



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

SENT TO COMPLIANCE REGISTRY

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12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 6, 2008

Mr. Dean Dick
Kinder Morgan (USA) Inc.
Director Southern Region
800 Werner Court
Casper, WY 82601

CPF 5-2008-5005W

Dear Mr. Dick:

On August 13 to August 17, 2007 and October 22 to October 25, 2007, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Express pipeline in Wyoming and Montana.

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. **§195.575 Which facilities must I electrically isolate and what inspections, tests, and safeguards are required?**
 - (a) **You must electrically isolate each buried or submerged pipeline from other metallic structures, unless you electrically interconnect and cathodically protect the pipeline and the other structures as a single unit.**

At Express pipeline station 23163+91, where Colorado Interstate Gas (CIG) has a compressor station, the Express Pipeline is experiencing high cathodic protection (CP) "off" levels. CIG has moved their station ground bed in an effort to help KM remediate those high CP levels but this action did not lower the levels. KM has been experiencing these high levels for several years. These high "off" CP levels indicate that foreign current is interfering with KM's CP system.

2. **§195.555 What are the qualifications for supervisors?**
You must require and verify that supervisors maintain a thorough knowledge of that portion of the corrosion control procedures established under Sec. 195.402(c)(3) for which they are responsible for insuring compliance.

Records showing verification of corrosion control supervisors' knowledge of the corrosion control procedures for which they are responsible was inadequate. I was informed that a new test for corrosion control supervisors was being developed but that test has not yet been developed.

3. **§195.583 What must I do to monitor atmospheric corrosion control?**
(c) If you find atmospheric corrosion during an inspection, you must provide protection against the corrosion as required by Sec. 195.581.

KM reported that they have been making repairs to remediate deficiencies noted in their 2006 atmospheric corrosion inspections but they have not been documenting those repairs. As required by 195.583(c) and 195.589(c) KM must document remedial measures taken as a result of atmospheric corrosion inspections.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any 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 (USA) Inc. 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 5-2008-5005W**. 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,



Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 G. Davis (#118903, 118876)