

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

June 18, 2013

Mr. Brent Backes
General Counsel and Vice President
DCP Midstream LLC
370 17th Street, Suite 2500
Denver, Colorado 80202

CPF 3-2013-1008M

Dear Mr. Backes:

On September 17, 2012, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected DCP Midstream LLC (DCP) procedures for its Public Awareness Program (PAP) in Denver, Colorado.

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

1. §192.616 Public awareness.

(a) Except for an operator of a master meter or petroleum gas system covered under paragraph (j) of this section, each pipeline operator must develop and implement a written continuing public education program that follows the guidance provided in the American Petroleum Institute's (API) Recommended Practice (RP) 1162 (incorporated by reference, see § 192.7).

DCP's written PAP is inadequate because it does not have communication procedures for Field and Corporate personnel. The plan does not have a procedure on how to keep track of communications and those resources involved in the PAP. As a result, sustaining PAP compliance and implementation throughout the pipeline system operations has not been adequately tracked, and measured.

2. §192.616 Public awareness.

(b) The operator's program must follow the general program recommendations of API RP 1162 and assess the unique attributes and characteristics of the operator's pipeline and facilities.

DCP's written PAP is inadequate because it does not account for listed assets apart from their pipelines. Its written PAP does not have procedures to notify stakeholder audiences of major facilities apart from their pipelines within the stakeholder audience in proximity to the pipeline system.

3. §192.616 Public awareness.

(c) The operator must follow the general program recommendations, including baseline and supplemental requirements of API RP 1162, unless the operator provides justification in its program or procedural manual as to why compliance with all or certain provisions of the recommended practice is not practicable and not necessary for safety.

DCP's written PAP is inadequate because it does not have annual review and effectiveness evaluation procedures to meet the requirements of the compliance code. The activities or items, and the method to review them are not documented in its entirety. In accordance with the PAPEE inspection, it is unclear what DCP Midstream is reviewing for its annual review and effectiveness evaluation.

DCP's written PAP is inadequate because it does not ensure that mailings will be reviewed annually. At the time of the PHMSA inspection, the operator could not provide mailings for 2008.

DCP's written PAP is inadequate for not having a procedure in place to determine when supplemental activities are required. It is also inadequate for not addressing enhancement of the operator's assets through supplemental activities.

DCP's written PAP is inadequate because it does not have a procedure to address closing the loop with its Liaison Emergency Response officials, and providing capability survey information to local assets.

DCP's written PAP is inadequate for not having a procedure that ensures an adequate annual implementation review. During the inspection it was unclear what the operator reviewed during its annual implementation audit.

DCP's written PAP is inadequate because it does not have a procedure to summarize activities completed by operations as good examples to be promoted around DCP. In addition, the procedure does not address tracking completed activities.

DCP's written PAP is inadequate because it does not have a procedure to track improvement action items with target completion dates, assigned personnel, and recommendations that came from the PAP effectiveness evaluation survey.

DCP's written PAP is inadequate because it does not have a procedure that specifically addresses the effectiveness evaluation of DCP's PAP.

DCP's written PAP is inadequate because it does not address determining the percentage of individual or entities actually reached within the target audience within all areas along all systems covered by its program.

DCP's written PAP is inadequate because it does not specifically address determining the percentage of individual or entities that actually understood and retained the key information in the messages received within the target audience within all areas along all systems covered by its program.

DCP's written PAP is inadequate because it does not track the changes reached during the effectiveness evaluation, the tracking of the individuals set to accomplish the action items required to implement the changes, and the tracking of due dates to ensure the changes are implemented.

4. §192.616 Public awareness.

(d) The operator's program must specifically include provisions to educate the public, appropriate government organizations, and persons engaged in excavation related activities on:

- (1) Use of a one-call notification system prior to excavation and other damage prevention activities;**
- (2) Possible hazards associated with unintended releases from a gas pipeline facility;**
- (3) Physical indications that such a release may have occurred;**
- (4) Steps that should be taken for public safety in the event of a gas pipeline release; and**
- (5) Procedures for reporting such an event.**

DCP's written PAP is inadequate because its use of the "established methods" to identify stakeholders are not applied individually, and it does not include language supporting activities that are currently being done by the operator to identify stakeholders. DCP needs to document the buffer calculation per stakeholder audience, and include the PIR calculations used within the 660 feet buffer.

5. §192.616 Public awareness.

(g) The program must be conducted in English and in other languages commonly understood by a significant number and concentration of the non-English speaking population in the operator's area.

DCP's written PAP is inadequate because the procedure for determining what language to send the public awareness message in does not demonstrate how a significant percentage and concentration of language in a geographical area is determined.

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 45 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.

It is requested that DCP Midstream maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to David Barrett, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2013-1008M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

David Barrett
Director, Central Region
Pipeline and Hazardous Materials Safety Administration

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

cc: David McAtee, Director, Pipeline Compliance and Integrity Services