



July 17, 2009

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Mr. Chris Hoidal
 Director, Western Region
 Pipeline and Hazardous Materials Safety Administration
 12300 W. Dakota Ave., Suite 110
 Lakewood, CO 80228

Re: CPF 5-2009-1005M; Team Inspection of Kinder Morgan's (KM) Operations and Maintenance Manual.

Dear Mr. Hoidal;

In a letter dated June 26, 2009 PHMSA provided guidance on changes required as the result of a Team Inspection of Kinder Morgan's (KM) Operations and Maintenance (O&M) procedures. The inspection was performed in KM's Lakewood offices between April 14th and 16th and was attended by PHMSA's Western Region, Southwest Region and Central Region.

In this correspondence KM will respond to each issue that PHMSA indicated required a change by repeating PHMSA's request for change and immediately following in bold font KM's response.

1. § 191.15 Transmission and gathering system: Incident report.
 KM did not address in its O&M procedure 159 pertaining to a Supplemental Report. Part 191.15(b) requires the operator to submit a Supplemental Report as soon as practical with a clear reference by date and subject to the original report.

Kinder Morgan's Response:

Kinder Morgan's O&M Procedure 159 – Incident Reporting and Investigation Section 3.3.1.2 directs PHMSA reporting requirements to O&M Procedure 219 – DOT and State Pipeline Reports. Kinder Morgan has revised O&M Procedure 219 – DOT and State Pipeline Reports to reflect the required changes. A copy of each O&M Procedure is attached in Appendix 1.

2. § 191.25 Filing safety-related conditions reports.
 KM O&M Procedure 214 Sec. 3.1.2 terminology with respect to the five (5) and ten (10) days reporting requirement is not consistent with the required outlined in Part 192.25(a).

Kinder Morgan's Response:

Kinder Morgan has revised O&M Procedure 214 – Reporting Pipeline Safety-Related Conditions to reflect the required changes. A copy of the O&M Procedure is attached in Appendix 2.

3. § 192.179 Transmission line valves.
KM O&M Procedures, the Engineering Design Manual and the Construction Standards Manual did not address the valve spacing with respect to either new construction or any modifications to the existing pipelines.

Kinder Morgan's Response:

Kinder Morgan has revised O&M Procedure 220 - Structure Survey for Class Location and HCA Determination and Engineering Standard E0100 – Pipelines (Onshore) to reflect the required change. A copy of the O&M Procedure and Engineering Standard is attached in Appendix 3.

4. §192.605 Procedural Manual.
KM O&M Procedure 100, Section 3.2 did not address the details of how KM would review the work done by the operator's personnel to determine whether the procedures that their personnel follow are adequate for the given task or situation.

Kinder Morgan's Response:

Kinder Morgan would like to rebut the assertion that O&M Procedure 100 – Employees' O&M Responsibilities Sec 3.2 does not adequately meet the requirements of §192.605(b)(8). As evidence of compliance with the fore mentioned regulation KM will describe our process for review of O&M procedures for effectiveness.

Kinder Morgan employees whether they are maintenance, technical, supervisory or managerial have the responsibility of being familiar with the contents of the O&M Procedures Manual and following the requirements as they conduct their job responsibilities. Kinder Morgan's O&M Procedure 100 – Employees' O&M Responsibilities describes those requirements and then goes on to direct all employees to engage the Management of Change process embedded in O&M Procedure 001 – Standards Modification if deficiencies in the procedures are discovered. The Action Decision Committee (ADC) meets monthly and reviews requests for change and if appropriate approves the request. The voting membership of the ADC consists of Directors from EHS, Operations, Project Management, Safety and Compliance/Codes and Standards, which helps ensure that all requests for change meet Kinder Morgan's requirements for operating safe and code compliant facilities. Participation in this process is encouraged by KM management and is open to participation by all levels of Kinder Morgan employees.

Additionally, the O&M manual is reviewed on an annual basis as required by § 192.605(a) and detailed in KM O&M Procedure 000 - Action Decision Committee, Section 3.5. KM is providing for your review O&M Procedure 100 – Employees' O&M Responsibilities, O&M Procedure 001 – Standards Modification and O&M Procedure 000 – Action Decision Committee located in Appendix 4.

5. §192.605 Procedural Manual.
KM O&M Procedures 1101 and 1102 did not have adequate procedures to check for variations from normal operations after an abnormal operation has ended at critical locations in the system for safe operation.

Kinder Morgan's Response:

Kinder Morgan requests a 60 day extension to review our internal processes, make the necessary changes to our procedures through our management of change process and communicate with all of the stakeholders.

6. §192.605 Procedural Manual.
KM O&M Procedures 1101 and 1102 did not specify how KM would review the response of the operator's personnel to determine whether the procedures that their personnel follow are adequate to control an abnormal operation and to take corrective action where deficiencies are found.

Kinder Morgan's Response:

Kinder Morgan requests a 60 day extension to review our internal processes, make the necessary changes to our procedures through our management of change process and communicate with all of the stakeholders.

7. § 192.614 Damage Prevention Program.
KM O&M Procedure 204 did not have adequate procedures to address how they would temporarily mark buried pipelines in the area of excavation activity before the activity begins.

Kinder Morgan's Response:

Kinder Morgan would like to rebut the assertion that we are not meeting the requirements of § 192.614(c)(4). KM feels that O&M Procedure and Construction Standard 204/C1005 – Construction near Company Facilities does provide instruction to field personnel on how they should temporarily mark KM's buried pipelines in the areas of excavation activity. KM is providing a copy of O&M Procedure and Construction Standard 204/C1005 for your review and calls your attention to Section 3.4.1 where the individual bullet points delineate the requirements for when to mark KM's pipelines and how KM's pipelines are to be marked.

A copy of the O&M Procedure and Construction Standard is attached in Appendix 5.

8. § 192.605 Procedural Manual.
KM O&M Procedure 214 did not have adequate procedures to direct the employees who perform O&M activities to recognize or identify SRCs in the field.

Kinder Morgan's Response:

Kinder Morgan would like to rebut the assertion that we are not meeting the requirements of § 192.605(d) Safety-related condition reports (SRC). KM O&M Procedure 100 – Employees' O&M Responsibilities instructs each employee of their responsibilities to be familiar with the contents of the O&M Procedures Manual and follow the requirements as they conduct their job responsibilities. KM O&M Procedure 214 – Reporting Pipeline

Safety-Related Conditions, Section 3.1.1 provides specific instructions on how to identify a potential SRC and the steps necessary to report them. A copy of O&M Procedure 100 and O&M Procedure 214 have been provided in previous appendices.

9. §192.711 Transmission lines: General Requirements
KM O&M Procedure 213 did not require the operator to take immediate temporary measures to protect the public when the conditions noted in this subpart exist.

Kinder Morgan's Response:

Kinder Morgan has revised O&M Procedure 213 – Leaks, Pipe and Weld Defects and Equipment Damage to reflect the required changes. A copy of the O&M Procedure is attached in Appendix 6.

10. § 192.713 Transmission lines: Permanent Field Repair
KM O&M Procedure 213 did not have adequate procedures to require a permanent field repair of imperfections and damages in a steel transmission line to be replaced with a cylindrical piece of pipe that is greater than or equal to the design strength of the pipe.

Kinder Morgan's Response:

Kinder Morgan has revised O&M Procedure 213 – Leaks, Pipe and Weld Defects and Equipment Damage to reflect the required changes. A copy of the O&M Procedure is attached in Appendix 6.

11. § 192.225 Welding Procedures
KM's procedures throughout the applicable parts of the O&M and welding manuals are inconsistent in referencing the most current or latest approved versions of API 1104 and ASME Section IX.

Kinder Morgan's Response:

Kinder Morgan is in the process of reviewing our O&M Procedures and Engineering and Construction Standards to ensure consistency in our reference to the use of the appropriate edition of API 1104 and ASME Section IX. Kinder Morgan shall complete this review within 60 days and subsequently communicate to PHMSA that it has been completed on or before September 21, 2009.

12. § 192.225 Welding Procedures:
KM O&M Procedure 407 did not have adequate procedures to require that each welding procedure is not only recorded in detail but also includes the results of the qualifying tests. KM's procedures do not discern in the O&M Manual about the retention time frame of each qualifying test compared to retention of the welding procedure itself.

Kinder Morgan's Response:

Kinder Morgan would like to rebut the assertion that KM O&M Procedure and Construction Standard 407/C1067 – Welding Procedures and Selection Guide does not meet the requirements of § 192.225(b). Kinder Morgan's O&M Procedure and Construction Standard 407/C1067 – Welding Procedures and Selection Guide, Section 3.1 provides instruction on how a Kinder Morgan welding procedure is to be qualified following the

requirements of API 1104 or ASME Section IX. When the welding procedure has been properly qualified and after it has gone through the Action Decision Committee process as described in KM O&M Procedure 001 – Standards Modification it is then added to our listing of qualified procedures contained in O&M Procedure 407. Any weld performed on Kinder Morgan gas facilities must use a qualified procedure as described in KM O&M Procedure and Construction Standard 402/C1062 Section 3. The procedure qualification reports (PQR) are maintained in the corporate files and are available, upon request, to support the welding procedure. It is required that a welder performing work on a KM facility have a qualified procedure in their possession to perform the weld. It is not necessary for the welder to have the PQR.

With regard to KM not specifying the retention requirements related to the PQR, KM has added the PQR to O&M 1400 – Records Retention by O&M Procedure with the requirement that the PQR be maintained for the life of the facilities.

A Copy of O&M Procedure 407 (with example of welding procedure 407.060), O&M Procedure and Construction Standard 402/C1062 and O&M Procedure 1400 are attached for your review in Appendix 7.

13. § 192.243 Nondestructive Testing.
KM O&M Procedure Series 1400 did not have adequate procedures because it did not require NDT test records to contain all pertinent information that is required by this subpart.

Kinder Morgan's Response:

Kinder Morgan requests a 60 day extension to review our internal processes, make the necessary changes to our procedures through our management of change process and communicate with all of the stakeholders.

14. § 192.461 External Corrosion Control: Protective Coating
KM O&M Procedure 203 and Corrosion Procedure 1082 for pipeline coatings did not address or include the requirements outlined in 192.461(a)(2-5) and 192.461(b).

Kinder Morgan's Response:

Kinder Morgan has revised O&M Procedure and Construction Standard 203/C1082 – Coating Pipelines to reflect the required changes. A copy of the O&M Procedure is attached in Appendix 8.

15. § 192.476 Internal Corrosion Control
KM O&M Series 900 procedures and Series 1700 I&M procedures did not require new transmission lines and its components to be designed and constructed to reduce the risk of internal corrosion.

Kinder Morgan's Response:

Kinder Morgan has revised Engineering Standard E0100 – Pipelines (Onshore) to reflect the required changes. A copy of the Engineering Standard is attached in Appendix 3.

16. § 192.476 Internal Corrosion Control
KM O&M Series 900 procedures and Series 1700 I&M procedures did not require changes to existing transmission lines to be evaluated for the impact of the change on internal corrosion risk to the downstream portion of an existing line and to provide for removal of liquids and monitoring of internal corrosion as appropriate new transmission lines and its components to be designed and constructed to reduce the risk of internal corrosion.

Kinder Morgan's Response:

Kinder Morgan has revised Engineering Standard E0100 – Pipelines (Onshore) to reflect the required changes. A copy of the Engineering Standard is attached in Appendix 3.

In responding to this Notice of Amendment Kinder Morgan chooses to exercise our prerogative as stated in; Procedures for Responding to a NOTICE OF AMENDMENT (NOA) subpart (c) and rebut the allegations numbered; 4, 7, 8 & 12. Kinder Morgan is providing additional information and explanations of our processes that we are hopeful will demonstrate to PHMSA that our procedures are indeed adequate to meet the requirements of the regulations as stated in the NOA. Further Kinder Morgan reserves the right to request a hearing at a later date if this response is inadequate to meet the requirements of the NOA.

Additionally Kinder Morgan requests an EXTENSION OF TIME of 60 days as allowed under the Procedures for Responding to a Notice of Amendment to allegations numbered 5, 6, 11 and 13. This period of time is necessary to examine our existing procedures and make determinations on what changes need to be made to become compliant with the stated regulations.

If there are any questions related to this response please call Mr. Bruce Hancock, Director of Compliance / Codes and Standards at 303-914-7959.

Sincerely,



for
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