

**MAR 4 2010**

Mr. Ronald G. McClain  
Vice President, Operations and Engineering  
Product Pipelines  
Kinder Morgan Energy Partners  
500 Dallas Street  
Suite 1000  
Houston, TX 77002

**Re: CPF No. 5-2009-5020**

Dear Mr. McClain:

Enclosed please find the Final Order issued in the above-referenced case. It makes findings of violation and assesses a civil penalty of \$26,300. This is to acknowledge receipt of your payment of the full penalty amount, by wire transfer, dated June 1, 2009. This enforcement action is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

Enclosure

cc: Mr. Chris Hoidal, Director, Western Region, PHMSA

**CERTIFIED MAIL – RETURN RECEIPT REQUESTED [7009 1410 0000 2472 9994]**

**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>Kinder Morgan Energy Partners,</b>	)	<b>CPF No. 5-2009-5020</b>
<b>L.P.,</b>	)	
	)	
<b>Respondent.</b>	)	
_____	)	

**FINAL ORDER**

From October 20, 2008, to November 6, 2008, pursuant to 49 U.S.C. § 60117, representatives of the Arizona Corporation Commission, as agents of the Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of Kinder Morgan Energy Partners, L.P. (Kinder Morgan or Respondent) in Colton and Orange, California, and Phoenix, Tucson, and Yuma, Arizona. Within Arizona, Kinder Morgan has a total of 566.01 miles of active pipeline facilities that transport refined petroleum products through remote desert areas and also through populated areas of the Phoenix and Tucson metro areas and the town of Benson. This pipeline system also has tank terminals located in Phoenix, Tucson, and Yuma, Arizona, including breakout tanks and associated facilities at each terminal.

As a result of that inspection, the Director, Western Region, OPS (Director), issued to Kinder Morgan, by letter dated May 1, 2009, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had violated 49 C.F.R. § 195.428(a) and proposed assessing a civil penalty of \$26,300 for the alleged violation.

Kinder Morgan responded to the Notice by letter dated June 2, 2009 (Response). Respondent did not contest the allegation of violation and paid the proposed civil penalty of \$ 26,300, as provided in 49 C.F.R. § 190.227. Payment of the penalty serves to close the case with prejudice to Respondent.

**FINDING OF VIOLATION**

In its Response, Kinder Morgan did not contest the allegation of the Notice that it violated 49 C.F.R. § 195.428(a), as follows:

The Notice alleged that Kinder Morgan violated 49 C.F.R. § 195.428(a), which states:

**§ 195.428 Overpressure safety devices and overfill protection systems.**

(a) Except as provided in paragraph (b) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7 1/2 months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.

The Notice alleged that Kinder Morgan violated 49 C.F.R. § 195.428(a) by failing to ensure that the interval for conducting inspections of an overpressure safety device, the LPRV-12 mainline pressure relief valve on line section 117 at the Phoenix Terminal, did not exceed the 15-month limit. In particular, Kinder Morgan's inspection records reveal that the company inspected the LPRV-12 on July 12, 2006, and again on November 30, 2007, an interval of more than 16 months. Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Kinder Morgan violated 49 C.F.R. § 195.428(a) by failing to inspect LPRV-12 within the required 15-month time interval.

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

The terms and conditions of this Final Order are effective upon receipt of service.

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Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

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Date Issued