



May 6, 2022

Dustin B. Hubbard
Director, Western Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration
12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

Re: Warning Letter CPF 5-2022-036-WL

SFPP, L.P. ("SFPP") acknowledges receipt of the Pipeline and Hazardous Materials Safety Administration's ("PHMSA") Warning Letter CPF 5-2022-036-WL (the "Warning Letter") issued on April 8, 2022, following PHMSA's inspection during the time period of March 7 through March 11, 2022 (the "Inspection"). SFPP appreciates the opportunity to respond to the allegations in the Warning Letter.

As an initial matter, at the time that PHMSA verbally notified SFPP of these allegations, the Company took the following steps:

- A construction stand-down meeting was held with the project team, including project managers, construction managers, contractors, and inspectors to discuss the issues and events that occurred.
- The welders involved in the welding and line up clamp event were removed from the project and their operator qualifications (OQs) revoked until they could be re-trained and re-certified in their OQ tasks.
- The inspectors involved in the welding and excavation events were removed from the project.
- Inspection resources were added to the project. At the time of the events, the project had one full-time quality assurance/quality control ("QA/QC") inspector whose job is to "inspect the inspectors," and to assist the inspectors with overseeing the contractors' work. The project has since added an additional QA/QC inspector.
- Meetings were held with the contractor's senior management to discuss the events and to discuss changes needed to their QA/QC plan. The contractor has since implemented enhancements to their QA/QC plan and added personnel who verify that procedures and specifications are being followed.
- Meetings have been held with senior management of other contractors actively working on the SWML project, to ensure "lessons learned" from these events are shared.

The specific allegations are restated below, with SFPP's response immediately following.

Item 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. . .

During the inspection, PHMSA observed KMI install a B-Sleeve on LS-9 of the SFPP pipeline at Joint #92410. During the repair, PHMSA observed contract welders not following KMI's Welding Procedure Specification #407.103, Rev. August 11, 2021.

Specifically, the welders failed to follow:

1. QW-404 – Filler Metal (page 2) which requires welding rod AWS No. E6010 on the root pass weld of the Standard V-Bevel Butt Joint.

During the inspection, the welders confirmed to PHMSA that AWS No. E7018 was incorrectly used for the root pass weld.

2. QW-404 Filler Metal (page 2) under subsection Line-Up Clamp for Sleeve Longitudinal Welds, it states: "External chain load binder or other supporting device as required shall be held in place until a minimum of 90 percent of the root pass of both longitudinal welds is completed."

During the inspection, PHMSA observed the line-up clamps to have been removed at approximately 61% of the root pass of both longitudinal weld completion.

Response: The sleeve that was allegedly installed without following the procedure, QW-404, was removed from the pipeline and a new sleeve was installed in its place in compliance with all applicable procedures.

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. . .

KMI failed to follow its manual of written procedures for conducting normal operations and maintenance activities.



During the inspection, PHMSA observed KMI contractors (ARB, Inc.) excavating a portion of LS-72 of the SFPP pipeline at Joint #5620.

During the excavations, PHMSA observed workers using power tools/equipment within 24" of the pipeline.

Per KMI's written procedure "L-O&M Construction Near Company Facilities, Revised February 10, 2021, Section 3.9 Excavating Lines and Excavating Near Other Utilities, Subsection 3.9.1 KM initiated and Third Party Excavation Activities," Item F states: "[o]nce the pipeline is exposed, no power equipment shall dig closer than 24" (610 mm) or as specified by state/provincial law, whichever is more stringent, to any point on the circumference of the pipeline and probing shall be done during excavation."

Section 3.18 of the procedure also allows for a waiver or variance request, but an approved request was not made available to PHMSA during the inspection

Response: See SFPP's general response above for the steps taken to address these allegations.

SFPP takes seriously its responsibilities for operating safely and in accordance with its procedures and all applicable regulations and sincerely appreciates the opportunity to respond to these allegations. Should you have additional questions or concerns, please feel free to contact me via email (wayne_simmons@kindermorgan.com) or by telephone (713-420-6330). Jaime Hernandez is an alternate point of contact and he can be reached by email (Jaime_hernandez@kindermorgan.com) or by telephone (713-369-9443).

Sincerely,

A handwritten signature in blue ink, appearing to read 'W. G. Simmons', is written over a blue circular stamp.

Wayne G. Simmons
Chief Operating Officer – Products Pipelines

cc: Jaime Hernandez