NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 3, 2016

Mr. Charles Fox
Kinder Morgan - Wink Pipeline LP
500 Dallas, Suite 1000
Houston, TX 77002

CPF 4-2016-5027M

Dear Charles Fox:

On multiple occasions between October 6, 2014 through February 18, 2015, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code inspected the Kinder Morgan - Wink (KM Wink) procedures for operations, maintenance, integrity management, and emergency response in Wink, Texas.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within the KM Wink plans or procedures, as described below:

1. § 195.402 Procedural manual for operations, maintenance, and emergencies.
   (a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.
KM Wink procedures regarding repairs for internal metal loss/internal corrosion lack guidance or limitation on the term ‘temporary’ with regard to the use of Type B sleeve repairs. KM Wink installs Type B sleeves on internal metal loss anomalies as permanent repairs knowing that their pipeline has a high internal corrosion threat.

As required by §195.402(c)(3), the procedures must be in accordance with subpart F and subpart H of this part. The KM Liquid O&M Manual Procedure L-O&M 213 Leaks, Pipe and Weld Defects (Evaluation and Repair) section 3.7.5 Internal Metal Loss states,

“The limitations for areas with internal metal loss and areas with a combination of internal metal loss and external corrosion are the same as for external corrosion (RSTRENG). When dealing with internal metal loss, treat it as a manufacturing anomaly and not considered a defect unless an internal corrosion threat has been identified thru product conditions, unique NDE evaluations, ILI pattern recognition or prior history. If internal corrosion is identified, then repairs consistent with Table 1 are considered temporary unless the internal corrosion has been successfully mitigated, the pressure reduction as noted in Section 3.4 and Section 3.7.2 apply.” (underlined for emphasis)

Table 1 in the procedure does not note the Type B sleeve repair as a temporary repair for internal corrosion. The Type B sleeve is a permanent repair only if it can be proven the internal corrosion has been mitigated. Internal corrosion is repaired using Type B sleeves, which are a temporary repair technique. There is no guidance or limitation on the term “temporary” in the process. KM installs Type B sleeves for all corrosion repairs, internal or external.

2. § 195.402 Procedural manual for operations, maintenance, and emergencies.
(a) General. Each operator shall prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies. This manual shall be reviewed at intervals not exceeding 15 months, but at least once each calendar year, and appropriate changes made as necessary to insure that the manual is effective. This manual shall be prepared before initial operations of a pipeline system commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.

KM Wink does not have procedures that provide the basis for quantifying and adjusting the corrosion inhibitor injection rates within their pipeline systems. KM does not have a process or procedure to give adequate direction for the monitoring of corrosion inhibitors.

Paragraph §195.579 directs an operator to things that must be done to mitigate internal corrosion. KM Wink uses both corrosion inhibitor and corrosion coupons/probes in an attempt to monitor and control internal corrosion in their pipeline system. KM Liquid O&M Manual Procedure L-O&M 906 Internal Corrosion Control, section 3.3.2 Coupon/Probe Monitoring states,
“If corrosion inhibitors are added in the product service to mitigate internal corrosion, it must be used in a sufficient quantity to protect the pipeline and corrosion probes and/or coupons shall be used to determine its effectiveness in mitigating internal corrosion.”

In section 3.4 Remedial Action, it further states,

“Pitting of the coupon/probe is an indication of insufficient inhibitor to protect the internal surface of the pipe. Indications of insufficient inhibitor to protect the internal surface of the pipe may be if inspections reveal internal corrosion in excess of 1 mpy, or if the coupon/probe surface rust is greater than 50% of the surface area for consecutive inspection periods. Corrective actions to mitigate insufficient inhibitor protection include:

- Increasing dosage rate of inhibitor at injection points
- Increasing coupon inspection interval
- Investigating source point (refinery) product received into the pipeline system
- Increase frequency of cleaning scrapers/pigs

The KM representative(s) responsible for internal corrosion ensures that sufficient inhibitors are used to protect the assigned segment of pipeline.”

The process that KM Wink uses for internal corrosion control makes no reference to using/applying manufacturer’s suggested corrosion inhibitor injection rates. The KM process shows no correlation between the coupon/probe corrosion rating and the adjustment of the corrosion inhibitor injection rate.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled Response Options for Pipeline Operators in Compliance Proceedings. Please refer to this document and note the response options. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.
If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Kinder Morgan - Wink Pipeline, LP maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to R. M. Seeley, Director, SW Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to CPF 4-2016-5027M and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

[Signature]

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

Enclosure: Response Options for Pipeline Operators in Compliance Proceedings