

## WARNING LETTER

### VIA E-MAIL TO MR. DAX SANDERS

June 23, 2021

Mr. Dax Sanders  
President, Products Pipelines  
Kinder Morgan  
1001 Louisiana St., Suite 1000  
Houston, TX 77002

CPF 5-2021-028-WL

Dear Mr. Sanders:

From November 2 through 20, 2020, a representative of the Arizona Corporation Commission, Office of Pipeline Safety (AZOPS), on behalf of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected Kinder Morgan's Santa Fe Pacific Pipeline (SFPP) systems in Phoenix and Tucson, Arizona.

As a result of the inspection, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The item inspected and the probable violation is:

**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.**

SFPP failed to prepare and follow for each pipeline system a manual of written procedures for conducting normal operations and maintenance activities and for handling abnormal operations and emergencies. Specifically, SFPP did not follow its written procedure L-O&M 003 for periodically reviewing the work done by its personnel to determine the effectiveness of the procedures used in normal operation and maintenance and taking corrective action where deficiencies are found, pursuant to § 195.402(c)(13). At the time of inspection, there were no records or other evidence to demonstrate that the company undertook this review.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022.

We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the items identified in this letter. Failure to do so will result in Kinder Morgan being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 5-2021-028-WL**. 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).

Sincerely,

Dustin Hubbard  
Director, Western Region, Office of Pipeline Safety  
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry  
Eric Villa, Program Manager, Arizona Corporation Commission Gas Safety  
Steve Standley, Compliance Specialist, Kinder Morgan (Products Pipelines)