



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 PROBABLE VIOLATION
and
PROPOSED COMPLIANCE ORDER**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

December 3, 2008

Mr. Ron McClain
Vice President – Operations & Engineering Product Pipelines
Kinder Morgan Energy Partners, L.P.
500 Dallas Street, Suite 100
Houston, TX 77002

CPF 5-2008-5045

Dear Mr. McClain:

On October 2, 2007, Kinder Morgan Energy Partners, L.P. (KMEP) experienced a release from their six-inch diameter pipeline on Line Section 13 (LS-13) at Galletti Way, Washoe County, Nevada. A representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, conducted an investigation into the cause of the release.

As a result of the investigation, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The item inspected and the probable violation is:

1. **§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:**
 - (5) **Analyzing pipeline accidents to determine their causes.**

Regarding the Post-Incident documentation provided by Kinder Morgan Energy Partners, L.P. (KMEP), the Line Section 13 (LS-13) failure on October 2, 2007 indicates pipe failure due to hydrogen stress cracking. However, it appears that KMEP did not take adequate steps to perform a comprehensive root cause analysis and/or lesson learned of the release on their LS-13 as specified in Section 3.9 of Kinder Morgan Incident Reporting and Investigation Procedures. KMEP did not conduct: 1) a formal investigation of the accident to identify the root causes that contributed to the release, 2) an evaluation of their leak detection capability as a result of the release, 3) an evaluation of their emergency flow restricting device (EFRD) capability as a result of the release, or 4) a pressure cycle fatigue analysis (PCFA) as a result of the release.

Proposed Compliance Order

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to the Kinder Morgan Energy Partners, L.P. Please refer to the *Proposed Compliance Order* that is enclosed and made a part of this Notice.

Response to this Notice

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.

In your correspondence on this matter, please refer to **CPF 5-2008-5045** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



for:

Chris Hoidal

Director, Western Region

Pipeline and Hazardous Materials Safety Administration

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Compliance Proceedings

cc: PHP-60 Compliance Registry
PHP-500 H. Nguyen (#120035)

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Kinder Morgan Energy Partners, L.P. (KMEP) a Compliance Order incorporating the following remedial requirements to ensure the compliance of the KMEP with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to your pipeline systems, KMEP must:
 - a) Conduct a formal investigation of the accident to identify the root cause(s) and lesson(s) learned that contributed to the release.
 - b) Evaluate the leak detection capability as a result of the release according to their written Integrity Management Program (IMP).
 - c) Perform an evaluation of their emergency flow restricting device (EFRD) capability as a result of the release according to their written Integrity Management Program (IMP).
 - d) Conduct a pressure cycle fatigue analysis (PCFA) to determine whether it may contribute the October 2, 2007 release on the LS-13.
2. Submit a plan and schedule to implement remedial measures that will prevent or eliminate the contributing cause(s) of the LS-13 accident.
3. **Within 60 days of issuance of the Final Order, the KMEP must complete the above items, and submit the required documentation and procedures to the Director, Western Region, Pipeline and Hazardous Materials Safety Administration, 12300 West Dakota Avenue, Suite 110, Lakewood, Colorado 80228.**
4. KMEP shall maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Chris Hoidal, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. Costs shall 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.