



1050 Thomas Jefferson Street, NW
Seventh Floor
Washington, DC 20007
(202) 298-1800 Phone
(202) 338-2416 Fax

James Curry
Partner
jbc@vnf.com
202-298-1831

VIA E-MAIL AND UPS Overnight

May 29, 2015

Mr. Allan C. Beshore, P.E.
Director, Central Region, OPS
Pipeline and Hazardous Materials Safety Administration
901 Locust Street, Suite 462
Kansas City, MO 64106-2641

**RE: Request for Hearing, Request for Documents, and Preliminary Statement of Issues
Notice of Probable Violation and Proposed Civil Penalty
CPF No. 3-2015-1002**

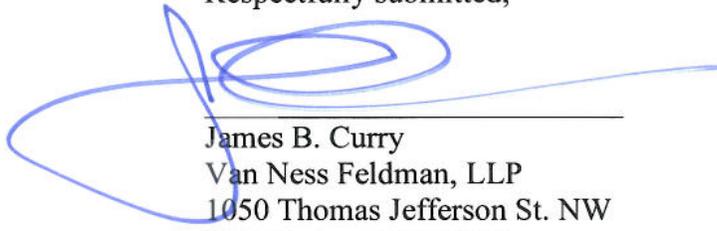
Dear Mr. Beshore:

As provided under 49 C.F.R. §§ 190.208 and 190.211, Kinder Morgan, Inc. (“Kinder Morgan” or “The Company”) respectfully submits the attached Request for Hearing, Request for Documents, and Preliminary Statement of Issues in response to the Notice of Probable Violation and Proposed Civil Penalty (“Notice”) that OPS issued on April 30, 2015, in the above-referenced case. The Notice alleges that Kinder Morgan committed a violation of the gas Integrity Management regulations at 49 C.F.R. § 192.933(d)(1)(ii) and proposes a civil penalty of \$47,500 for the alleged violation. Kinder Morgan respectfully contests the allegation of violation and proposed civil penalty.

Kinder Morgan takes pipeline safety and any allegation of violation by OPS seriously. The Company believes that the allegation of violation in this case is based on a misunderstanding about the steps and modest additional time that was necessary to make sense of the data contained in the In-Line Inspection Vendor’s final report, before that data could reasonably be acted upon. Kinder Morgan looks forward to discussing and resolving OPS’s concerns at or before the hearing.

Please do not hesitate to contact me if you have any questions.

Respectfully submitted,



James B. Curry
Van Ness Feldman, LLP
1050 Thomas Jefferson St. NW
Washington, DC 20007
(202) 298-1831
JBC@vnf.com
Counsel for Kinder Morgan, Inc.

CC: Mr. Benjamin Fred, Esq., Presiding Official, Office of Chief Counsel, PHMSA
Ms. Alisa Chunephisal, Esq. Senior Attorney, Office of Chief Counsel, PHMSA
Mr. Adam H. Phillips, Esq., Attorney Advisor, Office of Chief Counsel, PHMSA
Ms. Jessica Toll, Esq., Assistant General Counsel, Kinder Morgan
Mr. Jorge Torres, P.E., Vice President of Engineering and Technical Services, Kinder Morgan

Attachment: Request for Hearing, Request for Documents and Preliminary Statement of Issues

**PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
WASHINGTON, DC 20590**

In the matter of	§	
Kinder Morgan, Inc.,	§	CPF 3-2015-1002
Respondent.	§	

**REQUEST FOR HEARING, REQUEST FOR DOCUMENTS,
AND PRELIMINARY STATEMENT OF ISSUES,
OF
KINDER MORGAN, INC
IN RESPONSE TO
NOTICE OF PROBABLE VIOLATION AND
PROPOSED CIVIL PENALTY**

A. Request for Hearing

Pursuant to 49 C.F.R. §§ 190.208(a)(4) and 190.211(b), Kinder Morgan, Inc. (“Kinder Morgan”) respectfully requests an in-person hearing on the alleged violation and proposed civil penalty contained in the Notice of Probable Violation and Proposed Civil Penalty (“Notice”) issued by OPS on April 30, 2015. Kinder Morgan will be represented by counsel at the hearing.

B. Request for Documents

In order to ensure a full and fair hearing, Kinder Morgan respectfully requests the following:

1. Pursuant to 49 C.F.R. § 190.208(c), Kinder Morgan requests that OPS provide a copy of its violation report and any accompanying evidence in this matter, including the supporting documentation reviewed by the Compliance Officer in developing the recommended civil penalty. Kinder Morgan has requested these materials informally but has not yet received them.
2. Pursuant to 49 C.F.R. § 190.212(c)(2), (c)(3) and (c)(7), and 5 U.S.C. § 552(a)(2)(C), Kinder Morgan requests copies of the following materials related to the proposed civil penalty in this case:
 - a. Copies of any penalty calculation worksheets or work papers for the specific penalty proposed in this case.

- b. Copies of any administrative staff manuals or instructions to staff, including guidance, manuals, directions, procedures or any other documents that OPS staff rely on to develop a proposed civil penalty under 49 U.S.C. § 60122 and 49 C.F.R. § 190.225.
- c. Copies of any administrative staff manuals or instructions to staff, including guidance, manuals, directions, procedures or any other documents that that the Presiding Official or Associate Administrator rely on to determine a final civil penalty under 49 U.S.C. § 60122 and 49 C.F.R. § 190.225.

To the extent that an action by the Presiding Official is necessary in order to obtain these materials, Kinder Morgan hereby requests that the Presiding Official take such action. Such action is proper under 49 C.F.R. § 190.212(c)(2), (c)(3) and (c)(7) which set forth the Presiding Official's authority to "receive evidence and inquire into relevant and material facts, require the submission of documents and other information," and, generally, "exercise the authority necessary to carry out [his responsibilities] ..." Further, 5 U.S.C. § 552(a)(2)(C) requires that federal agencies disclose to the public (affirmatively, and without the need for a Freedom of Information Act request) "administrative staff manuals and instructions to staff that affect a member of the public."

C. Preliminary Statement of Issues

Kinder Morgan respectfully contests the allegation of violation and proposed civil penalty contained in the Notice.

Notice Item 1 – 49 C.F.R. § 192.933(d)(1)(ii).

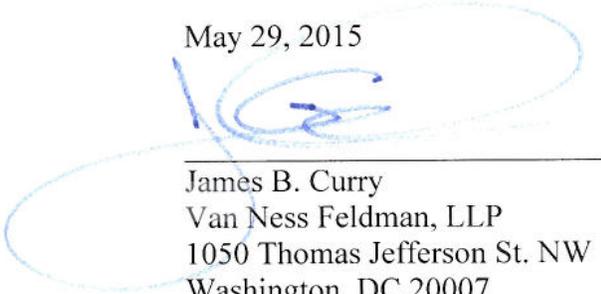
- a. Whether Kinder Morgan violated 49 C.F.R. § 192.933(d)(1)(ii) as alleged in the Notice.
 - 1. Whether the final report received from the In-Line Inspection ("ILI") tool vendor on May 6, 2010, after the completion of an ILI run on March 9, 2010, contained adequate information to have enabled Kinder Morgan to discover certain conditions, absent the additional analysis that Kinder Morgan undertook in the five business day period between Thursday May 6, 2010 and Thursday May 13, 2010.
 - 2. Whether the Integrity Management regulations, per se, require discovery of a condition on the same day as receipt of an ILI vendor report, regardless of the content of such report or the need to align data from the report with High Consequence Area locations, prior repairs, or other information.
 - 3. Whether OPS's current position on the time of discovery of a condition, as expressed in the Notice in this case, is consistent with the Integrity Management

regulations, OPS guidance, prior OPS policy, and prior PHMSA enforcement orders.

- b. Whether OPS's \$47,500 proposed civil penalty must be withdrawn.
 1. Whether the record supports the proposed civil penalty in this case.
 2. Whether OPS's method of developing, proposing, and assessing administrative civil penalties is consistent with applicable laws and regulations.

At the hearing in this case, Kinder Morgan intends to present evidence and engage with OPS in discussion on these issues. Kinder Morgan reserves the right to supplement this Statement of Issues at or before the hearing. Kinder Morgan also reserves the right to respond to any new factual assertions or arguments introduced by OPS during the proceedings in this case.

May 29, 2015



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