WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

November 9, 2009

Mr. Robert S. Bahnick
Sr. Vice President of Operations and Technical Services
Southern Star Central Gas Pipeline Inc.
4700 Hwy 56
Owensboro, KY 42301

CPF 3-2009-1021W

Dear Mr. Bahnick:

On May 5, 2009 to July 31, 2009, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your facilities in Lyons, Colby, Hugoton, Hesston, and Independence, Kansas. The facility in Joplin, Missouri was also inspected.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation(s) are:

1. §192.615 Emergency Plans

   (a) Each operator shall establish written procedures to minimize the hazard from a gas pipeline emergency. At a minimum, the procedures must provide for the following:
   (b) Each operator shall:

      (2) Train the appropriate operating personnel to assure that they are knowledgeable of the emergency procedures and verify that the training is effective.
Southern Star did not have complete documentation to show that the appropriate operating personnel had been trained and were knowledgeable of the emergency procedures. Southern Star utilizes a sign-in sheet to document attendance of operating personnel at the annual emergency manual review and training course. However, if an employee was on shift duty, sick, or taking vacation, that person was not provided with an alternate date of training. Southern Star needs to ensure that these individuals receive this training as soon as possible after the original training date and document their training. This was noted at the Colby, Hugoton, and Independence facilities in Kansas and at the Joplin facility in Missouri.

As a result of the inspection, the following issues were also identified as concerns:

1. Combustible materials in the form of cardboard boxes were found inside the engine rooms at the compressor stations in the Lyons and Independence, Kansas facilities. The operator promptly removed them upon discovery by the PHMSA inspector. Southern Star needs to ensure that combustible materials beyond those required for everyday use are stored at a safe distance away from the compressor building.

2. Relief valve stacks were found to have missing or damaged rain caps at the Lyons and Colby, Kansas facilities. These problems were resolved the same day. Southern Star needs to ensure that all relief valve stacks are protected from accumulations of water, ice or snow to assure proper operation of the valves.

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. 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 Southern Star 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 3-2009-1021W. 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,

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