



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

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

JUN 29 2006

Mr. Jerry Milhorn
Vice President, Operations/Engineering
Plantation Pipe Line Company
A Subsidiary of Kinder Morgan Energy Pipelines
500 Dallas Street, Suite 100
Houston, TX 77002

RE: CPF No. 2-2005-5011

Dear Mr. Milhorn:

Enclosed is the Final Order issued by the Associate Administrator for Pipeline Safety in the above-referenced case. It makes a finding of violation and assesses a civil penalty of \$2,000. I acknowledge receipt of, and accept payment dated October 17, 2005 in the amount of \$2,000 as payment in full of the civil penalty assessed against Plantation Pipe Line Company in the Final Order. This case is now closed. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Sincerely,

James Reynolds
Pipeline Compliance Registry
Office of Pipeline Safety

Enclosure

cc: Ms. Linda Daugherty, Director, OPS Southern Region

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

Plantation Pipe Line Company,

A Subsidiary of Kinder Morgan Energy Pipelines

Respondent.

CPF No. 2-2005-5011

FINAL ORDER

Between April 4 and May 20, 2005, pursuant to 49 U.S.C. § 60117, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), Southern Region conducted an on-site pipeline safety inspection of Respondent's facilities and records in Alabama, Georgia, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee. As a result of the inspection, the Director, Southern Region, OPS, issued to Respondent, by letter dated September 26, 2005, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that Respondent violated 49 C.F.R. § 195.573 and proposed assessing a civil penalty of \$2,000 for the alleged violation.

Respondent responded to the Notice by letter dated October 26, 2005 (Response). Respondent did not contest the allegation of violation, but offered information to explain the allegations and provided information concerning the corrective actions it has taken. Respondent did not request a hearing, and therefore has waived the right to one.

FINDINGS OF VIOLATION

Uncontested

Respondent did not contest the alleged violation of §195.573(e) in the Notice. Accordingly, I find that Respondent violated 49 C.F.R. Part 195, as more fully described in the Notice:

49 C.F.R. §195.573(e)—failure to correct any identified deficiency in corrosion control as required by §195.401(b), as no records were provided to show correction of low readings from the annual surveys at two (2) points on the Bremen to Knoxville line GA.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

ASSESSMENT OF PENALTY

Under 49 U.S.C. § 60122, Respondent is subject to a civil penalty not to exceed \$100,000 per violation for each day of the violation up to a maximum of \$1,000,000 for any related series of violations. The Notice proposed a \$2,000 civil penalty for violation of 49 C.F.R. § 195.573(e).

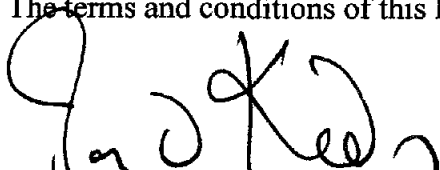
49 U.S.C. § 60122 and 49 C.F.R. § 190.225 require that, in determining the amount of the civil penalty, I consider the following criteria: nature, circumstances, and gravity of the violation, degree of Respondent's culpability, history of Respondent's prior offenses, Respondent's ability to pay the penalty, good faith by Respondent in attempting to achieve compliance, the effect on Respondent's ability to continue in business, and such other matters as justice may require.

Item 1 of the Notice proposed a civil penalty of \$2,000, as Respondent failed to provide records to show it corrected low readings from the annual surveys at two (2) points on the Bremen to Knoxville line GA. Respondent did not contest the allegation of violation. Accordingly, having reviewed the record and considered the assessment criteria, I assess Respondent a civil penalty of \$2,000, already paid by the Respondent for violation.

WARNING ITEMS

The Notice did not propose a civil penalty or compliance action for Items 2, 3, and 4 in the Notice; therefore, these are considered warning items. Respondent is warned that if it does not take appropriate action to correct these items, enforcement action will be taken if a subsequent inspection reveals a violation.

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



Stacey Gerard
Associate Administrator
for Pipeline Safety

for

JUN 29 2006

Date Issued