

AMENDED WARNING LETTER

VIA ELECTRONIC MAIL TO:

May 9, 2023

Mr. Wayne Simmons
Chief Operating Officer-Products Pipeline
Kinder Morgan, Inc.
1001 Louisiana St., Suite 1000
Houston, TX 77002

CPF 5-2023-010-WL

Dear Mr. Simmons:

From March 7, 2022 through September 9, 2022, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant, to Chapter 601 of 49 United States Code (U.S.C.), inspected your Central Florida Pipeline from Tampa, Florida to Orlando, Florida.

As a result of the inspection, it is alleged that Central Florida Pipeline Corp (CFPL)¹ committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The item inspected, and the probable violation is:

¹ Central Florida Pipeline Corp is a subsidiary of Kinder Morgan, Inc.

1. § 195.452 Pipeline integrity management in high consequence areas?

(a)

(h) *What actions must an operator take to address integrity issues?*

(1) **General requirements.** An operator must take prompt action to address all anomalous conditions in the pipeline that the operator discovers through the integrity assessment or information analysis. In addressing all conditions, an operator must evaluate all anomalous conditions and remediate those that could reduce a pipeline's integrity, as required by this part. An operator must be able to demonstrate that the remediation of the condition will ensure that the condition is unlikely to pose a threat to the long-term integrity of the pipeline. An operator must comply with all other applicable requirements in this part in remediating a condition. Each operator must, in repairing its pipeline systems, ensure that the repairs are made in a safe and timely manner and are made so as to prevent damage to persons, property, or the environment. The calculation method(s) used for anomaly evaluation must be applicable for the range of relevant threats.

(i) **Temporary pressure reduction.** An operator must notify PHMSA, in accordance with paragraph (m) of this section, if the operator cannot meet the schedule for evaluation and remediation required under paragraph (h)(3) of this section and cannot provide safety through a temporary reduction in operating pressure.

(ii) **Long-term pressure reduction.** When a pressure reduction exceeds 365 days, the operator must notify PHMSA in accordance with paragraph (m) of this section and explain the reasons for the delay. An operator must also take further remedial action to ensure the safety of the pipeline.

Following the discovery of integrity issues, Central Florida Pipeline Corp (CFPL) established a pressure reduction to last until repairs are completed.^{2,3} CFPL exceeded its reduced operating pressure on January 2, 2022 and February 10, 2022.⁴ In exceeding the limits placed on the Central Florida Pipeline, CFPL failed to comply with §195.452(h)(1).

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 \$2,391,142 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

²§195.452(b)(6) requires operators to follow recognized industry practices in carrying out integrity management program activities, such as pressure reduction.

³ §192.933(a)(1) provides information about determining pressure reduction parameters.

⁴ Initial warning letter mistakenly identified four instances of exceedance.

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 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 identified in this letter. Failure to do so will result in Central Florida Pipeline Corp. 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 5-2023-010-WL**. 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,

Dustin Hubbard
Director, Western Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 Z. Wynkoop, M. Flaherty (#22-232552)
Jaime Hernandez – DOT Compliance Primary