

August 28, 2008



Rod Seeley
Director, Southwest Region
Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
8701 South Gessner, Suite 1110
Houston, TX 77074

RE: CPF 4-2008-8001M - NOTICE OF AMENDMENT

Dear Mr. Seeley:

This letter is written in response to your letter dated July 29, 2008 and received by Kinder Morgan on July 31, 2008 regarding the above referenced NOA written as a result of the inspection of Kinder Morgan's Operator Qualification Program conducted on April 25 & 26, 2006, in Houston Texas.

On the date of the inspection, Kinder Morgan operated the entities listed in your letter; however, be advised that since the inspection Kinder Morgan has divested; KM Retail Lines, #10030, and Heartland pipeline Co, #31344. Also, be advised that Kinder Morgan has added the following entities to our US operations; KM Cochin, LLC, 32258 and Rockies Express Pipeline, LLC, #32163.

We have addressed each apparent inadequacy listed in your letter below. For your convenience, we will cite the apparent inadequacy, followed by Kinder Morgan's Response.

1. §192.805 & §195.505 Qualification program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

**(a) Identify covered tasks;
§192.801 & §195.501 Scope.**

(b) For the purpose of this subpart, a covered task is an activity, identified by the operator, that:

- 1. Is performed on a pipeline facility;**
- 2. Is an operations or maintenance task;**

3. **Is performed as a requirement of this part; and**
4. **Affects the operation or integrity of the pipeline.**

At the time of the inspection, Kinder Morgan's Program did not clearly distinguish between operations and Maintenance (O&M) tasks and non-O&M tasks and the covered task list did not include maintenance and servicing of small tubing used for liquid pipeline sensors and equipment.

Kinder Morgan must clarify and describe in greater detail four bullets that are found in Section 9.2 of its Program. The 4 bullets describe work activities that are not O&M tasks. The concern is that an activity normally considered as O&M, or that has O&M tasks and non-O&M tasks, could be interpreted to be 'work on pipe not connected', 'a new installation', or 'replacement upgrade unless this Section is clarified.

Kinder Morgan's Program must have provisions established and documented to ensure that maintenance and servicing of small tubing used for liquid pipeline sensors and equipment is listed as a covered task.

KM'S RESPONSE:

KM's OQ Plan has been revised to more clearly list the criteria used to differentiate O&M tasks from new construction. See "Is an operations and maintenance task" in the definitions listed in Section 10 on page 17 of the revised OQ Plan (attached at the end of this document).

With respect to servicing small tubing, Kinder Morgan considered maintenance and servicing of small tubing used for liquid pipeline sensors to be included in Hazardous Liquids task 104.14 (See attached 104.14 task evaluation); however, KM is implementing the ASME B31Q task list, (with some exceptions) and KM's Hazardous Liquids task OQL0821 Tubing & Fitting Installation - Instrument, Control and Sampling addresses small bore piping. It is KM's intent to require those employees currently qualified in 104.14 to re-qualify in OQL0821 when re-qualification is due.

2. **§192.805 & §195.505 Qualification program.**
Each operator shall have and follow a written qualification program. The program shall include provisions to:

(b) Ensure through evaluation that individuals performing covered tasks are qualified;

Definitions. §192.803 & §195.503

Qualified means that an individual has been evaluated and can:

- (a) Perform assigned covered tasks; and**
- (b) Recognize and react to abnormal operating conditions.**

At the time of the inspection, Kinder Morgan's Program did not address non-English speaking workers.

Kinder Morgan's Program must have provisions established and documented to ensure communication of operator-specific requirements for task performance when qualified contractor individuals speak and comprehend languages other than English.

KM'S RESPONSE:

Section 8.2 and Section 4 of the KM OQ Plan have been revised to address communication with individuals who speak and comprehend languages other than English. See Sections 8.2 on pages 15-16 and Section 4 on page 12 in the attached KM OQ Plan.

3. §192.805 & §195.505 Qualification program.

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(c) Allow individuals that are not qualified pursuant to this subpart to perform a covered task if directed and observed by an individual that is qualified;

At the time of the inspection, Kinder Morgan's Program did not specify span of control by task, that a qualified observer can reduce the span of control based on his own judgment, or ensure the ability of qualified individuals to effectively communicate direction of task activities and reactions to AOC to unqualified individuals who speak and comprehend languages other than English.

Kinder Morgan's Program must specify a maximum span of control by task, and must specify that a qualified observer can reduce the span of control based on his own judgment.

Kinder Morgan's Program must have provisions established and documented to ensure the ability of qualified individuals to effectively communicate direction of task activities and reactions to AOC to unqualified individuals who speak and comprehend languages other than English.

KM'S RESPONSE:

Section 4 on page 12 of the attached KM OQ Plan has been revised to address communication with unqualified individuals who speak and comprehend languages other than English. Task specific span-of-controls are identified in Appendix A and B (see attached). The last paragraph of section 4 on page 12 states that these can vary due to site conditions and complexity of task.

4. §192.805 Qualification program.

(f) Communicate changes that affect covered tasks to individuals performing those covered tasks;

§192.803 & §195.503 Definitions.

Abnormal operating condition means a condition identified by the operator that may indicate a malfunction of a component or deviation from normal operations that may:

- (a) Indicate a condition exceeding design limits; or**
 - (b) Result in a hazard(s) to persons, property, or the environment.**
- Qualified means that an individual has been evaluated and can:**
- (a) Perform assigned covered tasks; and**
 - (b) Recognize and react to abnormal operating conditions.**

At the time of the inspection, Kinder Morgan's Program did not describe how tailgate meetings are used to address site specific abnormal operating conditions and did not have provisions established and documented to show how incident/accident investigations, employee feedback programs, or other approaches to ensure that the AOC identified and used in evaluating individuals are representative of those that could reasonably be anticipated during performance of covered tasks.

Kinder Morgan reports that they use tailgate meetings to address site specific abnormal operating conditions. Kinder Morgan's Program must have provisions established and documented to show how the tailgate meeting will address site specific abnormal operating conditions.

Kinder Morgan's Program must have provisions established and documented to show how incident/accident investigations, employee feedback programs, or other approaches to ensure that the AOC identified and used in evaluating individuals are representative of those that could reasonably be anticipated during performance of covered tasks.

KM'S RESPONSE:

Section 2.3 on page 4 of KM's OQ Plan has been revised to include a reference to Section 2.7 of Kinder Morgan's Contractor Safety Manual (see attached). Section 2.7 of the Contractor Safety Manual requires Company Representatives to conduct a Pre-job Project/Site Specific review of Abnormal Operating Conditions and document the review in section A of form CSM 003 (see attached). This section was also revised to clarify AOCs are considered during investigation of DOT accidents/incidents and any deficiencies are recorded in KM's Incident/Near Miss database (STARs), and automatic email notification is sent to the OQ Administrator. Sections 7.2 and 7.3 on pages 14-15 of the KM OQ Plan have been revised to state that employees and Supervisors are responsible for notifying the OQ Administrator through the Management of Change process of any changes in equipment, technology, procedures or technique which could affect the OQ program, covered task evaluations and identified abnormal operating conditions. In addition, pages 5 and 14 of Kinder Morgan's OQ Proctor and Evaluator direct the Proctors and Evaluators to ask the employee for feedback upon conclusion of the knowledge test or skill evaluation (see attached).

5. **§192.805 & §195.505 Qualification program.**
Each operator shall have and follow a written qualification program. The program shall include provisions to:
- (i) After December 16, 2004, notify the Administrator or a state agency participating under 49 U.S.C. Chapter 601 if the operator significantly modifies the program after the Administrator or state agency has verified that it complies with this section.**

documented for notification to appropriate State agencies of significant changes to its Program, and did not have a definition of 'significant'.

Kinder Morgan's Program must have provisions established and documented for notification to appropriate State agencies, and must provide a definition of 'significant'.

KM'S RESPONSE:

Section 6.3 has been revised to include notification of appropriate State agencies and provides examples to help define a "significant" change. See section 6.3 on page 14 of attached KM OQ Plan.

6. **§192.807 & §195.507 Recordkeeping.**
(b) Records supporting an individual's current qualification shall be maintained while the individual is performing the covered task. Records of prior qualification and records of individuals no longer performing covered tasks shall be retained for a period of five years.

At the time of the inspection, Kinder Morgan's Program was inadequate concerning records retention of contractor individuals.

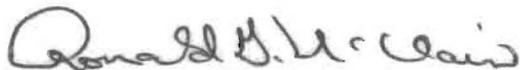
Kinder Morgan's Program must have provisions established and documented to ensure the availability and maintenance of qualification records for contractor individuals performing covered tasks for the operator. The records for contractor individuals (see Section 8 of the Program) need to be retained for as long as the employee records (see Section 5 of the Program).

KM'S RESPONSE:

Section 8.5 has been revised to clarify that retention of OQ records for contractor individuals is the same as employee OQ recordkeeping requirements described in sections 5.1 and 5.2. See sections 5 and 8 of attached KM OQ Plan.

We trust this response meets your approval. If you have any questions, please contact Doug Thacker at 307-232-4423 or Buzz Fant at 713-724-7533.

Sincerely,



Ron McClain
VP Operations & Engineering
Kinder Morgan