

## WARNING LETTER

### **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 3-2009-1011W**

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.

As a result of the inspection, it appears that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violation(s) are:

#### **§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(b)(1) Identified sites. An operator must identify an identified site, for purposes of this subpart, from information the operator has obtained from routine operation and maintenance activities and from public officials with safety or emergency response or planning responsibilities who indicate to the operator that they know of locations that meet the identified site criteria. These public officials could include officials on a local emergency planning commission or relevant Native American tribal officials.**

**(2) If a public official with safety or emergency response or planning responsibilities informs an operator that it does not have the information to identify an identified site, the operator must use one of the following sources, as appropriate, to identify these sites.**

**(i) Visible marking (e.g., a sign); or**

**(ii) The site is licensed or registered by a Federal, State, or local government agency; or**

**(iii) The site is on a list (including a list on an internet web site) or map maintained by or available from a Federal, State, or local government agency and available to the general public.**

DEFS did not use input from public officials with safety or emergency response or planning responsibilities during the process to locate “identified sites” as required. Additionally, in the absence of public official input, DEFS did not utilize facility licensing registration data or one of the other alternatives, to assist in the determination of “identified sites.”

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(s) identified in this letter. Failure to do so will result in DCP Midstream 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 3-2009-1011W**. 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,

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