



Mr. R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous Materials Safety Administration
8701 S. Gessner, Suite 630
Houston, TX 77074



August 1, 2016

Subject: Notice of Amendment CPF 4-2016-1007M

Dear Mr. Seeley:

This letters serves as our response to the Notice of Amendment CPF 4-2016-1007M, which Kinetica Energy Express, LLC received on July 20, 2016. The NOA states the following:

Kinetica should revise its procedure Section 603(1tem 9) in their Operations & Maintenance Manual pertaining to incident investigations, to ensure failures and/or incident investigations are completed in a timely manner. The revisions must include provisions for conducting investigations following each failure, and must include direction to determine the cause of the failure and recommendations to minimize the possibility of a recurrence.

Kinetica is not contesting the NOA and has addressed the issue identified therein. Enclosed is the amended version of Section 603 of the *Kinetica Operations and Maintenance Procedures Manual*. Kinetica believes the revisions made to Section 603 fully address and correct the issue described in the NOA. However, please do not hesitate to call me at (985) 209-2283 if any of the revisions do not sufficiently address the issues identified in the NOA.

Kinetica Energy Express, LLC

Sincerely,

A handwritten signature in blue ink, appearing to read "Kurt J. Cheramie".

Kurt J. Cheramie

Sr. Director, Compliance

Enclosure: Section 603, *Kinetica Operations and Maintenance Procedures Manual*

Scope

These procedures provide requirements for written emergency procedures for pipelines, facilities, and plants. These procedures also provide requirements to acquaint and instruct operating employees with those emergency procedures. **These procedures shall be followed for each reportable incident as determined by the Senior Director of Compliance.** Requirements for liaison activities with emergency officials are contained in the Kinetica Partners, LLC. Public Awareness Plan and are not addressed in this Section.

Definitions

An "emergency" is defined as an unforeseen combination of circumstances which call for immediate action to assure the safety of the general public and minimize the time requirements necessary to isolate, blow down, repair, and reactivate affected facilities.

Procedures

1. Emergency operating procedures shall be prepared for facilities maintained and operated by the individual pipeline districts and plants within each location. Specific emergency operating procedures are located in the Emergency Operating Procedures (EOP).
2. A review of each section of the emergency procedures will be made at intervals not to exceed 15 months, but at least each calendar year for the purpose of making corrections, modifications, and additions to the procedures, responsibilities, and notification.
3. A review of the effectiveness of the procedures will be assessed by supervision directly following an emergency or after any failure.
4. Modifications or additions will be sent to the appropriate Compliance and Training representative. Compliance and Training will assist with any revisions and distribution.
5. The Director will be furnished with the latest edition of the pipeline and plant emergency response procedures.
6. The appropriate location employees will be trained once each calendar year in the pipeline or plant emergency operating procedures. The methods of training (instruction, discussion, testing, emergency simulation, review of actual emergency, etc.), the dates of training, the instructors, and the trainees present will be documented. Training should be conducted at least once each calendar

year and reviewed with all Area employees. A copy of the documentation will be filed at the designated location.

7. Any deficiencies identified in emergency procedures will be reported immediately to Compliance and Training for modification of the procedures. The director will identify deficiencies in emergency training and take corrective action as needed. Any deficiencies in the training or performance problems will be the responsibility of local supervision.
8. Emergency operating procedures will be followed for classifying, making notifications, and filing reports of leaks and failures.
9. All leaks and failures reportable telephonically to the National Response Center in accordance with Section 103, "Reporting," of this manual, and all other incidents deemed significant by the Senior Director of Compliance, in consultation with the Director of Facilities, will be individually investigated to determine the probable cause of the failure and to make recommendations to minimize or eliminate the chance of recurrence. The investigation process will be initiated as soon as feasible. The following investigation procedures are to be completed as applicable:
 - a. Physical Investigation
 - i. Upon notification by the Senior Director of Compliance that an incident must be investigated, the Director will ensure that all physical evidence is preserved intact and secure from tampering or deterioration. Evidence may not be released to state or local governmental agencies without due process of law. The Legal Department should be notified if questions of custody arise.
 - ii. The Director will ensure that all pertinent information is recorded and that appropriate corrosion and metallurgical employees are notified and consulted.
 - iii. A metallurgist and/or senior corrosion specialist or coordinator should examine the failed specimen as soon as possible, take or arrange for photographs, and determine the requirements for preservation, sectioning, shipping, storage and initial laboratory testing. If a fracture is short, it may be practical to remove the entire specimen for examination. In the case of a long fracture, at least five (5) feet of pipe on either side of the origin should be sent for initial analysis and the remainder retained in case further examination is warranted. The direction of gas flow, location of the top or bottom of the pipe, and fracture origin (if determinable

in the field) should be marked.

- iv. Soil samples should be taken from the area of the fracture origin in cases where corrosion, stress corrosion cracking, or hydrogen induced cracking is suspected.
- v. The applicable Director, the Senior Director of Compliance, and the Vice President of Operations will appoint a team to investigate and report in writing on the probable cause of the incident and make recommendations to prevent a recurrence. The team may include metallurgical or corrosion employees, as appropriate, and will be assisted by the Director of Compliance. The team report may incorporate any metallurgical or other laboratory reports or analyses, and should include consideration of background or historical material, relevant operational factors, involvement of the gas controllers, and emergency response.

b. Personnel Related Investigation

- i. When the possibility exists that an individual's performance could have contributed to an incident, the Senior Director of Compliance should be contacted for assistance in determining if the provisions of the Operator Qualification Program or the Drug and Alcohol Misuse Prevention Plan are applicable.
- ii. Training documentation and requirements shall be reviewed along with employee schedules.
- iii. Actions which occurred prior to, and during the time of the incident, will be gathered through documentation and personnel interviews. The gathered data shall be reviewed by the Director of Compliance.

c. Findings of the Investigation shall be reported and lessons learned shared

d. Evaluation and review completed in order to gauge the effectiveness of existing emergency response and investigative procedures, including procedures implemented in response to the incident.

e. Recommendations made to improve current procedures, implement newly identified training needs, and to allocate additional resources where applicable in order to prevent or minimize the likelihood of reoccurrence. Documentation must include any recommendations or actions taken to prevent recurrence.

Responsibilities

1. Each director shall be responsible for the following:
 - a. Maintaining copies of the plan in a current status;
 - b. Annually reviewing the plan and submitting any necessary revisions to by the Senior Director of Compliance;
 - c. Verifying the effectiveness of emergency training;
 - d. Acquainting appropriate operating and maintenance employees with procedures; and
 - e. Ensuring that all physical evidence is preserved intact and secure from tampering or deterioration and that appropriate corrosion and metallurgical employees are notified and consulted immediately following a pipeline accident or failure
2. The Senior Director of Compliance shall be responsible for the following:
 - a. Monitoring Compliance and Training of all aspects of the plan;
 - b. Monitoring annual review of the plan; and
 - c. Revising and distributing the plan
3. The team established in 9.a. shall provide a copy of all investigation reports to the initial requestor and to the Senior Director of Compliance.

Records

1. Kinetica's incident report form shall be used for documentation of the incident, communication log, investigation, findings, recommendations and corrective actions taken.
2. Emergency operating procedures will be maintained on file at all affected locations as required in Chapter 1 of the Emergency Operating Procedures (EOP) under "Manual Assignment."
3. Documentation of the review of the effectiveness of the procedures directly following an emergency or after any failure and of the verification of the effectiveness of emergency training will be captured on the Emergency Response Evaluation form.
4. The Emergency Response Evaluation forms shall be maintained at the location for five (5).