

WARNING LETTER

OVERNIGHT EXPRESS DELIVERY

January 13, 2020

Mr. Kenneth Grubb
Chief Operating Officer
Natural Gas Pipeline Co of America (KMI)
1001 Louisiana Street, Suite 1000
Houston, TX 77002

CPF 1-2020-1007W

Dear Mr. Grubb:

From August 6-8, 2019 and September 10 - 12, 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 Natural Gas Pipeline Co of America's (NGPL) Cairo Storage Fields (3) and Columbus City Storage Fields (3) in Columbus City, IA.

As a result of the inspection, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The item inspected and the probable violation is:

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.**

NGPL failed to follow its written procedures for implementing the requirements of API RP 1171. Specifically, NGPL failed to follow its written procedure O&M 1900, developed to comply with API RP 1171, Section 11.4.2, Plan Effectiveness (Section 11.4.2).

Section 11.4.2 requires that operators test their emergency response plans for effectiveness. It states:

The operator shall establish a program to determine operator familiarity with emergency plans and procedures and periodic testing of the effectiveness of the plan in accordance with 10.6.

NGPL's O&M 1900 included procedures pursuant to this requirement. The procedure stated that:

"Area/Facility Managers will schedule annual area/facility training reviews and/or drills to determine effectiveness of the site-specific ERP."

However, at the time of the inspection, NGPL stated that they had created a form for the effectiveness review, but had no documentation for the 2018 review. Therefore, NGPL failed to follow its written procedures that were developed to comply with API RP 1171, Section 11.4.2.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$213,268 per violation per day the violation persists, up to a maximum of \$2,132,679 for a related series of violations. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 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(s) identified in this letter. Failure to do so will result in Natural Gas Pipeline Co of America being subject to additional enforcement action.

Please 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).

No reply to this letter is required. If you choose to reply, please submit all correspondence in this matter to Robert Burrough, Director, PHMSA Eastern Region, 840 Bear Tavern Road, Suite 300, West Trenton, NJ 08628. Please refer to **CPF 1-2020-1007W** 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.

Sincerely,

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