

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 23, 2011

Mr. Ron McClain
Vice President of Operations and Engineering
Kinder Morgan Energy Partners, L. P., Products Pipelines
500 Dallas Street
Houston, TX 77002

CPF 5-2011-5002W

Dear Mr. McClain:

From June 1, 2010 to June 3, 2010, a representative of the California State Fire Marshal representing the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Concord to Sacramento (LS130) pipeline system. As part of this inspection, he reviewed records at your offices in Concord, Fairfield, and Sacramento, California.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The probable violation is:

1. §195.428 (a) Overpressure safety devices

(a) Except as provided in paragraph (b) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7½ months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.

Kinder Morgan failed to inspect the Wickland take-off pressure relief valve (SX-PSV-1) at the required interval. This pressure relief valve protects LS130 by bypassing the closed SX block valve when shipping to Wickland. This valve was installed on August 31, 2005 but was not calibrated until May 25, 2010 when Kinder Morgan added this valve to their "OPS Info" inspection tracking program. The May 25, 2010 calibration record for the SX-PSV-1 valve noted the "found" set point as 1,115 psig and the "left" set point as 1,100 psig, demonstrating it was still functioning at close to the correct set point. Regardless, this pressure relief valve exceeded the testing interval by approximately three years and six months.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. 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(s) identified in this letter. Failure to do so will result in Kinder Morgan Energy Partners, L.P. 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 5-2011-5002W**. 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,

Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 T. Finch (Activity #128416)
California State Fire Marshal - Mr. Bob Gorham