



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

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

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

July 6, 2017

Mr. Steven Kean
President and CEO
Kinder Morgan
1001 Louisiana Street, Suite 1000
Houston, Texas 77002

CPF 5-2017-5012W

Dear Mr. Kean:

On several occasions between September 7, 2016 and November 18, 2016, 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, inspected your CALNEV Pipeline (CALNEV)'s plans and records for operations and maintenance and conducted a field evaluation of the pipeline systems from Colton, California to Las Vegas, Nevada.¹

As a result of the inspection, it is alleged that CALNEV has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

¹ CALNEV Pipeline is a subsidiary of Kinder Morgan.

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.

CALNEV did not follow its written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies as specified in Kinder Morgan's L-O&M. The following is a specific example where Kinder Morgan failed to follow its Kinder Morgan L-O&M. Kinder Morgan's L-O&M 301 'Inspection and Servicing Pipeline Valves', Section 3.4 states in part,

At minimum, mainline block valve inspection will include checking the signs and emergency phone number posted and for vegetation at the valve location.

At the time of PHMSA inspection, CALNEV failed to follow their written procedures for maintaining valve inspection in accordance with §§195.402(b) and 195.420(a). CALNEV's valve inspection records did not have any indications or remarks that signs, emergency phone number posted and condition of vegetation at the valve location had been inspected.

2. **§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.

CALNEV did not follow its written procedures for conducting normal operations and maintenance activities and handling abnormal operations and emergencies as specified in Kinder Morgan's L-O&M. The following is a specific example where Kinder Morgan failed to follow its Kinder Morgan L-O&M. Kinder Morgan's L-O&M 112, 'Inspection, Testing and Maintenance for Fire Protection Systems and Features'(Procedures), Section 3.8.1.3 states in part,

Inspect all wheeled and portable fire extinguishers monthly (Note: Some jurisdictions require certifications to perform monthly inspections). Enter the inspection date on the extinguisher's inspection tag or on a fire extinguisher form.

At the time of PHMSA inspection, CALNEV failed to follow their written procedures for maintaining firefighting equipment inspection in accordance with §§195.402(b) and 195.430. The PHMSA inspector found three (3) fire extinguishers at Cajon Pump Station that did not have the extinguishers' inspection tag punched with the correct month of April to October 2016 so as to indicate that the inspections had been performed.²

As of April 27, 2017, under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$209,002 per violation per day the violation persists up to a maximum of \$2,090,022 for a related series of violations. 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 item(s) identified in this letter. Failure to do so will result in CALNEV Pipeline 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 5-2017-5012W**. 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,



Huy Nguyen
Acting Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 M. Garcia (#154376 and #154377)

² After the inspection, on December 6, 2016, CALNEV submitted to the PHMSA inspector a copy of an inspection form called "Remote Facility Weekly Checklist". In that checklist specific items like housekeeping, rectifier logbook, oil levels, fire extinguishers, etc. were checked.

However, while the checklist indicated that fire extinguishers at Cajon Pump Station had been checked every month from 2014 to 2016, the checklist did not specifically identify the number or ID of the fire extinguishers that had been inspected.

Additionally, on December 22, 2016, CALNEV confirmed to the PHMSA inspector that they don't use the L_OM100-56 form to document monthly fire extinguishers inspections and that CALNEV currently use the metallic tags to document the inspections.