

September 24, 2018

Mr. Steven J. Kean  
President and Chief Executive Officer  
Kinder Morgan, Inc.  
1001 Louisiana Street  
Houston, TX 77002

**Re: CPF No. 4-2018-1005**

Dear Mr. Kean:

Enclosed please find the Final Order issued in the above-referenced case to Natural Gas Pipeline Company of America, LLC (NGPL), a joint venture of Kinder Morgan, Inc., and Brookfield Infrastructure Partners LP, that is operated by Kinder Morgan. It makes one finding of violation and specifies actions that need to be taken by NGPL to comply with the pipeline safety regulations. When the terms of the compliance order have been completed, as determined by the Director, Southwest Region, this enforcement action will be closed. Service of the Final Order by certified mail is effective as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry  
Associate Administrator  
for Pipeline Safety

Enclosure

cc: Ms. Mary McDaniel, Director, Southwest Region, Office of Pipeline Safety, PHMSA  
Mr. Kenneth W. Grubb, Chief Operating Officer Gas Pipelines, Kinder Morgan, Inc.  
Mr. Samuel P. S. Pollock, Chief Executive Officer, Brookfield Infrastructure Partners, Ltd.,  
Suite 300, 181 Bay Street, Toronto, Ontario, Canada

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
WASHINGTON, D.C. 20590**

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<b>In the Matter of</b>	)	
	)	
<b>Natural Gas Pipeline Company of America, LLC,</b>	)	<b>CPF No. 4-2018-1005</b>
<b>a joint venture of Kinder Morgan, Inc., and</b>	)	
<b>Brookfield Infrastructure Partners, LP,</b>	)	
	)	
<b>Respondent.</b>	)	
	)	

**FINAL ORDER**

On multiple dates between September 19, 2017, and February 7, 2018, pursuant to 49 U.S.C. § 60117, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Natural Gas Pipeline Company of America, LLC (NGPL or Respondent), in Texas, Arkansas, and Louisiana. The system consists of approximately 2,809 miles of interstate gas transmission pipelines that extend from Texas to Arkansas, with branches in Oklahoma and Louisiana.<sup>1</sup> NGPL is jointly owned by Kinder Morgan, Inc. (Kinder Morgan), and Brookfield Infrastructure Partners LP, and operated by Kinder Morgan.<sup>2</sup>

As a result of the inspection, the Director, Southwest Region, OPS (Director), issued to Respondent, by letter dated April 25, 2018, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that NGPL had violated 49 C.F.R. § 192.479(a), and proposed ordering Respondent to take certain measures to correct the alleged violation.

NGPL responded to the Notice by letter dated May 10, 2018 (Response). The company did not contest the allegation of violation and agreed to complete the proposed compliance actions. Respondent did not request a hearing and therefore has waived its right to one.

**FINDING OF VIOLATION**

In its Response, NGPL did not contest the allegation in the Notice that it violated 49 C.F.R. Part 192, as follows:

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<sup>1</sup> Pipeline Safety Violation Report (Violation Report), (April 20, 2018) (on file with PHMSA), at 1.

<sup>2</sup> NGPL website, *available at* [https://www.kindermorgan.com/pages/business/gas\\_pipelines/central/NGPL/default.aspx](https://www.kindermorgan.com/pages/business/gas_pipelines/central/NGPL/default.aspx) (last accessed July 12, 2018).

**Item 1:** The Notice alleged that Respondent violated 49 C.F.R. § 192.479(a), which states:

**§ 192.479 Atmospheric corrosion control: General.**

(a) Each operator must clean and coat each pipeline or portions of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.

The Notice alleged that Respondent violated 49 C.F.R. § 192.479(a) by failing to clean and coat each pipeline or portions of pipeline that is exposed to the atmosphere. Specifically, the Notice alleged that NGPL failed to clean or coat certain pipe segments in 2014, 2015, and 2016. NGPL provided PHMSA with photographs dated May 2017, indicating atmospheric corrosion conditions at the following locations:

- Division 05, Louisiana Mainline #1 - 30"
  - Milepost: 4649+85, Texaco High Island side tap BMT-235. Launch at Centanna Site off Highway 87 (Gar 018)
  - Milepost: 4728+55, Mainline Valve L-5W (Gar 019)
- Division 05, Louisiana Mainline #2 - 30"
  - Milepost: 4259+02, Cross-over West Side Intracoastal Canal (Gar 092)
  - Milepost: 4649+61, Mobil High Island Side Tap BMT-235.

These segments were marked “poor” in the company’s Atmospheric Inspection Records.

The Notice alleged that NGPL's own written procedures set forth requirements for the inspection and remediation of atmospheric corrosion. Specifically, it alleged that Kinder Morgan’s *O&M Procedure 918, Inspecting for Atmospheric Corrosion, Section 3.3, Remedial Repairs*, stated:

If corrosion is found on the surface of pressure piping, refer to O&M Procedure 915 - Maximum Corrosion Limits and MAOP of Corroded Pipe to determine if piping should be repaired, replaced, or recoated. Corrosion on bolt heads, nuts and threads that could compromise their integrity, must be evaluated to determine if the bolts and nuts should be replaced or recoated. Complete all required recoating prior to the next required inspection.

According to the Notice, when PHMSA questioned NGPL about the repair status of these segments, the operator stated remediation of the facilities was scheduled in 2016, 2017, and again in 2018 to address the atmospheric corrosion. However, remediation had not been performed at the time of the PHMSA inspection. The PHMSA inspector verified with the operator that no action had been taken as of February 2018 to stop active corrosion and metal loss on the identified segment.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.479(a) by failing to clean and coat each pipeline or portions of pipeline that is exposed to the atmosphere.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

## COMPLIANCE ORDER

The Notice proposed a compliance order with respect to Item 1 in the Notice for violation of 49 C.F.R. § 192.479(a). Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. Pursuant to the authority of 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the following actions to ensure compliance with the pipeline safety regulations applicable to its operations:

1. With respect to the violation of § 192.479(a) (**Item 1**), Respondent must perform remedial repairs on the above-ground segments on Louisiana Mainline #1 and #2 determined to be in poor condition in accordance with 49 CFR Part 192 and NGPL procedures, specifically, Kinder Morgan's O&M Procedure 918, Section 3.3; and
2. Complete Compliance Order Item 1 within 45 days following receipt of the Final Order.

The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension.

It is requested that Respondent maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to the Director. It is requested that these costs be reported in two categories: (1) total cost associated with preparation/revision of plans, procedures, studies and analyses; and (2) total cost associated with replacements, additions and other changes to pipeline infrastructure.

Failure to comply with this Order may result in the administrative assessment of civil penalties not to exceed \$200,000, as adjusted for inflation (49 C.F.R. § 190.223), for each violation for each day the violation continues or in referral to the Attorney General for appropriate relief in a district court of the United States.

Under 49 C.F.R. § 190.243, Respondent may submit a Petition for Reconsideration of this Final Order to the Associate Administrator, Office of Pipeline Safety, PHMSA, 1200 New Jersey Avenue, SE, East Building, 2<sup>nd</sup> Floor, Washington, DC 20590, with a copy sent to the Office of Chief Counsel, PHMSA, at the same address, no later than 20 days after receipt of service of this Final Order by Respondent. Any petition submitted must contain a statement of the issue(s) and meet all other requirements of 49 C.F.R. § 190.243. The terms of the order, including corrective action, remain in effect unless the Associate Administrator, upon request, grants a stay. The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

September 24, 2018

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Alan K. Mayberry  
Associate Administrator  
for Pipeline Safety

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Date Issued