



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

8701 South Gessner, Suite 1110
Houston, TX 77074

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 9, 2015

Mr. Wayne Simmons
Vice President- Operations
Cypress Interstate Pipeline, LLC
1001 Louisiana St, Suite 1000
Houston, TX 77002

CPF 4-2015-5001W

Dear Mr. Simmons:

On multiple occasions between July 2014 and September 12, 2014, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code were onsite and inspected your Cypress Pipeline System ("Cypress") in Texas and Louisiana operating areas. In addition to that, PHMSA also inspected your Cypress Pipeline System ("Cypress") Control Room facility in Houston, TX.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

1. §195.402 Procedural manual for operations, maintenance, and emergencies.

(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at

intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

(d) **Abnormal operation.** The manual required by paragraph (a) of this section must include procedures for the following to provide safety when operating design limits have been exceeded;

(5) **Periodically reviewing the response of operator personnel to determine the effectiveness of the procedures controlling abnormal operation and taking corrective action where deficiencies are found.**

Cypress failed to follow their O&M Procedure, L-O&M 1101 (Response to Notice of Emergency or Abnormal Operations) to determine the effectiveness of the procedures controlling abnormal operation and taking corrective action where deficiencies are found.

During the inspection, PHMSA identified an instance where abnormal operating condition took place.

- a) MOC ID# 14-68, reference # 1593, dated 4/18/2014
Loss of communication at Mont Belvieu Pump Station. This MOC allowed Houston Control Center (HCC) to operate the pipeline in manual mode until the communication was re-established.

Kinder Morgan O&M Procedure, L-O&M 1101(Response to Notice of Emergency or Abnormal Operations), Section 3.9(Procedure Effectiveness) states:-

“Management (e.g., Control Center/ Field) will review the responses of operating personnel to abnormal operations and emergencies to determine the effectiveness of the procedures”.

Kinder Morgan O&M Procedure, L-O&M 1101(Response to Notice of Emergency or Abnormal Operations), Section-5(Documentation) states-

- *“Minutes of the management Review Committee meeting shall specify that abnormal operations and emergencies and abnormal operating conditions were reviewed to determine the effectiveness of the procedures, and shall be filed locally.”*

During the inspection, PHMSA requested Cypress’ effectiveness review of their procedure based on the aforementioned specified instance. Cypress provided a personnel roster (Review History for MOC ID# 14-68). PHMSA notes that the personnel roster is not considered as a “Minutes of the Management Review Committee” as required by Kinder Morgan Procedure, L-O&M 1101.

2. §195.402 Procedural manual for operations, maintenance, and emergencies.

(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

(e) Emergencies. The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs;

(9) Providing for a post-accident review of employee activities to determine whether the procedures were effective in each emergency and taking corrective action where deficiencies are found.

Cypress failed to provide for a post-accident review of employee activities to determine whether the procedures were effective in each emergency and taking corrective action where deficiencies are found.

During the inspection, PHMSA identified one instance where an incident took place.

a) Incident # 20130117-17711, dated 03/27/2013

Product released due to internal erosion that occurred on the tapered exit end of the separator at Spindletop Pump Station, Segment ID# PL-115, TX.

Kinder Morgan O&M Procedure, L-O&M 1101(Response to Notice of Emergency or Abnormal Operations), Section 3.9(Procedure Effectiveness) states:-

“Management (e.g., Control Center/ Field) will review the responses of operating personnel to abnormal operations and emergencies to determine the effectiveness of the procedures”.

Kinder Morgan O&M Procedure, L-O&M 1101(Response to Notice of Emergency or Abnormal Operations), Section-5(Documentation) states-

- *“Minutes of the management Review Committee meeting shall specify that abnormal operations and emergencies and abnormal operating conditions were reviewed to determine the effectiveness of the procedures, and shall be filed locally.”*

Kinder Morgan O&M Procedure, L-O&M 159 (Incident Reporting and Investigation) states;

Failure Investigation:

6. Review written procedures, job instructions and specifications covering the operation being performed at the time of the incident

7. Review the attitudes, priorities, stress levels, fatigue physical condition and perceptions of the involved employee.

During the inspection, PHMSA requested Cypress' effectiveness review of their procedure based on the aforementioned specified instance. Cypress provided an agenda as a training meeting that was held on August 2013 for the specified incident. PHMSA notes that the agenda is not considered as "Minutes of the Management Review Committee" as required by Kinder Morgan Procedure, L-O&M 1101.

3. § 195.446 Control room management.

h) Training. Each operator must establish a controller training program and review the training program content to identify potential improvements at least once each calendar year, but at intervals not to exceed 15 months. An operator's program must provide for training each controller to carry out the roles and responsibilities defined by the operator. In addition, the training program must include the following elements:

(1) Responding to abnormal operating conditions likely to occur simultaneously or in sequence;

Kinder Morgan Energy Partners L.P. (Kinder Morgan) failed to establish the content of controllers training program that includes the abnormal operating conditions (AOC) scenarios likely to occur simultaneously or in sequence.

Kinder Morgan HCC Controller Training Plan, Section 2 (program) states-

"KM's HCC Controller Training Plan is designed to ensure that all HCC Controllers working on KM's DOT-regulated pipeline facilities are CRM and OQ-qualified to perform their roles, responsibilities and Operator qualified covered tasks, to document that qualification and to reduce the probability and consequences of incidents and accidents. All KM HCC employees performing these roles, responsibilities and covered tasks will be qualified under this program

- *Responding to abnormal operating conditions, as defined in the L-O&M 1101, likely to occur simultaneously or in sequence.*

During the inspection, PHMSA requested Kinder Morgan to provide the Controllers training elements to ensure whether all the controllers are trained on multiple abnormal operating conditions (AOCs) that could likely occur simultaneously or in sequence; Kinder Morgan provided two (2) lists of AOC scenarios dated 8/14/2014, and 10/10/2014. PHMSA reviewed all training scenarios and found that each scenario constitutes a single event (AOC) scenario instead of having multiple events (AOC) that could likely to occur simultaneously or in sequence as required by § 195.446(h)(1).

4. §195.507 Recordkeeping

Each operator shall maintain records that demonstrate compliance with this subpart.

(a) Qualification records shall include:

- (1) Identification of qualified individual(s);**
- (2) Identification of the covered tasks the individual is qualified to perform;**
- (3) Date(s) of current qualification; and**
- (4) Qualification method(s).**

(b) Records supporting an individual's current qualification shall be maintained while the individual is performing the covered task. Records of prior qualification and records of individuals no longer performing covered tasks shall be retained for a period of five years.

Cypress failed to maintain the qualification records of an individual performing the Clock Spring installation.

During the inspection, PHMSA requested Cypress' qualification records of Clock Spring Installer (Mr. Doug Taylor) who installed Clock Springs at four (4) locations on Cypress Pipeline in 2010. Cypress provided the affidavit certificate of Clock Spring Installer (Mr. Doug Taylor), dated September 9, 2014 provided by Clock Spring vendor. According to Kinder Morgan, clock spring installation is a covered task (covered task# 102.13), and requires vendor training and certification. PHMSA notes that the provided affidavit certificate demonstrates that the Mr. Doug Taylor was trained on clock spring installation during the timeframe the clock spring was installed, but Cypress is required to have a complete OQ qualification records (clock spring installation) for individual performing the specified covered task on the pipeline; records of individual no longer performing covered tasks for a period of five years.

Cypress Pipeline- 8" Mt. Belvieu to Spindletop and Spindletop to Westlake

Dig#	Discovery	Anomaly	Excavation Date	Repair
PL-115-Sp-WI_31270_I	8/12/2010	Immediate	8/14/2010	Clock Spring
PL-115-Sp-WI_21880_A	8/16/2010	180 Day	12/8/2010	Clock Spring
PL-115 MtB-S_7810_A	8/17/2010	180 Day	11/30/2010	Clock Spring
PL-115 MtB-S_7820_A	8/17/2010	180 Day	11/30/2010	Clock Spring

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item(s) identified in this letter. Failure to do so will result in Kinder Morgan being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 4-2015-5001W**. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b).

Sincerely,



R. M. Seeley
 Director, Southwest Region
 Pipeline and Hazardous Materials Safety Administration

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings