



October 1, 2012

U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
Office of Pipeline Safety
Central Region Office
901 Locust Street, Suite 462
Kansas City, MO 64106-2641

Attention: Mr. David Barrett, Director

Re: CPF No. 3-2012-1007
Kinder Morgan Interstate Gas Transmission Company

Dear Mr. Barrett:

We are in receipt of the Notice of Probable Violation and Proposed Compliance Order, CPF No. 3-2012-1007, dated August 29, 2012, (NOPV) in which the Central Region of the Pipeline and Hazardous Materials Safety Administration ("PHMSA") asserts that Kinder Morgan Interstate Gas Transmission Company (KMIGT) failed to perform periodic reviews of certain abnormal operations, with specific reference to a March 3, 2010, event at the Lexington TBS #2 that involved venting from a relief valve. The NOPV resulted from four inspections from September through November, 2010, and relates to the Pipeline Safety Regulations, Title 49, of the Code of Federal Regulations which states as follows:

§192.605 Procedural manual for operations, maintenance, and emergencies.

(c) Abnormal operation. For transmission lines, 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:

[...]

(4) 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.

The NOPV notes that KMIGT did not perform periodic reviews of personnel responses to certain abnormal operations on the basis that KMIGT did not identify the referenced event as an "abnormal operation." PHMSA alleges in the NOPV that the March 3, 2010 event at the Lexington TBS #2 as detailed in a KMIGT document titled "Loss Causation Report" meets the definition of an abnormal operation because the relief valve is a safety device where the set point of the regulator is the design limit. The NOPV also alleges that per 49 C.F.R.192.605(c)(1) abnormal operations occur when there are any of the following: unintended valve closure or shutdowns, increases or decreases in pressure or flow rate outside normal operating limits, loss of communications, or the operation of any safety device. Finally, the NOPV states that KMIGT did not conduct a review of this release because its O&M Procedure does not identify the operation of any safety device as an abnormal operation, but rather states, "Improper operation or operation outside of design parameters of any safety device, e.g., relief valve not resetting."

The Proposed Compliance Order requires modification of the KMIGT Operations and Maintenance Manual (O&M) Procedure 1902 as well as development of training and reclassification of prior events.

KMIGT Response:

The March 3, 2010 event referenced in the Loss Causation Report did not result in an abnormal operation based upon the criteria under 49 C.F.R 192.605(c) and as set forth in Section 3.1 of KMIGT's O&M Procedure 1902 because operating design limits were not exceeded. As required under the plain language of 49 C.F.R.192.605(c), an operator's O&M regarding abnormal operations is to provide safety "*when operating design limits have been exceeded*" for responding to, investigating and correcting the cause of, among other things, the unintended closure of valves or shutdowns, the operation of any safety device, and any other foreseeable malfunction of a component, deviation from normal operation, or personnel error, which may result in a hazard to persons or property. 49 C.F.R 192.605(c)(1) (emphasis added). In addition, an operator must perform a periodic review of personnel responses to qualifying abnormal operations to determine the effectiveness of the procedures. Based on the express language of this regulation, the threshold condition that triggers abnormal operations is the exceedance of "operating design limits." In the preamble to the Final Rule of this provision, OPS declined to define the term "operating design limits" but responded to industry questions regarding whether this was the same or different from MAOP as follows:

Abnormal conditions occur when design limits have been exceeded due to a pressure, flow rate, or temperature change *outside the limits of normal conditions*. As an example, for pressure surges, an abnormal condition would exist in a pipeline when pressure exceeds the MAOPt [].

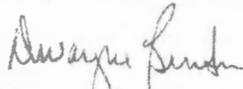
Final Rule, 59 Fed. Reg. 6579, 6582 (February 11, 1994) (emphasis added). Consistent with Part 192 and Agency guidance, KMIGT's O&M Procedure 1902 Section 3.1-Identifying Abnormal Operation, states that an "abnormal operation occurs when operating conditions exceed operating design limits and any of the following occur" with the criteria identified as in 49 C.F.R 192.605(c)(1)(i) through (v).

With respect to the event that occurred on March 3, 2010, the system and the relief valve operated as intended within the limits of normal conditions and operations. Specifically, the operating design limit, including the maximum allowable operating pressure (MAOP) for this facility and the design parameters of the relief valve, were not exceeded. Further, the normal operation of the relief valve did not present a hazard to persons or property which could have alternatively triggered the criteria for an abnormal operation under 49 C.F.R 192.605(c)(1)(v). These circumstances are distinct from the operation of a safety device outside of its design parameters. In sum, the event did not meet the basic criteria for an abnormal operation as defined in 49 C.F.R 192.605(c) and KMIGT's O&M, but more appropriately falls under O&M and requirements under 49 C.F.R 192.605(b) for normal operations. To find that a relief valve operating within its set points and design limits is an abnormal operation fails to account for the express introductory language of this regulation "when operating design limits have been exceeded."

Therefore, KMIGT respectfully requests an in-person hearing to contest the allegations in the NOPV as set forth in more detail in its Request for Hearing and Statement of Issues (attached).

As explained in the Request for Hearing, KMIGT requests a copy of the materials in PHMSA case files that may be pertinent to the issues raised in this NOPV. KMIGT will be represented by legal counsel at any hearing that is scheduled for this matter.

Respectfully Submitted,



Dwayne Burton
Vice President of Operations

Enclosures

**Before the
U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
Office of Pipeline Safety**

In the Matter of)	
)	
Kinder Morgan Interstate Gas)	CPF No. 3-2012-1007
Transmission Company)	
Houston, TX)	<u>Request for Hearing</u>
)	
Respondent)	

Kinder Morgan Interstate Gas Transmission Company (KMIGT or the Company), a subsidiary of Master Operating Entity, Kinder Morgan Energy Partners, L.P. (KMEP), respectfully requests a hearing on the above-referenced Notice of Probable Violation and Proposed Compliance Order (NOPV) pursuant to 49 C.F.R. Part 190.211. This NOPV was issued to KMIGT by the Pipeline and Hazardous Materials Safety Administration (PHMSA or the Agency), Office of Pipeline Safety (OPS) on August 29, 2012. Pursuant to 49 C.F.R. Section 190.209, this request is timely.

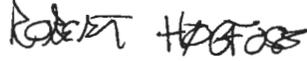
This Request for Hearing includes a Statement of Issues and a Written Response to the NOPV, as required by 49 C.F.R. Part 190.211(a). As also required by 49 C.F.R. Part 190.211(a), please be advised that the Hunton & Williams law firm, along with KMIGT General Counsel Jessica Toll, will represent the Company at any hearing that is scheduled for this matter.

KMIGT is filing this Request for Hearing in order to preserve its rights and raise certain issues for further discussion with PHMSA. The Company believes these issues will be capable of resolution through the hearing process, but reserves its right to further review as necessary. KMIGT shares PHMSA's desire to ensure public safety and enhance pipeline system integrity, and the Company is committed to working with PHMSA toward those goals.

Pursuant to 49 C.F.R. Part 190.211(e), KMIGT hereby requests a copy of all materials in the PHMSA case files that may be pertinent to the issues raised in this NOPV (including case files or materials relied upon during the preparation of this NOPV, CPF No. 3-2012-1007, and all other matters referenced in the NOPV or this Request for Hearing).

Please let us know if you have any questions about this Request for Hearing.

Respectfully submitted,



HUNTON & WILLIAMS

Robert E. Hogfoss, Esq.
Bank of America Plaza, Suite 4100
600 Peachtree Street, N.E.
Atlanta, GA 30308
(404) 888-4042

Catherine D. Little, Esq.
Bank of America Plaza, Suite 4100
600 Peachtree Street, N.E.
Atlanta, GA 30308
(404) 888-4047

Date: October 1, 2012

**Before the
U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
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In the Matter of:)	
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Kinder Morgan Interstate Gas)	CPF No. 3-2012-1007
Transmission Company)	
Houston, TX)	<u>Statement of Issues</u>
)	
Respondent)	

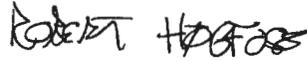
In connection with its Request for Hearing and in accordance with the requirements of 49 C.F.R. Part 190.211(a), Kinder Morgan Interstate Gas Transmission Company (KMIGT or the Company) hereby provides the Statement of Issues that it intends to raise at the Hearing for this matter. The Statement of Issues incorporates by reference the Written Response to the above referenced Notice of Probable Violation and Proposed Compliance Order (NOPV).

The NOPV raises three related issues to be addressed at the Hearing:

- I. Whether the March 3, 2010 event noted in the NOPV, which did not exceed operating design limits, qualifies as an abnormal operation under 49 C.F.R. Part 192.605(c) that triggers periodic review of the response of operating personnel.
- II. Whether KMIGT's Operations and Maintenance Procedure 1902 defines abnormal operation consistent with 49 C.F.R. Part 192.605(c).
- III. Whether the NOPV, and the Proposed Compliance Order, should be withdrawn in light of the information provided.

These issues are more fully addressed in the Company's Written Response to the NOPV. For all of the reasons identified above in this Statement of Issues and Written Response to the NOPV, and in consideration of other factors as justice may require, the Company respectfully requests that PHMSA consider withdrawing the NOPV as issued, including withdrawing the Proposed Compliance Order.

Respectfully submitted,



HUNTON & WILLIAMS

Robert E. Hogfoss, Esq.
Bank of America Plaza, Suite 4100
600 Peachtree Street, N.E.
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