



U.S. Department
of Transportation

**Research and
Special Programs
Administration**

400 Seventh St., S.W.
Washington, D.C. 20590

APR 15 2004

Mr. Jerry Milhorn
Vice President of Operations
Kinder Morgan Energy Partners, L.P.
500 Dallas Street, Suite 1000
Houston, TX 77002

Re: CPF No. 4-2003-5010H

Dear Mr. Milhorn:

Enclosed is a Proposed Second Amendment to the Corrective Action Order that was issued to Kinder Morgan Energy Partners, LP on August 6, 2003. The August 6, 2003 Corrective Action Order, as amended on October 3, 2003, restricted operating pressure, required an evaluation to determine the extent of stress corrosion cracking, and required other corrective action on your hazardous liquid pipelines between the Tucson and Phoenix pump stations following a July 30, 2003 rupture. This proposed second amendment would require you to take additional corrective action involving your communication and liaison procedures with public officials. Your receipt of the enclosed document constitutes service of that document under 49 C.F.R. § 190.5. The terms and conditions of this Proposed Second Amendment to the Corrective Action Order are effective upon receipt.

Sincerely,

James Reynolds
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

VIA CERTIFIED MAIL (RETURN RECEIPT REQUESTED) AND TELECOPY

**DEPARTMENT OF TRANSPORTATION
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, DC 20590**

In the Matter of

**Kinder Morgan
Energy Partners, L.P.,**

Respondent.

CPF No. 4-2003-5010H

PROPOSED SECOND AMENDMENT TO CORRECTIVE ACTION ORDER

Background

On August 6, 2003, the Associate Administrator for Pipeline Safety issued a Corrective Action Order in this case finding that continued operation by Kinder Morgan Energy Partners, L.P. (Respondent or Kinder Morgan) of its 8-inch Tucson-Phoenix pipeline would be hazardous to the public, property, and the environment without corrective measures. The August 6, 2003 Order was issued as a result of the July 30, 2003 rupture of the line at mile post 314.12 near Tucson, Arizona. The Order restricts the operating pressure of the pipeline and requires Kinder Morgan to develop and submit a protocol for mechanical and metallurgical testing of the ruptured pipe section and a plan for corrective measures for approval to the Director, Southwest Region, Office of Pipeline Safety (OPS).

On October 3, 2003, I amended the Corrective Action Order to require Respondent to develop a written plan with corrective measures on its pipelines designated as LS 6/7/117 and LS 53/54 addressing stress corrosion cracking (SCC), which was determined to be the cause of both the July 30, 2003 rupture and the August 20, 2003 hydrostatic test failure. Specifically, the Order requires Respondent's plan to take into account the most current and relevant SCC evaluation techniques published in the applicable industry standards; identify any sections of these lines that Respondent determines are not susceptible to SCC and include analysis that supports those determinations; develop a timetable for the completion of the assessment and remediation for each pipeline section where SCC is discovered; include a pilot for using direct assessment to address discovery of areas with SCC on the lines; and include appropriate remedial measures to ensure the long-term integrity of the pipe.

Basis for Proposed Second Amendment

Since I issued the amended Corrective Action Order, public safety officials have expressed concern that an ineffective and uncoordinated flow of information from the Respondent about the pipelines is hindering their ability to execute their public safety responsibilities and to protect persons in the vicinity of the pipeline. This proposed second amendment proposes that additional corrective measures to address those concerns be taken based on the following:

- In a conversation with the Associate Administrator for Pipeline Safety, the Arizona Corporation Commission Program Manager expressed concern that inadequate uncoordinated flow of information from Respondent concerning the operations of subject pipelines had complicated the times.
- In a meeting with the Associate Administrator for Pipeline Safety, the Tucson City Manager expressed concern that inadequate flow of information from Respondent had affected his ability to determine whether precautionary evacuations were necessary for schools and other special needs facilities.
- On March 12, 2004, a Warning Letter issued by OPS stated the following, "Kinder Morgan failed to follow their written procedure for establishing and maintaining liaison with fire, police, and other appropriate public officials, specifically the Tucson Fire Department. At the time of the accident the Tucson Fire Department did not know who operated the ruptured pipeline and contacted the ACC for assistance in locating the operator. This demonstrates that Kinder Morgan has not established and/or maintained liaison with appropriate fire, police, and other appropriate public officials."

Proposed Corrective Action

Pursuant to 49 U.S.C. § 60112, I propose to further amend the Corrective Action Order issued to Kinder Morgan Energy Partners, L.P. on August 6, 2003 by adding the following item:

Identify any action or series of actions to be undertaken that may require rapid decision-making by the responsible authorities at the community level to protect the public safety such as through evacuations, road closings, or notifications of police, fire, or other emergency responders (such actions would include, but are not limited to, line restarts, pressure testing, purging, and significant excavation activities). Document your procedures for communicating timely notice of such actions to federal, state, and local officials and for maintaining liaison to coordinate pre-planned and actual response activities with the appropriate officials. Submit these items within 30 days to: Director, Southwest Region, Office of Pipeline Safety, 2320 LaBranch Street, Suite 2100, Houston, TX 77004.

Right to Hearing

Within 10 days of receipt of this Proposed Second Amendment to the Corrective Action Order, Respondent may request a hearing, to be held as soon as practicable, by notifying the Associate Administrator for Pipeline Safety in writing, delivered personally, by mail, or by telecopy at (202) 366-4566. The hearing will be held in Houston, Texas or Washington, DC on a date that is mutually convenient to OPS and Respondent. Failure to respond authorizes the Associate Administrator to issue an amendment consistent with this notice.



Stacey Gerard
Associate Administrator
for Pipeline Safety

APR 15 2004

Date Issued