

## NOTICE OF AMENDMENT

### **CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

July 27, 2009

Brent Backes  
General Vice President and General Counsel  
DCP Midstream  
370 17<sup>th</sup> Street, Suite 2500  
Denver, Colorado 80202

**CPF 3-2009-1012M**

Dear Mr. Backes:

On October 16-20, 2006 and October 30-November 1, 2006, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code inspected the Duke Energy Field Services (DEFS) integrity management plan and procedures in Denver, Colorado.

On the basis of the inspection, PHMSA has identified apparent inadequacies within DEFS' plans or procedures, as described below:

#### **§192.911 What are the elements of an integrity management program?**

**An operator's initial integrity management program begins with a framework (see §192.907) and evolves into a more detailed and comprehensive integrity management program, as information is gained and incorporated into the program. An operator must make continual improvements to its program. The initial program framework and subsequent program must, at minimum, contain the following elements. (When indicated, refer to ASME/ANSI B31.8S (ibr, see §192.7) for more detailed information on the listed element.)**

**1. §192.911(a) An identification of all high consequence areas, in accordance with §192.905.**

**Item 1A: §192.905 How does an operator identify a high consequence area?  
(c) *Newly identified areas.* When an operator has information that the area around a pipeline segment not previously identified as a high consequence area could satisfy any of the definitions in §192.903, the operator must complete the evaluation using method (1) or (2). If the segment is determined to meet the definition as a high consequence area, it must be incorporated into the operator's baseline assessment plan as a high consequence area within one year from the date the area is identified.**

The DEFS integrity management process for keeping its high consequence area (HCA) information up to date lacks adequate specificity or guidance. For example, the following details are missing:

- A description of how changes to the environment around the pipeline are captured by the routine patrols and the continual surveillance procedures for evaluation for HCA identification.
- A description of how to determine changes in building use.
- A requirement to annually review all pipelines within the system for potential changes to initial HCA identification.
- A requirement to document the annual review on Form 57 if no changes to the HCA identification are required.
- A set of criteria for the qualification and training of individuals performing the annual HCA review.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.237. Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. 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). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

If, after opportunity for a hearing, your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.237). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

In correspondence concerning this matter, please refer to **CPF 3-2009-1012M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Ivan A. Huntoon  
Director, Central Region  
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*