



FEDEX TRACKING NUMBER: 8744 8042 5945

7/6/2012

Mr. R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration
8701 South Gessner, Suite 1110
Houston, TX 77074



RE: CPF 4-2012-5022M

Dear Mr. Seeley:

On June 8, 2012, Kinder Morgan CO2 Company, L.P. (KMCO2) received your Notice of Amendment, CPF 4-2012-5022M, dated May 29, 2012. KMCO2 requests a 75-day extension until September 21, 2012 from receipt of the Notice, so that we may have adequate time to submit proposed procedural changes through Kinder Morgan's Liquids Pipelines Action Decision Committee process for review, approval and implementation before submitting the revised procedures to your office.

The Notice of Amendment contains an alleged procedural inadequacy based on inspections conducted in November and December 2011 by a representative of your office. In accordance with item II.a. of the "Response Options for Pipeline Operators in Compliance Proceedings," KMCO2 does not contest the Notice of Amendment, and provides the following responses (following the original citation and PHMSA comments):

1. **195.577 What must I do to alleviate interference currents?**
(a) For pipelines exposed to stray currents, you must have a program to identify, test for, and minimize the detrimental effects of such currents.

At the time of the inspection, Kinder Morgan CO2 "KMCO2" presented Procedure L-O&M 903: External Corrosion Control for Buried or Submerged Pipelines revised 10-12-2011, "L-O&M 903." The L-O&M-903 procedure section 3.9 addresses the mitigation of, but does not identify methods for testing for and monitoring interference currents, how frequently testing and monitoring is to occur, and how it is recorded.

During a follow-up meeting held February 1, 2012, KMCO2 provided Integrity Management Program - Protocol 14: AC Corrosion Mitigation and Monitoring, "Protocol 14" that includes criteria for identifying locations where AC fault currents could exist, how to test for, monitor and mitigate them. During this meeting it was clarified that Protocol 14 was not effective during the Audit of the Cortez pipeline system.

Although Protocol 14 was not effective at the time of the audit, it appears to contain the considerations to appropriately address AC fault currents. It was determined however, that as this was part of the Integrity Management Program, it only applied to High Consequence Areas, giving KMCO2 the procedural option not to use it. In addition, Protocol 14 referred to L-O&M 903, but L-O&M 903 did not refer to Protocol 14. Protocol 14 also identified testing methods, but did not identify how these tests were being recorded.

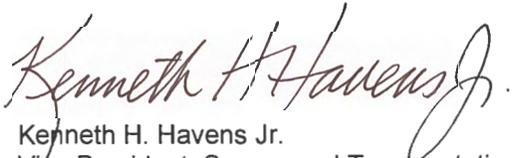
KMCO2 must update their procedures and or protocols to clarify how it is identifying where AC fault currents could occur, how they are tested for and monitored how frequently these tests are to be made and how they are being recorded. These procedural changes must be made to be required where applicable regardless of whether the pipeline or pipeline facility is in a High Consequence Area or not.

KMCO2's Response: As stated by KMCO2 to PHMSA staff during the follow-up meeting held February 1, 2012, IMP Protocol 14 applies to all DOT-jurisdictional pipelines, not just to pipeline segments in High Consequence Areas. There is no statement within the procedure limiting the application of the requirements to DOT-jurisdictional liquid pipelines subject to the requirements of 49 CFR 195.452, Pipeline integrity management in high consequence areas. As stated above, at the time of implementation, KMCO2 applied IMP Protocol 14 to all of its DOT-jurisdictional liquid pipelines.

As requested by PHMSA, KMCO2 will revise IMP Protocol 14 and L-O&M 903 through Kinder Morgan's Liquids Pipelines Action Decision Committee process. As noted at the beginning of this letter, KMCO2 requests an extension until September 21, 2012 to provide the revised procedures to allow sufficient time to follow our process for amendment of these procedures.

We are committed to operating our pipelines safely and in compliance with all applicable regulations. We appreciate the Pipeline and Hazardous Materials Safety Administration's efforts in helping us to achieve this goal.

Sincerely,



Kenneth H. Havens Jr.
Vice President, Source and Transportation