



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials
Safety Administration**

840 Bear Tavern Road, Suite 300
West Trenton, NJ 08628
609.771.7800

NOTICE OF AMENDMENT

OVERNIGHT EXPRESS DELIVERY

March 15, 2022

Mr. Steven J. Kean
President and Chief Executive Officer
Kinder Morgan Liquid Terminals, LLC
1001 Louisiana Street, Suite 1000
Houston, Texas 77002

CPF 1-2022-037-NOA

Dear Mr. Kean:

From June 21, 2021 through September 15, 2021, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected Kinder Morgan Liquid Terminals, LLC's (KMLT) procedures in Cincinnati and Dayton, Ohio, Indianapolis, Indiana, and Argo and Wood River, Illinois.

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

1. **§ 195.402 Procedural manual for operations, maintenance, and emergencies.**
 - (a) ...
 - (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:
 - (1) ...
 - (3) **Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.**

KMLT's procedures for maintenance and normal operations were inadequate to ensure safe operation of a pipeline facility. Specifically, KMLT's *T-O&M 903 External Corrosion Control for Buried or Submerged Pipelines, dated 01/13/21* (Corrosion Manual) failed to require and verify that supervisors maintain a thorough knowledge of that portion of the corrosion control procedures

established under § 195.402(c)(3) for which they are responsible for insuring compliance in accordance with § 195.555.¹

KMLT's Corrosion Manual Section 3.1 stated in part:

Supervisors and personnel responsible for insuring compliance with the corrosion control processes in this procedure shall maintain a thorough knowledge of corrosion processes and these procedures through means such as:

- Reviewing this procedure during annual corrosion team meetings or individually if team meetings are not possible. Refer to T-O&M Procedure 003, Procedure Review.
- Attending National Association of Corrosion Engineers Training Courses
- Attending/completing other industry recognized corrosion courses
- On the job application of the procedures
- In-house corrosion training and presentations

However, the Corrosion Manual failed to provide details on how KMLT verifies that supervisors maintain a thorough knowledge of the corrosion control procedures. Furthermore, the Corrosion Manual failed to explicitly require that supervisors review the procedures for which they are responsible for.

Therefore, KMLT failed to require and verify that supervisors maintain a thorough knowledge of that portion of the corrosion control procedures established under § 195.402(c)(3) for which they are responsible for insuring compliance in accordance with § 195.555. KMLT must revise its procedures to address this requirement.

2. § 195.402 Procedural manual for operations, maintenance, and emergencies.

(a) ...

(f) *Safety-related condition reports.* The manual required by paragraph (a) of this section must include instructions enabling personnel who perform operation and maintenance activities to recognize conditions that potentially may be safety-related conditions that are subject to the reporting requirements of § 195.55.

KMLT's procedures for safety-related conditions were inadequate to ensure safe operation of a pipeline facility. Specifically, KMLT's *T-O&M 214 Reporting Pipeline Safety-Related Conditions, dated 05/27/21* (SRC Procedure) failed to include instructions enabling personnel who perform operation and maintenance activities to recognize conditions that potentially may be safety-related conditions that are subject to the reporting requirements of § 195.55.²

¹ 49 C.F.R. § 195.555 What are the qualifications for supervisors?

You must require and verify that supervisors maintain a thorough knowledge of that portion of the corrosion control procedures established under § 195.402(c)(3) for which they are responsible for insuring compliance.

² 49 C.F.R. § 195.55 Reporting safety-related conditions.

(a) Except as provided in paragraph (b) of this section, each operator shall report in accordance with § 195.56 the existence of any of the following safety-related conditions involving pipelines in service:

While the SRC Procedure did include a process for reporting safety-related conditions, it did not include adequate instructions for operations and maintenance personnel to recognize conditions that may be safety-related conditions. When PHMSA requested additional information regarding instructions enabling personnel to recognize safety-related conditions, KMLT could not provide anything further.

Therefore, KMLT failed to include instructions in its written procedures enabling personnel who perform operation and maintenance activities to recognize conditions that potentially may be safety-related conditions in accordance with § 195.402(f). KMLT must revise its procedures to address this requirement.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. Enclosed as part of this Notice is a document entitled Response Options for Pipeline Operators in Enforcement 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).

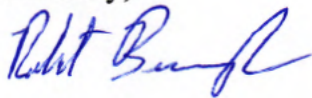
Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under § 190.211. If you do not respond within 30 days of

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- (1) General corrosion that has reduced the wall thickness to less than that required for the maximum operating pressure, and localized corrosion pitting to a degree where leakage might result.
 - (2) Unintended movement or abnormal loading of a pipeline by environmental causes, such as an earthquake, landslide, or flood, that impairs its serviceability.
 - (3) Any material defect or physical damage that impairs the serviceability of a pipeline.
 - (4) Any malfunction or operating error that causes the pressure of a pipeline to rise above 110 percent of its maximum operating pressure.
 - (5) A leak in a pipeline that constitutes an emergency.
 - (6) Any safety-related condition that could lead to an imminent hazard and causes (either directly or indirectly by remedial action of the operator), for purposes other than abandonment, a 20 percent or more reduction in operating pressure or shutdown of operation of a pipeline.
 - (b) A report is not required for any safety-related condition that -
 - (1) Exists on a pipeline that is more than 220 yards (200 meters) from any building intended for human occupancy or outdoor place of assembly, except that reports are required for conditions within the right-of-way of an active railroad, paved road, street, or highway, or that occur offshore or at onshore locations where a loss of hazardous liquid could reasonably be expected to pollute any stream, river, lake, reservoir, or other body of water;
 - (2) Is an accident that is required to be reported under § 195.50 or results in such an accident before the deadline for filing the safety-related condition report; or
 - (3) Is corrected by repair or replacement in accordance with applicable safety standards before the deadline for filing the safety-related condition report, except that reports are required for all conditions under paragraph (a)(1) of this section other than localized corrosion pitting on an effectively coated and cathodically protected pipeline.

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 an Order Directing Amendment. If 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. § 190.206). 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.

It is requested (not mandated) that Kinder Morgan Liquid Terminals, LLC maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Robert Burrough, Director, Eastern Region, Pipeline and Hazardous Materials Safety Administration, 840 Bear Tavern Road, Suite 300, West Trenton, NJ 08628. In correspondence concerning this matter, please refer to **CPF 1-2022-037-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible. Smaller files may be emailed to robert.burrough@dot.gov. Larger files should be sent on USB flash drive accompanied by the original paper copy to the Eastern Region Office.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robert Burrough", is positioned below the word "Sincerely,".

Robert Burrough,
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

Enclosure: Response Options for Pipeline Operators in Enforcement Proceedings