



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

July 3, 2012

Mr. Dwayne Burton
Vice President, Engineering/Operations
KMI Pipeline
500 Dallas Street, Suite 1000
Houston, TX 77002

CPF 5-2012-1013M

Dear Mr. Burton:

On March 19-23, 2012, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected El Paso Pipeline Group's (El Paso) procedures for operations, maintenance and emergency response in Colorado Springs, Colorado.

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

1. **§191.5 Immediate notice of certain incidents.**
 - (a) **At the earliest practicable moment following discovery, each operator shall give notice in accordance with paragraph (b) of this section of each incident as defined in §191.3.**

El Paso's Operations and Maintenance (O&M) Procedural Manual pertaining to the reporting requirements is inadequate because they do not include the requirement to report "significant" incidents. El Paso's procedure Section 103 dated 12/13/2011 did not contain an explanation for what is the requirement to report "significant" incidents, with regards to telephonic reporting of incidents. Currently, the procedure does not specify the methods

used by El Paso for determining of what “significant” means or the factors for deciding if this type of incident should be reported as required by §191.5.

2. §192.14 Conversion to service subject to this part.

(a) A steel pipeline previously used in service not subject to this part qualifies for use under this part if the operator prepares and follows a written procedure to carry out the following requirements.

El Paso’s O&M manual did not include a conversion to service procedure to address the requirement of 192.14(a). During the time of inspection, an undated “conversion to service” plan was provided to my staff and it appears that the plan was used to perform a conversion to service of the pipe line segment that was purchased from EnCana in 2009. However, this plan was not included within their O&M manual. Interviews with El Paso personnel revealed that each “conversion to service” project is a unique and specific circumstance; therefore they do not have a “conversion to service” procedure in their O&M manual. The “conversion to service” is an integral part of the operator’s operations and maintenance activities; therefore a written procedure to carry out the conversion to service task must be included in their O&M manual as required by Part 195.14(a).

3. §192.605 Procedural manual for operations, maintenance, and emergencies.

(b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.

(2) Controlling corrosion in accordance with the operations and maintenance requirements of Subpart I of this part.

El Paso’s Section 401 pipeline repair procedure dated 7/27/2011 for pipeline repair of imperfections and damage is inadequate because El Paso did not include the requirements to apply external protective coating after each repair, under its pipeline repair section, as required by Part §192.461.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance 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). 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, after opportunity for a hearing, 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. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within thirty 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 El Paso maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Chris Hoidal, Director, Western Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 5-2012-1013M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Hoidal", written in a cursive style.

Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

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

cc: PHP-60 Compliance Registry
PHP-500 K. Nguyen (#138680)