

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 28, 2018

Mr. James Holland
President, Products Pipelines
Kinder Morgan Energy Partners, L.P.
Central Florida Pipeline Company
500 Dallas Street, Suite 1000
Houston, TX 77002

CPF 2-2018-6001W

Dear Mr. Holland:

From October 30, 2017 through November 3, 2017, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected the Central Florida Pipeline Company (CFPL) pipeline facilities and records in Tampa, Florida. CFPL is a subsidiary of Kinder Morgan Energy Partners, L.P (KM).

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

1. §195.505 Qualification program.

Each operator shall have and follow a written qualification program.

CFPL failed to meet the regulation because it did not follow provisions of its written qualification program. Specifically, it did not ensure personnel performing covered tasks were qualified for those tasks, per its Operator Qualification (OQ) program. CFPL is a subsidiary of KM, and incorporates KM's OQ Program.

CFPL inspects its pipeline right-of-way (ROW) by aerial patrol. Per KM's *Task Qualification Summary Report*, the following covered tasks were required to perform aerial patrolling duties:

- Task Code 101.01, titled “*Abnormal Operating Conditions-Outside of Control Room*”
- Task Code 104.05, titled “*Inspect Surface Condition of Right-of-Way*”

Furthermore, Appendix B of KM’s OQ Program, titled “*List of Covered Tasks*,” indicated a 3-year requalification interval for both the above-referenced covered tasks.

During records review, the PHMSA inspector noted the individual performing the aerial patrol qualified for the above-referenced tasks on August 19, 2013. Those qualifications expired on December 31, 2016, with no record of any requalification. Further review of CFPL’s aerial patrol records for calendar year 2017 indicated the same individual performed regular aerial patrols through October 2017, approximately 10 months after the expiration of their qualification for the required tasks.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$209,002 per violation per day the violation persists, up to a maximum of \$2,090,022 for a related series of violations. 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 items identified in this letter. Failure to do so will result in Central Florida Pipeline Company 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 2-2018-6001W**. 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,

James A. Urisko
Director, Office of Pipeline Safety
PHMSA Southern Region