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U.S. Department of Transportation Proposes Fine for New Jersey Pipeline Accident

WASHINGTON – The U.S. Department of Transportation’s Pipeline and Hazardous Materials Safety Administration (PHMSA) today announced a proposed \$425,000 fine against Kinder Morgan Products Pipelines for alleged pipeline safety violations. The proposed fine follows a PHMSA investigation into Kinder Morgan’s October 2009 accident in Perth Amboy, N.J.

“We will hold pipeline operators accountable when they put the public or the environment at risk,” said U.S. Transportation Secretary Ray LaHood. “Pipeline operators must be vigilant about following safety regulations to prevent accidents and keep our communities safe without disrupting energy supplies.”

As a result of PHMSA’s investigation, the agency found a total of seven probable violations related to the accident. These violations include allegations that the company failed to have and follow written startup and shutdown procedures, and failed to have and use other measures to detect abnormal operating conditions. The accident caused about 8,600 gallons of hazardous liquid to be released into the dike containment area around the company’s Perth Amboy Terminal.

“PHMSA is committed to making sure operators do not delay in assessing the integrity of their pipeline systems,” PHMSA Administrator Cynthia Quarterman said. “Today’s action underscores the importance that all pipeline operators address threats their systems may pose to public safety and the environment.”

The proposed fine is part of PHMSA’s notice of probable violation. The company will have 30 days to respond.

PHMSA regulates more than 2.5 million miles of pipeline nationwide, as well as the terminals that store fuels and offer blending services for ethanol and other products. Kinder Morgan’s Perth Amboy and Carteret terminals are at the center of hazardous liquid product movement in the Northeast.

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