

Mr. William White  
Vice President of Operations and Engineering  
Kinder Morgan, Inc.  
500 Dallas Street, Suite 1000  
Houston, Texas 77002

Re: CPF No. 44511

Dear Mr. White:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes findings of violation, assesses a civil penalty of \$40,000, and requires certain corrective action. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

I acknowledge receipt of, and accept, your wire transfer in the amount of \$40,000, as payment in full of the civil penalty assessed against Kinder Morgan, Inc. in the Final Order. I also acknowledge, and accept as adequate, your prompt corrective action with respect to the items in the proposed compliance order. This case is now closed and no further enforcement action is contemplated with respect to the matters involved in the case. Thank you for your cooperation in our joint effort to ensure pipeline safety.

Sincerely,

Gwendolyn M. Hill  
Pipeline Compliance Registry  
Office of Pipeline Safety

Enclosure

cc: Arizona Corporation Commission

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

DEPARTMENT OF TRANSPORTATION  
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
WASHINGTON, DC 20590

In the Matter of	)	
	)	
Kinder Morgan, Inc.	)	
formerly known as	)	CPF No. 44511
Santa Fe Pacific Partners, L.P.	)	
	)	
Respondent.	)	
	)	

FINAL ORDER

On November 2, 1993, pursuant to 49 U.S.C. § 60117, a representative of the Arizona Corporation Commission, as agent for the Office of Pipeline Safety (OPS) initiated an investigation of Respondent's report of an accident involving its pipeline system. As a result of the investigation, the Director, Southwest Region, OPS, issued to Respondent, by letter dated July 14, 1994, a Notice of Probable Violation, Proposed Civil Penalty and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had committed violations of 49 C.F.R. Part 195 and proposed assessing civil penalties of \$40,000, for the alleged violations. The Notice also proposed that Respondent take certain measures to correct the alleged violations.

Respondent responded to the Notice by letter dated August 11, 1994 (Response) and made a wire transfer in the amount of the proposed civil penalty (\$40,000). Respondent offered an explanation for Item 1 of the Notice and may have intended to contest it, but the explanation is not clearly meritorious. Section 190.209(a)(1) of Title 49, Code of Federal Regulations, provides that payment of the civil penalty authorizes the closure of the case with prejudice to the Respondent. In addition, Respondent has forwarded information concerning the corrective actions it has taken to OPS.

FINDINGS OF VIOLATION

Respondent did not contest the alleged violations. Accordingly, I find that Respondent violated the following sections of 49 C.F.R. Part 195, as more fully described in the Notice:

49 C.F.R. § 195.4 -- transporting a hazardous liquid that was not chemically compatible with all components of the pipeline;

49 C.F.R. § 195.54(b) -- failing to file a supplemental report within 30 days of receiving a change in the information reported on the original accident report;

49 C.F.R. § 195.402(c)(5) -- failing to follow the procedures in the manual of procedures for operations, maintenance and emergencies for analyzing pipeline accidents to determine their causes; and

49 C.F.R. § 195.402(c)(6) -- failing to include procedures for minimizing the possibility of a recurrence of an accident analyzed under § 195.402(c)(5) in the manual of procedures for operations, maintenance and emergencies.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent. I assess Respondent a civil penalty of \$40,000, already paid by Respondent.

#### COMPLIANCE ORDER

The Notice proposed a compliance order. Respondent has demonstrated corrective action addressing the items in the proposed compliance order. The Director, Southwest Region, OPS has accepted these measures as adequately fulfilling the requirements of the regulations and no further action is needed with respect to a compliance order.

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Stacey Gerard  
Associate Administrator  
for Pipeline Safety

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Date Issued