



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Avenue, SE
Washington, DC 20590

October 17, 2023

VIA ELECTRONIC MAIL TO: kenneth_grubb@kindermorgan.com

Mr. Kenneth Grubb
Chief Operating Officer
Natural Gas Pipeline Company of America, LLC
1001 Louisiana Street, Suite 1000
Houston, Texas 77002

Re: CPF No. 2-2023-016-NOPV

Dear Mr. Grubb:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and assesses a civil penalty of \$78,500. When the civil penalty has been paid, this enforcement action will be closed. Service of the Final Order by e-mail is effective upon the date of transmission and acknowledgement of receipt as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

ALAN KRAMER MAYBERRY
Digitally signed by ALAN
KRAMER MAYBERRY
Date: 2023.10.17
08:25:29 -04'00'

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosures (Final Order and NOPV)

cc: Mr. James A. Urisko, Director, Southern Region, Office of Pipeline Safety, PHMSA
Mr. Ronald S. Bessette, Vice President, Operations, Natural Gas Pipeline Company of
America LLC, ron_bessette@kindermorgan.com
Mr. Jaime Hernandez, Director, Engineering: Codes and Standards, Natural Gas Pipeline
Company of America LLC, jaime_hernandez@kindermorgan.com

CONFIRMATION OF RECEIPT REQUESTED

Payment of the civil penalty must be made within 20 days of service. Federal regulations (49 C.F.R. § 89.21(b)(3)) require such payment to be made by wire transfer through the Federal Reserve Communications System (Fedwire), to the account of the U.S. Treasury. Detailed instructions are contained in the enclosure. Questions concerning wire transfers should be directed to: Financial Operations Division (AMK-325), Federal Aviation Administration, Mike Monroney Aeronautical Center, 6500 S MacArthur Blvd, Oklahoma City, Oklahoma 79169. The Financial Operations Division telephone number is (405) 954-8845.

Failure to pay the \$78,500 civil penalty will result in accrual of interest at the current annual rate in accordance with 31 U.S.C. § 3717, 31 C.F.R. § 901.9 and 49 C.F.R. § 89.23. Pursuant to those same authorities, a late penalty charge of six percent (6%) per annum will be charged if payment is not made within 110 days of service. Furthermore, failure to pay the civil penalty may result in referral of the matter to the Attorney General for appropriate action in a district court of the United States.

The terms and conditions of this order are effective upon service in accordance with 49 C.F.R. § 190.5.

ALAN KRAMER
MAYBERRY

Digitally signed by ALAN
KRAMER MAYBERRY
Date: 2023.10.17 08:24:56
-04'00'

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

October 17, 2023

Date Issued



U.S. Department
of Transportation

Pipeline and Hazardous
Materials Safety
Administration

230 Peachtree Street N.W.
Suite 2100
Atlanta, GA 30303

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED CIVIL PENALTY**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

**VIA ELECTRONIC MAIL TO: Kenneth_grubb@kindermorgan.com;
martin_muller@kindermorgan.com**

August 17, 2023

Mr. Kenneth Grubb
Chief Operating Officer
Natural Gas Pipeline Company of America
1001 Louisiana Street
Suite 1000
Houston, TX 77002

CPF 2-2023-016-NOPV

Dear Mr. Grubb:

From August 23, 2021 to April 8, 2022, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected your written procedures, records, and facilities in Arkansas, Louisiana, Oklahoma, and Texas.

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(s) inspected and the probable violation(s) are:

1. **§191.22 National Registry of Pipeline and LNG operators.**

(a)...

(c) Changes. Each operator of a gas pipeline, gas pipeline facility, underground natural gas storage facility, LNG plant, or LNG facility must notify PHMSA electronically through the National Registry of Pipeline, Underground Natural Gas Storage Facility, and LNG Operators at <http://opsweb.phmsa.dot.gov> of certain events.

(1) An operator must notify PHMSA of any of the following events not later than 60 days before the event occurs:

(i) Construction or any planned rehabilitation, replacement, modification, upgrade, uprate, or update of a facility, other than a section of line pipe, that costs \$10 million or more. If 60-day notice is not feasible because of an emergency, an operator must notify PHMSA as soon as practicable;

NGPL failed to meet the regulation because it did not notify PHMSA, not later than 60 days before construction, of construction or any planned rehabilitation, replacement, modification, upgrade, uprate, or update of a facility that costs \$10 million or more. Specifically, NGPL did not notify PHMSA, at least 60 days prior to construction, of four construction projects occurring at compressor stations 301, 303, and 348 between 2018 and 2020.

1. During the inspection, NGPL provided documentation titled "Project Closure Package Checklist," dated 12/07/2020, which lists various information related to the NGPL compressor station 348, including a construction start date of 11/04/2019 and an in-service date of 11/01/2020. An additional document reviewed during the inspection, titled "Activity Request," lists the total costs of the construction as \$56,003,000.

"Type F" Notification F-20200507-23970, submitted electronically through the National Registry of Operators to PHMSA on 05/07/2020 by NGPL, describes the work covered by this notification as *"Installation of a new compressor station to be designated as Station 348. Station 348 will have 22,490 horsepower, and will supply pressure to Louisiana Line #1, Louisiana Line #2, and the Sabine Pass Liquefaction Pipeline."* The anticipated start date of field work activities is listed in the notification as 11/01/2019. This notification was made 188 days after the anticipated start date as provided by the notification and 185 days after the construction start date listed in the "Project Closure Package Checklist."

2. During the inspection, NGPL provided documentation titled "Project Closure Package Checklist," dated 11/07/2018, which lists various information related to the NGPL compressor station 303 HP replacement project, including a construction start date of 01/18/2018 and an in-service date of 10/01/2018. An additional document reviewed during the inspection, titled "Activity Request," lists the total costs of the construction as \$66,636,900.

“Type F” Notification F-20171204-17885, submitted electronically through the National Registry of Operators to PHMSA on 12/04/2017 by NGPL, describes the work covered by this notification as *“Installation of additional compression at Natural Gas Pipeline of America Compressor Station 303. Facilities to be installed includes two gas turbines, compression, gas cooling, compressor building and associated pipe, valves, and fittings.”* The anticipated start date of field work activities is listed in the notification as 01/03/2018. This notification was made 30 days before the anticipated start date as provided by the notification and 45 days before the construction start date listed in the “Project Closure Package Checklist.”

3. During the inspection, NGPL provided documentation titled “Project Closure Package Checklist,” dated 01/08/2019, which lists various information related to the NGPL compressor station 301 T-70 HP project, including a construction start date of 01/08/2018 and an in-service date of 10/01/2018. An additional document reviewed during the inspection, titled “Activity Request,” lists the total costs of the construction as \$34,577,771.

“Type F” Notification F-20171204-17886, submitted electronically through the National Registry of Operators to PHMSA on 12/04/2017 by NGPL, describes the work covered by this notification as *“Installation of a new turbine compressor at Natural Gas Pipeline of America station 301. Installation to include compressor, unit control panel, air inlet filters and hydraulic cooler. Station piping to modified to make it bi-directional.”* The anticipated start date of field work activities is listed in the notification as 01/03/2018. This notification was made 30 days before the anticipated start date as provided by the notification and 35 days before the construction start date listed in the “Project Closure Package Checklist”

4. During the inspection, NGPL provided documentation titled “Project Closure Package Checklist,” dated 12/27/2020, which lists various information related to the NGPL compressor station 301 Mars 100 project, including a construction start date of 04/06/2020 and an in-service date of 12/15/2020. An additional document reviewed during the inspection, titled “Activity Request,” lists the total costs of the construction as \$34,911,000.

There is no Type-F (Construction or Rehabilitation of Gas or Liquid Facilities) notification associated with this project.

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$257,664 per violation per day the violation persists, up to a maximum of \$2,576,627 for a related series of violations. For violation occurring on or after March 21, 2022, and before January 6, 2023, the maximum penalty may not exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,412 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022, the maximum penalty may not

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 documentation involved for the above probable violation(s) and recommend that you be preliminarily assessed a civil penalty of \$78,500 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$78,500

Response to this Notice

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. All material you submit in response to this enforcement action may be 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, or request a hearing under 49 CFR § 190.211. 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 you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from the receipt of this Notice. This period may be extended by written request for good cause.

In your correspondence on this matter, please refer to **CPF 2-2023-016-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

A handwritten signature in blue ink, appearing to read 'J. Urisko', with a stylized flourish at the end.

James A. Urisko
Director, Southern Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

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