

April 17, 2015

Mr. Gary Buchler
Vice-President, Operations and Engineering
Kinder Morgan, Inc.
1001 Louisiana Street, Suite 1000
Houston, Texas 77002

Re: CPF No. 5-2014-1004

Dear Mr. Buchler:

Enclosed please find the Final Order issued to your subsidiary, TransColorado Gas Transmission Company, LLC. It makes findings of violation and assesses a civil penalty of \$33,100. This is to acknowledge receipt of payment of the full penalty amount, by wire transfer, dated January 14, 2015. This enforcement action is now closed. Service of the Final Order by certified mail is deemed effective upon the date of mailing, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Chris Hoidal, Director, Western Region, OPS
Mr. Richard D. Kinder, Chairman of the Board & CEO, Kinder Morgan, Inc.

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

In the Matter of)	
)	
TransColorado Gas Transmission Company, LLC,)	CPF No. 5-2014-1004
a subsidiary of Kinder Morgan, Inc.,)	
)	
Respondent.)	
)	

FINAL ORDER

Between April 7-11, 2014, pursuant to 49 U.S.C. § 60117, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), conducted an on-site pipeline safety inspection of the facilities and records of TransColorado Gas Transmission Company, LLC, 's (TransColorado or Respondent) South Unit, in Grand Junction, Colorado. TransColorado, a subsidiary of Kinder Morgan, Inc. (Kinder Morgan), is a 300-mile natural gas transmission pipeline that runs from the Greasewood area pipeline in Rio Blanco County, Colorado, to San Juan County, New Mexico.¹

As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated December 8, 2014, a Notice of Probable Violation and Proposed Civil Penalty (Notice). In accordance with 49 C.F.R. § 190.207, the Notice proposed finding that TransColorado had violated 49 C.F.R. § 192.731(a) and assessing a civil penalty of \$33,100 for the alleged violation.

Kinder Morgan responded to the Notice by letter dated January 16, 2015 (Response). The company did not contest the allegation of violation and paid the proposed civil penalty of \$33,100, as provided in 49 C.F.R. § 190.227, on January 14, 2015. Payment of the penalty serves to close the case with prejudice to the Respondent.

FINDING OF VIOLATION

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

¹ Kinder Morgan, Inc., website, available at:
http://www.kindermorgan.com/pages/business/gas_pipelines/west/TransColorado/default.aspx (last accessed February 9, 2015).

Item 1: The Notice alleged that Respondent violated 49 C.F.R. § 192.731(a), which states:

§ 192.731 Compressor stations: Inspection and testing of relief devices.

(a) Except for rupture discs, each pressure relieving device in a compressor station must be inspected and tested in accordance with §§ 192.739 and 192.743, and must be operated periodically to determine that it opens at the correct set pressure.

The Notice alleged that Respondent violated 49 C.F.R. § 192.731(a) by failing to inspect and test the relief valve at its Blanco Compressor Station. Specifically, the Notice alleged that Respondent's annual inspection and testing of its relief valve at the station Blanco Compressor Station was not performed within the required regulatory interval of once per calendar year but not exceeding 15 months, as required under § 192.739(a). The Notice further alleged that according to Respondent's *Blanco Compressor Station, Relief Valve Summary Report for Relief Valves, 1029-2927-RVO*, the relief valve was inspected and tested on August 15, 2012, but not again until December 18, 2013. This exceeds the maximum allowable inspection and test interval by one month and three days.

Respondent did not contest this allegation of violation. Accordingly, based upon a review of all of the evidence, I find that Respondent violated 49 C.F.R. § 192.731(a) by failing to inspect and test relief valves once per calendar year but not exceeding 15 months.

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 an administrative civil penalty not to exceed \$200,000 per violation for each day of the violation, up to a maximum of \$2,000,000 for any related series of violations. In determining the amount of a civil penalty under 49 U.S.C. § 60122 and 49 C.F.R. § 190.225, I must consider the following criteria: the nature, circumstances, and gravity of the violation, including adverse impact on the environment; the degree of Respondent's culpability; the history of Respondent's prior offenses; and any effect that the penalty may have on its ability to continue doing business; and the good faith of Respondent in attempting to comply with the pipeline safety regulations. In addition, I may consider the economic benefit gained from the violation without any reduction because of subsequent damages, and such other matters as justice may require. The Notice proposed a total civil penalty of \$33,100 for the violation cited above.

Item 1: The Notice proposed a civil penalty of \$33,100 for Respondent's violation of 49 C.F.R. § 192.731(a), for failing to inspect and test relief valves once per calendar year but not exceeding 15 months. Respondent neither contested the allegation nor presented any evidence or argument justifying a reduction in the proposed penalty. Accordingly, having reviewed the record and

considered the assessment criteria, including the nature, circumstances, and gravity of the violation, and the degree of Respondent's culpability, I assess Respondent a civil penalty of \$33,100 for violation of 49 C.F.R. § 192.731(a), which amount has already been remitted.

In summary, having reviewed the record and considered the assessment criteria for each of the Items cited above, I assess Respondent a total civil penalty of **\$33,100**.

The terms and conditions of this Final Order are effective upon service in accordance with 49 C.F.R. § 190.5.

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued