



U.S. Department
Of Transportation
**Pipeline and
Hazardous Materials
Safety Administration**

820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628
609.989.2171

WARNING LETTER

OVERNIGHT EXPRESS MAIL

January 7, 2013

Mr. Ronald G. McClain
Vice President Engineering/Operations
Kinder Morgan Southeast Terminals
500 Dallas Street, Suite 1000
Houston, TX 77002

CPF 1-2013-5001W

Dear Mr. McClain:

Between September 26-28, 2012, a State Inspector from the Virginia State Corporation Commission (VA SCC) acting as Agent for the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your Kinder Morgan Southeast Terminal (KMST) pipeline facilities in Newington, Virginia.

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

1. § 195.583 What must I do to monitor atmospheric corrosion control?

(a) You must inspect each pipeline or portion of pipeline that is exposed to the atmosphere for evidence of atmospheric corrosion, as follows:

If the pipeline is located:	Then frequency of inspection is:
Onshore	At least once every 3 calendar years, but with intervals not exceeding 39 months

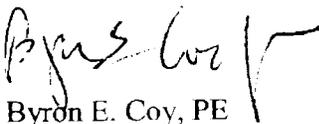
KMST failed to inspect each pipeline or portion of pipeline exposed to the atmosphere, at least once every 3 calendar years, but with intervals not exceeding 39 months.

During the review of records at the KMST Newington, VA facility, the VA SCC inspector noted one occasion where KMST had not conducted an atmospheric corrosion inspection since October 17, 2008. This was 8 months and 10 days past the required 39 month maximum interval.

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 identified in this letter. Failure to do so will result in KMST being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, please send your correspondence to: Mr. Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, West Trenton, NJ 08628, and in your correspondence please refer to **CPF 1-2013-5001W**. 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,



Byron E. Coy, PE
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

Cc: Mr. James Hotinger, VA SCC