



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

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12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 6, 2008

Mr. Dean Dick
Director, Southern Region
Kinder Morgan (USA), Inc.
800 Werner Court
Casper, WY 82601

CPF 5-2008-5004M

Dear Mr. Dean:

On August 13 to August 17, 2007 and October 22 to October 25, 2007, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Kinder Morgan USA, Inc.'s (KM) procedures for Operations and Maintenance in Casper, Wyoming.

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

- § 195.5 Conversion to Service.**
(b) A pipeline that qualifies for use under this section need not comply with the corrosion control requirements of subpart H of this part until 12 months after it is placed into service, notwithstanding any previous deadlines for compliance.

Kinder Morgan's Procedure 336 Conversion to Service, paragraph 5.5 references Subpart H of 195 and not Kinder Morgan's corrosion procedures for corrosion control requirements for pipelines that have been converted to hazardous liquid service.

An operator's conversion to service procedure must either describe actions required to convert a pipeline to hazardous liquid service or they must reference a source that details those actions to insure the project will be in compliance with Part 195. An operator cannot simply refer to requirement in Part 195 for guidance.

2. **§195.214 Welding procedures.**
(a) **Welding must be performed by a qualified welder in accordance with welding procedures qualified under Section 5 of API 1104 or Section IX of the ASME Boiler and Pressure Vessel Code (ibr, see § 195.3) . The quality of the test welds used to qualify the welding procedure shall be determined by destructive testing.**

Express Pipeline Manual, Section 9 Pipeline Repairs, paragraph 2.1, page 9-1 references the current edition (the current edition is the 20th) of 1104 and not the 19th edition as is incorporated by Part 195. The 19th edition must be referenced for girth weld practices.

3. **§195.571 What criteria must I use to determine the adequacy of cathodic protection?**
Cathodic protection required by this subpart must comply with one or more of the applicable criteria and other considerations for cathodic protection contained in paragraphs 6.2 and 6.3 of NACE Standard RP 0169 (incorporated by reference, see §195.3).

Express Pipeline Corrosion Control Procedures, paragraph 1.1.1 and 1.1.2 references the "current edition" of NACE RP0169 for cathodic protection guidance.

Often the current version of a standard incorporated by reference in Part 195 is not the most current. Therefore, when an operator is referencing a standard incorporated by reference in Part 195 the operator must reference the edition that is incorporated by Part 195.

4. **§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 commence, and appropriate parts shall be kept at locations where operations and maintenance activities are conducted.**

The Express pipeline welding manual as well as the procedures for establishing a maximum operating pressure allow for a maximum period of three years for review. All procedures related to regulatory operation and maintenance activities must be reviewed once each calendar year not to exceed 15 months. Therefore, regulator operation and maintenance procedure review procedures must ensure that these procedures are reviewed once each calendar year not to exceed 15 months.

5. **§195.402 Procedural manual for operations, maintenance, and emergencies.**
c) **Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following to provide safety during maintenance and normal operations:**

(4) Determining which pipeline facilities are located in areas that would require an immediate response by the operator to prevent hazards to the public if the facilities failed or malfunctioned.

KM has developed criteria to determine areas where immediate assistance would be required from public officials to protect the public in the event of a facility malfunction. KM's emergency response procedures do not yet describe those areas along their Express pipeline would require immediate response.

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.

In correspondence concerning this matter, please refer to **CPF 5-2008-5004M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 G. Davis (#118903, 118876)

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*