

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 28, 2013

Mr. Wayne Simmons
Vice President Operations
Kinder Morgan Energy Partners
1001 Louisiana Street, Suite 1000
Houston, Texas 77002

CPF 3-2013-5027M

Dear Mr. Simmons:

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 the Kinder Morgan plans or procedures, as described below:

1. § 195.440 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 for documenting the various types of hazardous liquids transported within the Kinder Morgan pipeline systems. Kinder Morgan must document the various

types of hazardous liquids transported, determine the impact to the Public Awareness/Damage Prevention Program, and assure this information is communicated to all affected stakeholders.

Kinder Morgan's procedures are also inadequate because its Public Awareness Program identification of the Affected Public buffer does not address the effect of an HCA on a hazardous liquid pipeline.

2. § 195.440 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 Public Awareness/Damage Prevention manuals that address stakeholder feedback received by the company. Kinder Morgan must have a documented procedure to manage any 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 include a process to guide the annual implementation review on what information is being reviewed and analyzed annually to determine a path forward, 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. An annual review should document decisions such as increasing the affected public buffer based on vapor dispersion modeling or other Integrity Management Program information.

Kinder Morgan's procedures are inadequate because its Public Awareness Program does not include a written process for measuring 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 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. § 195.440 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. § 195.440 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.

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 3-2013-5027M** 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