



U.S. Department  
of Transportation  
**Pipeline and Hazardous  
Materials Safety  
Administration**

1200 New Jersey Ave. S.E.  
Washington DC 20590

SEP - 8 2008

Mr. Brent Backes  
General Counsel and Vice President  
DCP Midstream, LLC  
370 17<sup>th</sup> St., Suite 2500  
Denver, CO 80202

**Re: CPF No. 5-2007-5029**

Dear Mr. Backes:

Enclosed is the Final Order issued to DCP Midstream LP in the above-referenced case. It makes a finding of violation and assesses a civil penalty of \$23,800. I acknowledge receipt of your wire transfers totaling \$23,800 and accept them as payment in full of the civil penalty proposed in the Notice of Probable Violation and Proposed Civil Penalty. This case is now closed. Your receipt of the Final Order constitutes service of that document under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter and prompt payment of the penalty.

Sincerely,

Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

Enclosure

cc: Mr. Chris Hoidal, Director, Western Region, OPS

**CERTIFIED MAIL – RETURN RECEIPT REQUESTED**

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

<b>In the Matter of</b>	)	
	)	
	)	
<b>DCP Midstream LP,</b>	)	<b>CPF No. 5-2007-5029</b>
	)	
<b>Respondent.</b>	)	
	)	

**FINAL ORDER**

On August 8 – 11, 2005, pursuant to 49 U.S.C. § 60117, representatives of the Pipeline and Hazardous Materials Safety Administration, Office of Pipeline Safety (OPS) conducted an on-site pipeline safety inspection of the facilities and records of DCP Midstream LP (Midstream or Respondent)<sup>1</sup> in Cheyenne Wells, Colorado. Respondent operates approximately 36 miles of 4-inch Highly Volatile Liquid (HVL) pipeline, running from the Ladder Creek helium plant southwest of Cheyenne Wells, Colorado, to the injection point at BP’s HVL line at Kanarando Station, near Burlington, Colorado. As a result of the inspection, the Director, Western Region, OPS (Director), issued to Respondent, by letter dated August 3, 2007, 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 had violated 49 C.F.R. § 195.412 and assessing a civil penalty of \$23,800 for the alleged violation.

Respondent did not respond to the Notice but submitted wire transfers in the amount of the proposed civil penalty,<sup>2</sup> thereby waiving any further right to respond and authorizing the entry of this Final Order.

**FINDING OF VIOLATION**

Pursuant to 49 C.F.R. § 190.213 and 49 U.S.C. § 60122, I hereby find that Respondent violated 49 C.F.R. Part 195, as follows:

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<sup>1</sup> As of the August, 2005 PHMSA inspection, the pipeline facilities that are the subject of this Final Order were operated by Duke Energy Field Services, an entity owned by Duke Energy Corporation. As of the date of this Final Order, such pipeline facilities are operated by DCP Midstream LP. DCP Midstream LP is owned and operated by DCP Midstream LLC, an equally owned joint venture between Spectra Energy and ConocoPhillips.

<sup>2</sup> Respondent transferred \$23,000 by wire on September 5, 2007, and \$800 on March 26, 2008.

**Item 1:** The Notice alleged that Respondent violated 49 C.F.R. § 195.412(a), which states:

**§ 195.412 Inspection of rights-of-way and crossings under navigable waters.**

(a) Each operator shall, at intervals not exceeding 3 weeks, but at least 26 times each calendar year, inspect the surface conditions on or adjacent to each pipeline right-of-way. Methods of inspection include walking, driving, flying or other appropriate means of traversing the right-of-way.

The Notice alleged that Respondent violated 49 C.F.R. § 195.412(a) by its repeated failure to comply with the three-week right-of-way inspection intervals. Specifically, the Notice alleged that at the time of the inspection, Respondent's line patrol records for the HVL line indicated that the three-week interval was exceeded three (3) times in 2003, twelve (12) times in 2004, and four (4) times in 2005. Midstream's records also indicated that the line was flown only a total of 24 times in 2003 and 12 times in 2004. Accordingly, I find that Respondent violated 49 C.F.R. § 195.412(a) in 2003, 2004, and 2005 by failing to inspect the said HVL line right-of-way at intervals not exceeding three weeks, but at least 26 times each calendar year.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent. Having reviewed the record and considered the assessment criteria in 49 U.S.C. § 60122, I hereby assess Respondent a civil penalty of \$23,800, which amount has already been paid in full by Respondent.

The terms and conditions of this Final Order shall be effective upon receipt.

*William H. Wiese*  
*for*

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Jeffrey D. Wiese  
Associate Administrator  
for Pipeline Safety

SEP - 8 2008  
Date Issued