

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 28, 2013

Mr. Gary Buchler
Vice President Engineering Operations
KMI Pipeline
1001 Louisiana Street, Suite 1000
Houston, Texas 77002

CPF 3-2013-1017M

Dear Mr. Buchler:

On August 24- 25, 2010, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Rockies Express Pipeline LLC (Rockies Express) procedures for Public Awareness and Damage Prevention in Lakewood, Colorado. Rockies Express Pipeline LLC has since been purchased by Tallgrass Interstate Gas Transmission Company.

On April 20-21, 2011, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Kinder Morgan Energy Partners, L.P. (Kinder Morgan) procedures for Public Awareness Program Effectiveness Evaluation in Lakewood, Colorado.

On the basis of these inspections, PHMSA has identified the apparent inadequacies found within Rockies Express and Kinder Morgan plans or procedures, as described below:

1. § 192.616 Public awareness.

(b) The operator's program must follow the general program recommendations of API RP 1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

Kinder Morgan's procedures are inadequate because its Public Awareness Program does not include a process to provide the line size on county specific maps provided for natural gas assets. Instead, the PAP refers stakeholders to the National Pipeline Mapping System (NPMS) for more details. Consequently, the PAP process does not document line size information on maps, does not verify that details have been submitted to NPMS, and overlooks the non-availability to the general public.

2. § 192.616 Public awareness.

(c)The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.

Kinder Morgan's procedures are inadequate because its Public Awareness/Damage Prevention Program is not documented in the Operations and Maintenance or the Public Awareness/Damage Prevention manuals that address stakeholder feedback received by the company. Kinder Morgan must have a documented procedure to manage the stakeholder feedback they receive. This procedure should include how the feedback is recorded and any changes to the program based on stakeholder feedback.

Kinder Morgan's procedures are inadequate because its Public Awareness Program does not include a process to communicate the product transported to the appropriate stakeholders and place the line size (or range of line size operated) along with the product type on maps provided to emergency responders or provide justification in its program.

Kinder Morgan's procedures are inadequate because its Public Awareness Program does not provide guidance on the process to conduct the annual implementation review and address any needed changes, does not guide the annual supplemental review along the entire pipeline by stakeholder audience and does not provide an annual implementation summary of what has been considered, what has been noted for improvement, who is responsible, when will it be done and when it is completed. Annual review should document decisions such as increasing the affected public buffer from the potential impact radius (PIR) to 1320 feet.

Kinder Morgan's procedures are inadequate because its Public Awareness Program does not include a written process for measuring the bottom-line results. The PAP does not detail the information being reviewed and analyzed on an annual basis. In addition, Kinder Morgan must document the results of the annual implementation and effectiveness evaluation meetings. This summary should include the results of any surveys or other evaluation methods performed throughout the previous year, other public awareness and

damage prevention activities, any action items identified along with implementation/ completion date and any changes identified for the Kinder Morgan Public Awareness/Damage Prevention program including along with the completion date. The annual implementation review and the effectiveness evaluation summaries must be available for periodic review by the appropriate regulatory agencies.

Kinder Morgan's procedures are inadequate because its Public Awareness Program does not have a process defined that identifies changes, tracks changes and tracks progress in making changes based on the findings of the effectiveness evaluation.

3. § 192.616 Public awareness.

(g) The program must be conducted in English and in other languages commonly understood by a significant number and concentration of the non-English speaking population in the operator's area.

Kinder Morgan's procedures are inadequate because its Public Awareness Program does not include a process to address the identification of the non-English speaking population in the operator's area.

4. § 192.616 Public awareness.

(i) The operator's program documentation and evaluation results must be available for periodic review by appropriate regulatory agencies.

Kinder Morgan's procedures are inadequate because its Public Awareness/Damage Prevention program does not have a documented procedure in the Operations and Maintenance or the Public Awareness/Damage Prevention manuals to analyze and address findings on excavation-related events. Kinder Morgan must have a documented procedure on how excavation-related events are analyzed and the related findings are incorporated back into the public awareness and damage prevention program.

5. § 192.917 How does an operator identify potential threats to pipeline integrity and use the threat identification in its integrity program?

(b) *Data gathering and integration.* To identify and evaluate the potential threats to a covered pipeline segment, an operator must gather and integrate existing data and information on the entire pipeline that could be relevant to the covered segment. In performing this data gathering and integration, an operator must follow the requirements in ASME.ANSI B31.8S, section 4. At a minimum, an operator must gather and evaluate the set of data specified in Appendix A to ASME.ANSI B31.8S, and consider both the covered segment and similar non-covered segments, past records, continuing surveillance records, patrolling records, maintenance history, internal inspection records and all other conditions specific to each pipeline.

Kinder Morgan's procedures are inadequate because its Public Awareness/Damage Prevention Program does not include a process for damage prevention threats that will be collected, assessed, and integrated into the threat identification portion of the Integrity Management Program in Sections 3.1 and 3.2 of the Operations and Maintenance Procedures. Kinder Morgan's process must adequately guide the identification of damage prevention threats that will be collected, assessed, and integrated into the threat identification portion of their Integrity Management Program.

6. § 192.917 How does an operator identify potential threats to pipeline integrity and use the threat identification in its integrity program?

(e) *Actions to address particular threats.* If an operator identified any of the following threats, the operator must take the following actions to address the threat.

(1) *Third party damage.* An operator must utilize the data integration required in paragraph (b) of the section and ASME.ANSI B31.8S, Appendix A7 to determine the susceptibility of each covered segment to the threat of third party damage. If an operator identifies the threat of third party damage, the operator must implement comprehensive additional preventive measure in accordance with 192.395 and monitor the effectiveness of the preventive measure. If, in conducting a baseline assessment under 192.921, or a reassessment under 192.937, an operator uses an internal inspection tool or external correction direct assessment, the operator must integrate data from these assessments with data related to any encroachment of foreign line crossing on the covered segment, to define where potential indications or third party damage may exist in the covered segment.

An operator must also have procedures in its integrity management program addressing actions it will take to respond to findings from this data integration.

Kinder Morgan's procedures are inadequate because its Public Awareness/Damage Prevention Program does not specify how reports of third party damage are compared against One-Call tickets. Furthermore, the procedures do not address how information obtained through this process is to be implemented into the Integrity Management and Public Awareness/Damage Prevention Programs.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. 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.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

In correspondence concerning this matter, please refer to **CPF 3-2013-1017M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Linda Daugherty
Director, Central Region
Pipeline and Hazardous Materials Safety Administration

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

cc: Buzz Fant