



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

12300 W. Dakota Ave., Suite 340
Lakewood, CO 80228

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED CIVIL PENALTY**

VIA ELECTRONIC MAIL TO: kimberly_dang@kindermorgan.com

March 25, 2025

Kimberly Allen Dang
Chief Executive Officer
Kinder Morgan
1001 Louisiana St., Suite 1000
Houston, TX 77002

CPF 5-2026-001-NOPV

Dear Ms. Dang:

From August 5 to September 18, 2025 representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) conducted an on-site inspection of the Kinder Morgan Utopia Pipeline from Cadiz, Ohio to Detroit, Michigan.

As a result of the inspection, it is alleged that Kinder Morgan Utopia LLC (Kinder Morgan) has 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. § 195.452 Pipeline integrity management in high consequence areas.

(a) . . .

(j) *What is a continual process of evaluation and assessment to maintain a pipeline's integrity?* –

(1) . . .

(3) *Assessment intervals.* An operator must establish five-year intervals, not to exceed 68 months, for continually assessing the line pipe's integrity. An operator must base the assessment intervals on the risk the line pipe poses to the high consequence area to determine the priority for assessing the pipeline segments. An operator must establish the assessment intervals based on the factors specified in paragraph (e) of this section, the analysis of the results from the last integrity assessment, and the information analysis required by paragraph (g) of this section.

Kinder Morgan failed to continually assess the Kinder Morgan Utopia Pipeline's integrity¹ within a five-year interval, not to exceed 68 months, in accordance with § 195.452(j)(3). Specifically, Kinder Morgan failed to assess the Stress Corrosion Cracking (SCC) threat² on the Riga to Detroit 12-inch pipeline segment within the required five-year reassessment interval. During the PHMSA inspection, a review of Kinder Morgan's records demonstrated that an in-line inspection using a Caliper/IMU/MFL-C tool had been conducted on June 10, 2014. However, the subsequent reassessment using a Caliper/IMU/MFL-C/EMAT tool did not occur until March 22, 2023. This is an interval of nearly nine years, thereby exceeding the regulatory assessment interval as set by § 195.452(j)(3). Section 195.452(j)(5)(i) requires operators to use an in-line inspection tool or tools capable of detecting crack anomalies when a pipeline has been identified as being susceptible to cracks when conducting integrity assessments. In addition, while § 195.452(j)(4) does allow for variance from the 5-year interval for limited situations, Kinder Morgan has not provided PHMSA with an engineering basis for the delay in conducting a reassessment using a tool capable of identifying crack anomalies, per § 195.452(j)(4)(i).

Therefore, Kinder Morgan failed to continually assess the Utopia pipeline's integrity every 5- years, not to exceed 68 months, as required by § 195.452(j)(3).

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$272,926 per violation per day the violation persists, up to a maximum of \$2,729,245 for a related series of violations. For violation occurring on or after December 28, 2023 and before December 30, 2024, the maximum penalty may not exceed \$266,015 per violation per day the violation persists, up to a maximum of \$2,660,135 for a related series of violations. For violation occurring on or after January 6, 2023 and before December 28, 2023, the maximum penalty may not 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 \$2,391,412 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

¹ The Kinder Morgan Utopia Pipeline is a pipeline that could affect a high-consequence area (HCA), as defined per 49 CFR § 195.450 and Appendix C to Part 195.

² During the PHMSA inspection, Kinder Morgan's Continual Assessment Plan (CAP) was reviewed. The CAP identified SCC threats on the Huron to Riga 12-inch and Riga to Detroit 12-inch pipeline segments of the Kinder Morgan Utopia Pipeline. system. These segments were constructed between 1973 and 1978 using poly-jacket coating or coal tar wrap. As outlined in Kinder Morgan's Integrity Management Program (IMP), Kinder Morgan utilizes USCD, EMAT, or MFL-C tools to assess the SCC threat.

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 exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations.

We have reviewed the circumstances and supporting documentation involved for the above probable violation and recommend that you be preliminarily assessed a civil penalty of \$ 53,900 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$ 53,900

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Enforcement Proceedings*. Please refer to this document and note the response options. All material you submit in response to this enforcement action may be 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).

Following your receipt of this Notice, you have 30 days to respond as described in the enclosed *Response Options*. 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 you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. The Region Director may extend the period for responding upon a written request timely submitted demonstrating good cause for an extension.

In your correspondence on this matter, please refer to **CPF 5-2026-001-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

cc: PHP-60 Compliance Registry
PHP-500 J. Luo (#25-329415)
Steven Romano, Chief Operating Officer - steven_romano@kindermorgan.com
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Enclosures: *Response Options for Pipeline Operators in Enforcement Proceedings*