of procedures resulted in several items that appear to be either not applicable or already addressed in CHS's current O&M Manual. Those items that appear to have been addressed, prior to the NOA write-up are identified as existing procedures below.

Item number 1(a) of the NOA required CHS, Inc. to describe any pipeline attributes that would preclude a pipeline from needing a pressure test. A copy of the amended procedure has been enclosed for your approval (See Page I-16 of Enclosure).

Item number 1(b) of the NOA required CHS, Inc. to describe acceptable hydrostatic test mediums. This procedure was in existence and found on Form I-11 Page 5 and Page I-17). A copy of the existing forms are enclosed for your review.

Item number 1(c) of the NOA required CHS, Inc. to require that a record be kept of test medium temperatures during pressure tests. This is an existing practice and is recorded on Form I-7 and described in I-11 (Pressure Test Procedure). A copy of the existing forms are enclosed for your review.

Item number 2(a) of the NOA required CHS, Inc. to describe or reference an industry standard for requirements of pipe, valves, and fittings. This is addressed in the existing procedures in Appendix A which is referenced in Section B for design requirements for non-pipe components. A copy of the existing procedure and Appendix A are enclosed for your review.

Item number 2(b) of the NOA required CHS, Inc. to describe the requirements for scraper and sphere facilities. A copy of the amended procedure has been enclosed for your approval (See Page P-36 of Enclosure).

Item number 2(c) of the NOA required CHS, Inc. to ensure protection for facilities from vandalism and unauthorized entry, regardless of remoteness. A copy of the existing procedure has been enclosed for your approval (See Page C-3 of Enclosure).

Item number 2(d) of the NOA required CHS, Inc. to include or reference methods used to encourage requests for pipeline locations and the methods used to ensure that the public who are in the vicinity of the pipeline re notified of the proximity of the pipeline, the damage prevention program, and precautions to be taken when excavating. Additionally, the damage prevention procedure must describe or reference actual notification methods to be used to inform individuals involved in excavation activities in the area of the pipeline about the operator's damage

prevention program and steps that must be taken when excavating. This was addressed by the reference to the CHS Public Awareness Program which identifies these methods in detail. A copy of the existing methods and message content requirements from the Public Awareness program are enclosed for your approval (See Public Awareness Program Portion of Enclosure).

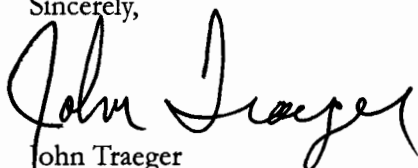
Item number 2(e) of the NOA required CHS, Inc. to provide instructions to pipeline personnel who 1) receive notices of the intention to excavate, 2) notify those who have given notice to excavate, 3) locate and/or mark the operator's pipeline in response to notices to excavate, 4) record all activities involved in response to a notice to excavate. A copy of the amended procedure has been enclosed for your approval (See Page D-5 & D-6 of Enclosure).

Item number 2(f) of the NOA required CHS, Inc. to include a requirement that if a pipeline that is converted to service originally had adequate cathodic protection, it must maintain its cathodic protection and that if a converted segment is relocated, replaced, or substantially altered that segment must have cathodic protection applied to it. A copy of the amended procedure has been enclosed for your approval (See Page H-5 of Enclosure).

Item number 2(g) of the NOA required CHS, Inc. to require that records of annual pipe to soil potentials be kept for the life of the system and that all other records listed in CHS's procedure are kept for a minimum of 5 years. A copy of the existing procedure has been enclosed for your approval (See Page H-21 & H-22 of Enclosure).

Please contact CHS if you have any questions.

Sincerely,



John Traeger
Manager, Pipelines and Terminals

Enclosures

C: Mike Stahly
Michelle L. Biere
Dan Knepper