



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

1200 New Jersey Ave., S.E.
Washington, DC 20590

JAN 28 2008

Mr. M. Dwayne Burton
Vice President of Gas Operations
Natural Gas Pipeline Company of America
One Allen Center
500 Dallas Street, Suite 1000
Houston, TX 77002

Re: CPF No. 3-2005-1011

Dear Mr. Burton:

Enclosed is the Final Order in the above-referenced case. It makes findings of violation and finds that you have completed the actions specified in the Notice required to comply with the pipeline safety regulations. This case is now closed. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Ivan Huntoon, Director, Central Region, PHMSA

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

**DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of)
)
)
Natural Gas Pipeline Company)
of America,)
(formerly Kinder Morgan, Inc.))
)
Respondent)
_____)

CPF No. 3-2005-1011

FINAL ORDER

On June 16-28 and July 7-11, 2003, pursuant to 49 U.S.C. § 60117, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety conducted an on-site pipeline safety inspection of Respondent's¹ facilities and records in Minneola, Great Bend, and Glasco, Kansas; Beatrice, Nebraska; and Geneseo, Illinois. As a result of the inspection, the Director, Central Region, PHMSA, issued to Respondent, by letter dated March 14, 2005, a Notice of Probable Violation and Proposed Compliance Order (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent had committed violations of 49 C.F.R. Part 192 and proposed ordering Respondent to take certain measures to correct the alleged violations. In addition, the Notice contained a warning that Respondent had committed certain other violations of 49 C.F.R. § 192.465(d), 192.745, and 192.751 and advised Respondent to take appropriate corrective action.

Respondent responded to the Notice by letter dated November 8, 2005, as supplemented by letter dated February 2, 2006 (Response). Respondent did not contest the allegations of violation and provided information concerning the corrective actions it had taken. Respondent did not request a hearing, and therefore has waived its right to one.

FINDINGS OF VIOLATION

In its Response, Respondent did not contest the allegations in the Notice that it violated 49 C.F.R. Part 192, as follows:

¹ In December 2007, Knight Inc., formerly known as Kinder Morgan Inc., informed PHMSA that it had retained a 20% equity ownership in the NGPL system and will continue as the operator of the system.

Notice Item 2:**49 C.F.R. § 192.479 Atmospheric corrosion control: General.**

(a) Each operator must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.

(b) Coating material must be suitable for the prevention of atmospheric corrosion.

Specifically, Item 2 in the Notice alleged that Respondent failed to clean and coat portions of its pipeline exposed to the atmosphere at the Glasco Station. PHMSA's representative observed atmospheric corrosion at the basement entrance point on the 3" fuel gas lines to station engines No. 12 and 13. Respondent did not contest the allegation. Accordingly, I find that Respondent violated 49 C.F.R. § 192.479 by failing to clean and coat portions of its pipeline exposed to the atmosphere at the Glasco Station.

Notice Item 3:**49 C.F.R. § 192.613 Continuing surveillance.**

(a)

(b) If a segment of pipeline is determined to be in unsatisfactory condition but no immediate hazard exists, the operator shall initiate a program to recondition or phase out the segment involved, or, if the segment cannot be reconditioned or phased out, reduce the maximum allowable operating pressure in accordance with §192.619(a) and (b).

Specifically, Item 3 in the Notice alleged that Respondent failed to recondition or phase out a segment of pipeline No. 3 where an unsatisfactory condition existed. At the Nemaha River crossing (Mile Post 533), PHMSA's representative observed that the line was exposed and that large gaps existed between the pipe and the river weights. Respondent did not contest the allegation. Accordingly, I find that Respondent violated 49 C.F.R. § 192.613 by failing to recondition or phase out a segment of pipeline No. 3 where an unsatisfactory condition existed.

These findings of violation will be considered prior offenses in any subsequent enforcement action taken against Respondent.

COMPLIANCE ORDER

With respect to Items 2 and 3, the Notice proposed a compliance order. Under 49 U.S.C. § 60118(a), each person who engages in the transportation of gas or who owns or operates a pipeline facility is required to comply with the applicable safety standards established under chapter 601. The Director, Central Region, PHMSA has indicated that with respect to Item 2, Respondent has corrected the atmospheric corrosion; with respect to Item 3, Respondent has completed a series of scheduled projects to correct conditions at river crossings.

Accordingly, since compliance has been achieved with respect to these violations, it is unnecessary to include compliance terms in this Order.

WARNING ITEMS

With respect to Items 1, 4 and 5, the Notice alleged probable violations of Part 192 but did not propose a civil penalty or compliance order for these items. Therefore, these are considered to be warning items. The warnings were for:

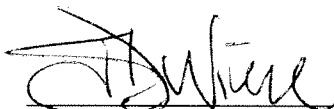
49 C.F.R. § 192.465(d) (Notice Item 1) — failure to take prompt remedial action to correct cathodic protection deficiencies indicated by monitoring. Respondent allegedly failed to take prompt remedial action to correct low cathodic protection readings identified at Mile Post 146/147 in 2001;

49 C.F.R. § 192.745 (Notice Item 4) — failure to inspect and partially operate each transmission line valve that might be required during any emergency at intervals not exceeding 15 months, but at least once each calendar year. Respondent allegedly failed to inspect and partially operate valves 152 and 163 in 2001; and

49 C.F.R. § 192.751 (Notice Item 5) — failure to take steps to minimize the danger of accidental ignition of gas in any structure or area where the presence of gas constitutes a hazard of fire or explosion. Respondent allegedly failed to vent a regulator with an internal relief valve to the outside at the Agenda Town Border Station.

Respondent presented information in its Response showing that it had taken certain actions to address these items. Having considered such information, pursuant to 49 C.F.R. § 190.205, I find that probable violations of 49 C.F.R. Part 192 have occurred as described in Notice Items 1, 4 and 5 and Respondent is hereby advised to correct such conditions. In the event that PHMSA finds a violation for any of these items in a subsequent inspection, Respondent may be subject to future enforcement action.

The terms and conditions of this Final Order are effective on receipt.



Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

JAN 28 2008

Date Issued