



U.S. Department
of Transportation

**Pipeline and
Hazardous Materials Safety
Administration**

12300 W. Dakota Ave., Suite 110
Lakewood, CO 80228

SENT TO COMPLIANCE REGISTRY
Hardcopy Electronically
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WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 5, 2007

Mr. David Backes
General Counsel and Vice President
Duke Energy Field Services, Inc.
370 17th Street, Suite 2500
Denver, CO 80202

CPF 5-2007-0006W

Dear Mr. Backes:

On December 12-13, 2006, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your 4" KG Line in Greeley, 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:

1. §195.266 Construction Records

A complete record that shows the following must be maintained by the operator involved for the life of each pipeline facility:

(a) The total number of girth welds and the number of nondestructively tested, including the number rejected and the disposition of each rejected weld.

At the time of the inspection, Duke Energy Field Services, Inc. did not produce records linking a particular weld number to a specific piece of pipe (milepost, station or other feature) and welder with respect to a repair project completed on the 4" KG line in October, 2004. The company was able to provide an x-ray log for the project, but the log did not provide sufficient detail as to the disposition of two of the welds ("accepted" was not checked on W-7 and W-8) and the location of the 8 welds with respect to the 4" KG pipeline, and the welder id for each respective weld completed.

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 violations persists up to a maximum of \$1,000,000 for any related series of violations. Also, for LNG facilities, an additional penalty of not more than \$50,000 for each violation may be imposed. 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 Duke Energy Field Services 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 5-2007-0006W**. 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,



Chris Hoidal
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 K. Davis