



January 30th, 2013

VIA FEDEX: 7946-4175-2521

Mr. D. Barrett
Regional Director
U.S. Department of Transportation; Office of Pipeline Safety
901 Locust Street, Suite 462
Kansas City, MO 64106-2641

RECEIVED JAN 31 2013

RE: KMLT ARGO ASSET INTEGRITY PLAN – YE 2012 - FIRST UPDATE

Dear Mr. Barrett:

This letter is written in response to the above referenced KMLT Argo Asset Integrity Plan reviewed by Warren Miller, PHMSA Central Region, during the week of December 3rd.

Please find the status update on the plan items below:

1. MOP Determination

The maximum operating pressure (MOP) for regulated terminal piping has been calculated, with the exception of the T2 Line. An API 570 Inspection was completed on December 14, 2012 to obtain minimum wall thickness.

- Final API 570 report received January 17th, 2013.
- MOP Computation – completed January 25th, 2013. MOP is confirmed to be 275psi.

2. Surge Relief Project

The surge systems for West Shore and TEPPCO are operational.

- Surge System operational as of October 5th, 2012.

3. Asset Integrity Plan for In-Station Piping

The baseline atmospheric corrosion inspection is complete.

- The baseline assessment was completed on October 5th, 2012.
- Corrective actions identified in the baseline assessment are expected to be completed by October 31, 2013.

4. Corrosion Control Program

a) Tanks:

- Phases I-IV – completed October 5th, 2012.
- Completion of Phases V-VI is expected to be October 31st, 2013



- i. Phase V – Corrective Actions
 - a) Recommended corrective actions for the identified DOT jurisdictional tanks have an estimated completion date of October 31st, 2013 and include, but are not limited to:
 - a. Installing reference electrodes beneath the single bottom tank.
 - b. Injecting corrosion inhibitor between the tank bottom and secondary containment liner of tank 63-1 and between the double tank bottom of tank 33-1.
- ii. Phase VI – Baseline Interrupted Survey will be completed by December 31st, 2013 during the Annual Cathodic Protection Survey, at which time the results will be reviewed and, where necessary, corrective actions developed and implemented.

b) Terminal Piping:

- The presence of insulated joints and the adequacy of cathodic protection on buried terminal piping have been identified via the asset integrity assessment.
- Corrective actions to increase the quality/effectiveness of cathodic protection will be completed by October 31st, 2013.
- Cathodic Protection adequacy will be tested and documented during the Annual Cathodic Protection Survey which is scheduled for completion by December 31st, 2013.

5. Tank Inspection Program

The tank inspection program, per KMLT T-O&M Manual for all DOT jurisdictional tanks, has been implemented and complete records are on file:

- Tank files sent out for mold remediation were received on November 1st, 2012.

All phases are currently on track for completion as per the above dates. In the event that an item cannot be completed within the time frame stated, KM shall notify your office promptly with a revised completion date and the reasons for the revised date.

KM is committed to operating our terminals and pipeline systems safely and in compliance with applicable regulations. We trust that our response in the matter is satisfactory. If not, please contact me at (713) 920-8496.

Sincerely,

Danielle Stephens
Manager – Regulatory Compliance
Kinder Morgan Liquid Terminals

Cc: Carlos Munguia Vice-President, Mid-West and North East Region
Mike Garthwaite, General Manager, Mid-West Region