

## WARNING LETTER

### CERTIFIED MAIL - RETURN RECEIPT REQUESTED

November 6, 2014

Mr. Brent Backes  
GVP General Counsel  
DCP Midstream - PEPL  
370 17<sup>th</sup> Street, Suite 2500  
Denver, Colorado 80202

**CPF 3-2014-1007W**

Dear Mr. Backes:

On June 1 - 6, 2014, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected portions of the DCP-PEPL system located in Texas, Oklahoma and Kansas. PHMSA understands this system is owned by Energy Transfer and operated by DCP Midstream.

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

**1. §192.709 Transmission lines: Record keeping.**

**Each operator shall maintain the following records for transmission line for the periods specified:**

**(c) A record of each patrol, survey, inspection, and test required by subparts L and M of this part must be retained for at least 5 years or until the next patrol, survey, inspection, or test is completed, whichever is longer.**

DCP personnel did not document the partial operation of multiple valves annually as required by §192.745(a). According to DCP, these valves are essential valves that would be necessary in an emergency situation.

**2. §192.735 Compressor stations: Storage of combustible materials.**

**(a) Flammable or combustible materials in quantities beyond those required for everyday use, or other than those normally used in compressor buildings, must be stored a safe distance from the compressor building.**

DCP was storing combustible materials beyond those required for everyday use in two compressor station buildings. Combustibles in the form of cardboard boxes and plywood were found in the compressor station engine rooms during the field checks at the Columbian Booster and Hansford compressor stations.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a 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 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 3-2014-1007W**. 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,

Allan C. Beshore  
Director, Central Region  
Pipeline and Hazardous Materials Safety Administration