TPM
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May 2, 2007

Linda Daugherty
Director, Southern Region
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
233 Peachtree Street Ste. 600
Atlanta, GA 30303

Reference: CPF 2-2007-6004W

Dear Ms. Daugherty:

This is in response to your letter of April 9, 2007 concerning the IMP inspection of our facilities on April 4-5, 2006 that we operate at Memphis, Tennessee.

First Item:

195.452(f) What are the elements of an integrity management program? (1) A process for identifying which pipeline segments could affect a high consequence area.

a. TPM must amend its procedure to document its analysis for the dispersion of vapors in identifying high consequence areas (HCAs).

TPM has a contract with American Innovations, in Denver, to update the report (analysis for the dispersion of vapors in identifying high consequence areas) with the same format and processes used and update it every three years. Included in their report will be an update on the HCA's along our R-O-W. This decision was made after consultations with state and local officials.

The report received from this company in 2006 was sent to your office by Joy Terral via e-mail. This report included the facts found in reference to HCA's, the vapor dispersions model, topical land survey, GPS numbers, and other related items in reference to the beginning and end of each HCA along the system. We made a management decision to include the total system under our IPM as the system is short and in the same area.

This will be included in our updated IMP Plan.

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Second Item:

195.452(f) What are the elements of an integrity management program?
(8) A process for review of integrity assessment results and information analysis by a person qualified to evaluate the results and information.

a. TPM must amend its procedure to have a formal and documented process to ensure that employees who review and evaluate integrity assessment results are qualified to perform the work.

b. The IMP should include or reference the hydrostatic pressure test procedure being used as the assessment method.

A qualified professional engineer with over 30 years of pipeline engineering, pipeline management, and pipeline operations will review and evaluate results of all integrity assessments that are preformed on this system. The integrity assessment used on this system will be hydrostatic testing. In lieu of this, the company performing the hydrostatic testing will have OQ qualified persons performing the test following all DOT standards and procedures for hydrostatic testing. These OQ qualified contractor personnel will evaluate the results of the test in conjunction with the above mentioned PE.

TPM will use the hydrostatic pressure testing procedures that are represented in the company's General Maintenance Procedures Manual Section 31 –Pressure Tests and Hydrostatic Test Evaluation and Assessment.

This will be included in our updated IMP Plan.

Third Item:

195.452(f) What are the elements of an integrity management program? (3) An analysis that integrates all available information about the integrity of the entire pipeline and the consequences of a failure.

a. TPM must amend its plan to have formalized and documented guidance for the process of evaluating risk that requires consideration of all relevant risk categories when evaluating pipeline segment risk.

TPM will periodically evaluate the integrity of this system by analyzing the monthly, quarterly and annual reports and inspections that include but not limited to the following:

- Information critical to determining the potential for and preventing, damage due to excavation, planned r-o-w activities along the pipeline segment. This will be done through our weekly and biweekly r-o-w flying, maintaining up to date response and records of one-calls along the r-o-w, attending the monthly city and state and federal meetings concerning the operations of utilities in this area.
- Cathodic protection surveys made yearly and bimonthly concerning pipe to soil, rectifier readings, and insulations kits along the system. And a close interval survey that will be made every five years. The next is scheduled for 2011.

- Atmospheric corrosion will be reviewed yearly and inspected every three years not exceeding 39 months.

This evaluation will be done prior to the yearly budget for the following year.

This will be included in our updated IMP Plan.

Fourth Item:

195.452(i)(4) If an operator determines that an EFRD is needed on a pipeline segment to protect a high consequence area in the event of a hazardous liquid pipeline release, an operator must install the EFRD. In making this determination, an operator must, at least, consider the factors listed in 195.452(i)(4).

a. The process to identify preventive and mitigative actions includes consideration of risk and covers a broad spectrum of alternatives including evaluating the need for EFRDs and leak detection capability. TPM must amend its procedures for documenting the actions that are considered or taken.

TPM is currently using a Real-Flex Leak Detection system. This leak detection system is being changed to a LeakNet detection system along with a new Allen Bradley SCADA system with new Coriolis Mass Flow Meters. It was determined that with this pipeline being operated at below 20% of SMYS, and with the length of this system less than 10 miles, this system could be shut down almost immediately with notification of a potential leak from the leak detection system or from any other outside source, like a phone call from a citizen.

This will be included in our updated IMP Plan.

Fifth Item:

195.452(f) What are the elements of an integrity management program? (5) A continual process of assessment and evaluation to maintain a pipeline's integrity.

a. The continual process of evaluation and assessment must be documented with adequate technical justification.

The continual evaluation and assessment of the ammonia line includes the successful hydrostatic testing of the line in 2004. The company continues to monitor the pipe when we uncover the line due to one call activities, and other opportunities for corrosion, for pipe coating anomalies and other items that would assist us in evaluating the integrity of the line. We continue to monitor the activities along the line to ascertain if there are any environmental factors that could affect the pipeline.

The TPM integrity management team will review the HCA's analysis prepared by a qualified company on an as needed basis not to exceed 3 years and determine the AMMONIA LINE risk factor in accordance with the risk factors in paragraph (e) in Part 195.452. Upon completion, a time line (report frequency) will be developed requiring

review and re-assessment of the AMMONIA LINE integrity, not to exceed 5 years. TPM will hydro-test the ammonia system at an interval not to exceed 5 years.

After the first assessment (hydrostatic testing) the company continues to monitor the activity along the system through the schedule inspections and testing per DOT regulations. (For example: pipe to soil readings, block valve inspection, close interval surveys, one call management etc). Each year during the annual planning session, any improvements needed to be made will be budgeted to meet the needs of the system as to findings in the yearly inspection.

Technology will not allow ILI of this system. If and when one is developed we will evaluate its use on the pipeline.

During the fourth year, a reassessment plan with be renewed and funded for the fifth year to reassess the condition of the pipeline using the same method used five years ago. If a smart pig is available to inspect and travel through a 4-inch to a six-inch back to a 4-inch, this process will be investigated to see if the system can accept a smart pig.

Management will continue to review and react to traditional pipeline evaluation techniques such as cathodic reports, one call issues, surveys etc.

This will be included in our updated IMP Plan.

Sixth Item:
195.452(f) What are the element of an integrity management program? (7) Methods to measure the program's effectiveness.

a. The IMP must include a documented process for performing program evaluations as required in 195.452(f)(7).

TPM has chosen the following methods to measure the effectiveness of this program. The performance measures used are:

(1) Selected Activity Measures: Measures that monitor the r-o-w activity, the one call process that require marking and construction activity, and public relations with the county, city and other people that need to know where our system is and how to notify us when there is a need.

(2) Deterioration Measures: Operation and maintenance trends that will indicate when the integrity of the system is weakening despite preventive measure. This will be where the pipe is inspected when uncovered and comparing the findings to other records and see if there is deterioration of wall thickness or pipe coating with holidays compared to other dig in events.

(3) Failure Measures: Using leak history, incident response, product loss measurements will indicate progress towards fewer leaks and less damage.

TPM performance goals are as follows:

- No spills or leaks
- Investigate all aerial patrol reports immediately and all one-call tickets within 24 hours except for weekends or holidays. Emergencies will be investigated immediately.

- No operational events, i.e.; relief valve occurrences, SCADA outages, unplanned valve closures
- Conduct a yearly leak detection drill
- Attend all area meetings concerning rezoning of property along the r-o-w, all Coast Guard meeting, all security meetings and all public education meeting through the Tennessee One Call Organization.

This will be included in our updated IMP Plan.

Please do not hesitate to contact me if you have any questions or concerns.
Sincerely,

Larry Clynch, PE
CEO
TPM, Inc.