

NOTICE OF AMENDMENT

OVERNIGHT EXPRESS DELIVERY

November 26, 2019

Mr. Kenneth Grubb
Chief Operating Officer
Kinder Morgan Tejas Pipeline
1001 Louisiana Street, Suite 1000
Houston, TX 77002

CPF 1-2019-0015M

Dear Mr. Grubb:

From February 19 - 22, 2019, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Kinder Morgan's (KM) Underground Gas Storage Facility (UNGS) Program in Houston, TX for the Kinder Morgan Tejas Pipeline.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within KM's plans or procedures, as described below:

1. **§ 192.12 Underground natural gas storage facilities.**
 - (a)
 - (e) **Operators of underground gas storage facilities must establish and follow written procedures for operations, maintenance, and emergencies implementing the requirements of API RP 1170 and API RP 1171, as required under this section, including the effective dates as applicable, and incorporate such procedures into their written procedures for operations, maintenance, and emergencies established pursuant to § 192.605.**

KM's written procedures for implementing the requirements of API RP 1171 were inadequate. Specifically, KM's procedures did not address how it would assess threat and hazard interaction in their Risk Model, as required by API RP 1171, Section 8.3.2.

Section 8.3.2 states in part:

The operator shall use available information such as performance data collected through the field history, operations and maintenance (O&M) activities, geotechnical data such as well logs, engineering data, and completion reports to determine susceptibility to threat and hazard-related events and to assess threat and hazard interaction.

At the time of the inspection, KM's procedures failed to address the threat and hazard interaction requirement of Section 8.3.2.

2. § 192.12 Underground natural gas storage facilities.

(a)

(e) Operators of underground gas storage facilities must establish and follow written procedures for operations, maintenance, and emergencies implementing the requirements of API RP 1170 and API RP 1171, as required under this section, including the effective dates as applicable, and incorporate such procedures into their written procedures for operations, maintenance, and emergencies established pursuant to § 192.605.

KM's written procedures for implementing the requirements of API RP 1171 were inadequate. Specifically, KM's O&M Procedures did not address a process for the identification, selection, and implementation of P&M Measures in accordance with API RP 1171, Section 8.6 Preventive and Mitigative Measures (Section 8.6).

Section 8.6.1, General, states in part:

P&M measures are actions conducted by the operator to reduce the risks to the storage facilities by reducing the likelihood (preventive) or reducing the consequence (mitigative) of events related to the threats identified in 8.4. The P&M measures include routine condition monitoring activities since the acquisition and analysis of data provides information upon which additional measures can be implemented.

Section 8.6.2, Methodology, states in part:

The operator shall develop P&M measures to manage risks.

At the time of the inspection, KM's procedures failed to address the requirements of Section 8.6 regarding the development of P&M measures within their program.

3. § 192.12 Underground natural gas storage facilities.

(a)

(e) Operators of underground gas storage facilities must establish and follow written procedures for operations, maintenance, and emergencies implementing the requirements of API RP 1170 and API RP 1171, as required under this section,

including the effective dates as applicable, and incorporate such procedures into their written procedures for operations, maintenance, and emergencies established pursuant to § 192.605.

KM's written procedures for implementing the requirements of API RP 1171 were inadequate. Specifically, KM did not address how the effectiveness of their Risk Management plan would be determined, as required by API RP 1171, Section 8.7.1 Periodic Assessment and Review (Section 8.7.1).

Section 8.7.1 states, in part:

The operator shall assess the effectiveness of risk monitoring and risk management programs and maintain a continual review and improvement cycle in risk management activities to provide functional integrity of the storage operation. The interval of review and reassessment should be short enough to identify operational and monitoring trends and measure the effectiveness of P&M measures, but long enough that the data and information that can be brought into the analysis are meaningful.

At the time of the inspection, KM's procedures failed to address how the effectiveness of their Risk Management plan would be determined in accordance with Section 8.7.1.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement Proceedings*. Please refer to this document and note the response options. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §190.211. If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Kinder Morgan Tejas Pipeline maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment

(preparation/revision of plans, procedures) and submit the total to Robert Burrough, Director, PHMSA Eastern Region, 840 Bear Tavern Road, Suite 300, West Trenton, NJ 08628. Please refer to **CPF 1-2019-0015M** on each document you submit, and whenever possible provide a signed PDF copy in electronic format. Smaller files may be emailed to robert.burrough@dot.gov. Larger files should be sent on USB flash drive accompanied by the original paper copy to the Eastern Region Office.

Additionally, if you choose to respond to this (or any other case), please ensure that any response letter pertains solely to one CPF case number.

Sincerely,

Robert Burrough
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Enforcement Proceedings*