



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

901 Locust Street, Suite 462
Kansas City, MO 64106-2641

**NOTICE OF PROBABLE VIOLATION
AND
PROPOSED CIVIL PENALTY**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

July 2, 2007

Mr. M. Dwayne Burton
V.P. Gas Pipeline Operations and Engineering
Kinder Morgan Energy Partners, Inc.
500 Dallas St. (One Allen Center)
Houston, TX 77002

CPF 3-2007-5020

Dear Mr. Burton:

On August 14, 2006, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, conducted an investigation of the August 12, 2006 failure involving the 8" Pipeline 106W operated by Kinder Morgan Energy Partners, L.P. (KMEP). The failure occurred in the pipeline as a rupture at a pipe support in an above-ground bridge crossing of the Des Plaines River near Lemont in Will County, Illinois.

As a result of the investigation, it appears that you have committed a probable violation, as noted below, of pipeline safety regulations Title 49, Code of Federal Regulations, Part 195.

The item investigated and the probable violation is:

1. **§195.583 What must I do to monitor atmospheric corrosion?**
 - (b) **During inspections you must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbonded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water.**

KMEP did not identify corrosion pitting requiring repair on the pipeline that failed in the above-ground bridge crossing of the Des Plaines River during its March 7, 2006 inspection for atmospheric corrosion. Although the inspection of this overhead span crossing was within the inspection time-interval allowed by §195.583, paragraph (b) of that section requires pipeline operators to "give particular attention to pipe...at pipe supports...and in spans over water" when inspecting for evidence of atmospheric corrosion.

The failure investigation included the collection and review of various records and information obtained from KMEP. The cause of the failure was localized general external corrosion and severe pitting at the pipe support, specifically at the site of an 8" long wear pad tack welded to the pipe in the 6 O'clock position. The remaining wall thickness along the wear pad was so thin that remaining pipe wall thickness measurements were not made. The failure resulted in the release of 1,419 barrels of butane into an HCA.

The March 7, 2006 inspection of the pipeline crossing had been erroneously graded "fair" by KMEP personnel using KMEP operations and maintenance procedures. In the paragraph entitled, "Methodology" on page 4 of 5 of Section III of KMEP's Atmospheric Corrosion Procedures, revised date of 12-21-04, the procedure states that:

"Each defined area should be graded according to the worst atmospheric condition(s) that exist(s) within a defined area. For example, severe-localized pitting on an isolated section of piping would be graded as poor atmospheric condition as defined by the grading scales listed below. While the remainder of the piping may be in good condition, the piping with the localized pitting serves as the "weakest link" or the point at which MOP could be compromised if not mitigated by re-coating".

The March 7, 2006 inspection by the operator graded the complete overhead span crossing the Des Plaines River as "fair". The section quoted from KMEP's procedures, above, should have led to a "poor" grading of the overhead crossing due to the portion of pipe at the pipe support with localized atmospheric corrosion and severe pitting being the "weakest link".

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. The Compliance Officer has reviewed the circumstances and supporting documents involved in this case and it is his recommendation that you be preliminarily assessed a civil penalty as follows:

<u>Item Number</u>	<u>PENALTY</u>
1	\$133,000

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance 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). 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 a Final Order.

In your correspondence on this matter, please refer to **CPF 3-2007-5020** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



Ivan A. Huntoon
Director, Central Region
Pipeline and Hazardous Materials Safety Administration

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