

## WARNING LETTER

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

November 17, 2011

Mr. Jim Mehring  
Vice President of Gas Operations  
Duke Energy Kentucky  
139 East Fourth Street  
Cincinnati, OH 45202

**CPF 2-2011-6009W**

Dear Mr. Mehring:

On July 25-29, 2011, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected the Duke Energy Kentucky (Duke) liquefied propane gas (LPG) LP03 pipeline for operations and maintenance in Florence, Kentucky.

As a result of the inspection, it appears that Duke has committed a probable violation of the Pipeline Safety Regulations, Title 49, and Code of Federal Regulations. The item inspected and the probable violation is as follows:

**1. §195.505 Qualification program.**

**Each operator shall have and follow a written qualification program. The program shall include provisions to:**

**.... (b) Ensure through evaluation that individuals performing covered tasks are qualified;**

The Duke LPG pipeline system has three cased pipeline crossings identified as casing numbers 0023, 0039 and 0055. Monitoring of these cased pipeline crossings includes taking casing-to-soil cathodic protection potential readings annually at these locations. During the inspection Duke could not produce the operator qualification records for the AMS employee who performed the monitoring on 11/9/09, 9/2/10, and 9/7/10.

After the inspection, Duke sent a follow-up response to the PHMSA Southern Region on August 4, 2011, in which Duke confirmed that it could not locate the operator

qualification records for the AMS employee who took the casing-to-soil readings. He was removed from the job and subsequently qualified on August 2, 2011.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the item identified in this letter. Failure to do so will result in Duke Energy Kentucky being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 2-2011-6009W**. 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).

Sincerely,

Wayne T. Lemoi  
Director, Office of Pipeline Safety  
PHMSA Southern Region