



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

FEB 21 2007

8701 South Gessner, Suite 1110
Houston, TX 77074

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 20, 2007

Mr. Ron McClain
Vice President of Operations & Engineering
Kinder Morgan Energy Partners, L.P.
500 Dallas Street, Suite 1000
Houston, TX 77002

CPF 4-2007-5008W

Dear Mr. McClain:

On September 25 - 29; October 10 - 13; and October 30 - November 3, 2006, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Arizona Corporation Commission, and the California State Fire Marshall pursuant to Chapter 601 of 49 United States Code inspected your procedures for your Integrity Management Program (IMP) in Houston, TX, Alpharetta, GA, and Orange, CA, respectively.

As a result of this inspection, it appears that Kinder Morgan Energy Partners, L.P. (KMEP) has committed probable violations of the pipeline safety regulations, Title 49, Code of Federal Regulations, Part 195. The probable violations are as follows:

1. **§ 195.452 Pipeline integrity management in high consequence areas.**
 - (f) **What are the elements of an integrity program? Each operator of a pipeline covered by this section must include, at minimum, in its written IMP:**
 - (5) **A continual process of assessment and evaluation to maintain a pipeline's integrity (see paragraph (j) of this section);**
 - (j) **What is a continual process of evaluation and assessment to maintain a pipeline's integrity?**
 - (1) **General. After completing the baseline integrity assessment, an**

operator must continue to assess the line pipe at specified intervals and periodically evaluate the integrity of each pipeline segment that could affect a high consequence area.

(3) **Assessment intervals.** An operator must establish intervals not to exceed five (5) years for continually assessing the line pipe's integrity. An operator must base the assessment intervals on the risk the line pipe poses to the high consequence area to determine the priority for assessing the pipeline segments. An operator must establish the assessment intervals based on the factors specified in paragraph (e) of this section, the analysis of the results from the last integrity assessment, and the information analysis required by paragraph (g) of this section.

Seven pipeline segments were not re-assessed within the maximum 5-year re-assessment interval required by §195.452(j)(3). Segments that exceeded the 5-year timeframe are noted below.

Pipeline	Segment	Baseline Completion Date	Five Year Reassessment Date	Actual Date Completed or Scheduled
LS-64	Rocklin – Chico 8"	4/2/2000	4/2/2005	11/9/2005
LS-14	Portland - Eugene	5/24/2000	5/24/2005	10/28/2005
LS-122	Hwy 52 – Mission Valley 10"	5/4/2000	5/4/2005	6/28/2005
GX64A 14"	GX64A 14"	6/28/2000	6/28/2005	11/10/2005
GX64B 14"	GX64B 14"	6/28/2000	6/28/2005	11/10/2005
GX32 10"/12"	GX32 10"/12"	6/27/2000	6/27/2005	11/18/2005
PL-119	8" Pacific Jct – Council Bluff	8/15/2001	8/15/2006	Scheduled for 4 th quarter 2006

KMEP did not provide notification to PHMSA that KMEP required a longer assessment interval to perform any of the seven integrity assessments. When KMEP anticipates a delay in conducting an integrity assessment, a notification of the variance from the five year maximum interval should be submitted to PHMSA under 195.452(j)(4). A notification based on engineering basis or unavailable technology should be submitted 270 days and 180 days respectively before the end of the five year (or less) assessment interval.

PHMSA understands that operational difficulties arise during the performance of integrity assessments, and the organizational changes and process improvements KMEP has implemented to address this issue was discussed during the inspection. When operational difficulties arise during the performance of integrity assessments that

initiated within required timeframes and/or KMEP anticipates the possibility of exceeding required timeframes, the notification process may be used to communicate the reasons for the delay, identify preventive and mitigative measures to be performed during the delay, and provide PHMSA the opportunity to comment.

2. § 195.452 Pipeline integrity management in high consequence areas.

(f) *see above*

(4) **Criteria for remedial actions to address integrity issues raised by the assessment methods and information analysis (see paragraph (h) of this section);**

(h) **What actions must an operator take to address integrity issues?
(in its entirety)**

An anomaly classified as a 60-day repair on PL-107, Morris to Lemont, was not discovered or remediated within required timeframes. The preliminary ILI report was received 12/2/2005, and the final ILI report was received 1/3/2006. Discovery of condition was established as 6/23/2006, which exceeded the required 180 day timeframe for discovery. The repair was completed on 9/6/2006, which exceeded the 60-day repair timeframe criteria.

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 violations 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. Be advised that failure to do so will result in KMEP 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 4-2007-5008W**.

Sincerely,



R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous
Materials Safety Administration