

JUL 29 2010

Mr. David Vattimo
Vice President
Kinder Morgan Liquid Terminals, LLC
8500 W. 68th St.
Argo, IL 60501-0409

Re: CPF No. 3-2008-5012

Dear Mr. Vattimo:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and assesses a civil penalty of \$17,600. This is to acknowledge receipt of payment of the full penalty amount, by wire transfer, dated December 9, 2008. This enforcement action is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. David Barrett, Director, Central Region, PHMSA

CERTIFIED MAIL – RETURN RECEIPT REQUESTED [7005 1160 0001 0039 0614]

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

)	
In the Matter of)	
)	
Kinder Morgan Liquid Terminals, LLC,)	CPF No. 3-2008-5012
)	
Respondent.)	
)	

FINAL ORDER

On May 27-30, 2008, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Kinder Morgan Liquid Terminals, LLC (Kinder Morgan or Respondent), in Chicago, Illinois. Kinder Morgan, a subsidiary of Kinder Morgan Energy Partners, L.P., operates a 9.3-mile pipeline that transports jet fuel from a terminal in Argo, Illinois, to a terminal at Chicago’s Midway Airport. Respondent also operates facilities in Oregon, New Jersey, and Texas.

As a result of the inspection, the Director, Central Region, OPS, issued to Respondent, by letter dated November 26, 2008, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Kinder Morgan had committed two violations of 49 C.F.R. § 195.404 and proposed assessing a civil penalty of \$17,600 for the alleged violations.

Kinder Morgan responded to the Notice by letter dated December 9, 2008 (Response). The company did not contest the allegations of violation and paid the proposed civil penalty of \$17,600, as provided in 49 C.F.R. § 190.227. Payment of the penalty serves to close the case with prejudice to Respondent.

FINDINGS OF VIOLATION

In its Response, Kinder Morgan did not contest the allegations in the Notice that it violated 49 C.F.R. Part 195, as follows:

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 195.404, which states in relevant part:

§ 195.404 Maps and records.

(a)

(c)

(3) A record of each inspection and test required by this subpart shall be maintained for at least 2 years or until the next inspection or test is performed, whichever is longer.

Item 1(a) of the Notice alleged that Respondent violated 49 C.F.R. § 195.404(c)(3) by failing to maintain records of required monthly inspections of five breakout tanks for November 2006 and August 2007.

Item 1(b) of the Notice alleged that Kinder Morgan violated 49 C.F.R. § 195.404(c)(3) by failing to maintain records of required spring 2007 inspections of five mainline valves.

Respondent did not contest these allegations of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 195.404(c) by failing to maintain inspection records as further described in the Notice.

Having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$17,600, which amount has already been paid by Respondent.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued