

WARNING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 26, 2019

Mr. Brent Backes
Group Vice President and General Counsel
DCP Midstream
370 17th Street, Suite 2500
Denver, CO 80202-0202

CPF 5-2019-6008W

Dear Mr. Backes:

On June 3 through June 7, 2019, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected your Weld County highly-volatile liquid (HVL) system in Greeley, Colorado.

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

1. **§ 195.428 Overpressure safety devices and overfill protection systems.**

(a) Except as provided in paragraph (b) of this section, each operator shall, at intervals not exceeding 15 months, but at least once each calendar year, or in the case of pipelines used to carry highly volatile liquids, at intervals not to exceed 7½ months, but at least twice each calendar year, inspect and test each pressure limiting device, relief valve, pressure regulator, or other item of pressure control equipment to determine that it is functioning properly, is in good mechanical condition, and is adequate from the standpoint of capacity and reliability of operation for the service in which it is used.

The following overpressure safety devices were not inspected at the specified intervals:

- Pressure Safety Valve (PSV) 2120 was inspected on 4/25/2017 and 12/28/2017. This exceeded the allowed 7½ months interval for lines used to carry HVLs.
- PSV 2117 was inspected on 8/18/2016 and 8/26 /2017. This exceeded the allowed 7½ months interval for lines used to carry HVLs.

2. § 195.420 Valve maintenance.

(a) . . .

(b) Each operator shall, at intervals not exceeding 7½ months, but at least twice each calendar year, inspect each mainline valve to determine that it is functioning properly.

The following mainline valves were not inspected at the specified intervals:

- Lucerne 6-inch line:
(2) - 6 inch mainline valves; the Lucerne Track Rack and the Lucerne tie-in to Williams were inspected on 8/24/2018 and 5/14/2019. This exceeded the allowed 7½ months interval.
- BH 4-inch line:
(1) - 4-inch mainline manual valve; the Platteville River Crossing 01-V-04-0127 is missing inspection records for 2018. Only one inspection was performed on 5/08/2017 in 2017.
- (2) - 4 inch mainline automated valves; SDV-4069 and SDV-04086 were inspected on 1/17/2017 and 12/18/2017. This exceeded the allowed 7½ months interval.
- (2) - 4 inch mainline automated valves; KG-6 and KG-7 were inspected on 8/7/2018 and 5/30/2019. This exceeded the allowed 7½ months interval.
- (1) - 4-inch mainline automated valve; KG -8 was inspected on 8/8/2018 and 6/28/2019. This exceeded the allowed 7½ months interval.
- Rogen 2-inch line:
(1) - 2-inch ball valve at the COP site; ball valve was inspected on 5/9/2017 and 1/15/2018. This exceeded the allowed 7½ months interval.
- (1) - 2-inch ball valve at the Plains yard RR & 398; ball valve was inspected on 5/8/2017 and 1/15/2018. This exceeded the allowed 7½ months interval.
- (1) - 2-inch ball valve at the Roggan Plant; ball valve was inspected on 10/17/2017 and

8/21/2018. This exceeded the allowed 7½ months interval.

- (1) - 2-inch ball valve at the Old Phillips Plant; ball valve was inspected on 5/8/2017 and 1/15/2017. This exceeded the allowed 7½ months interval.
- Roggen 4-inch line:
 - (1) - 4-inch ball valve at the Gherkin/North of I-70; ball valve was inspected on 5/8/2017 and 1/15/2018. This exceeded the allowed 7½ months interval.
- (1) - 4-inch ball valve at the COP site; ball valve was inspected on 5/8/2017 and 1/15/2018. This exceeded the allowed 7½ months interval.

3. § 195.420 Valve maintenance.

(a) . . .

(c) Each operator shall provide protection for each valve from unauthorized operation and from vandalism

The following mainline valves are automated valves with their own Emergency Shutdown Button (ESB). These valves' ESBs did not have any protections or safeguards against unauthorized operation.

- BH4 inch line:
Valves KG#6, KG#7, KG#8
- Roggen 4-inch line:
Valve #2

4. § 195.410 Line markers.

(a) Except as provided in paragraph (b) of this section, each operator shall place and maintain line markers over each buried pipeline in accordance with the following:

(1) Markers must be located at each public road crossing, and in sufficient number along the remainder of each buried line so that its location is accurately known.

On the BH 4-inch line, the company did not have a sufficient number of pipeline markers between the 4-inch manual valve and the Platteville River crossing so that the buried line's location was accurately known. No markers were observable in the area, or near the area, to indicate the pipeline's location. Further, during the inspection, the operator's personnel could not provide the location of the pipeline between the 4-inch manual valve and the Platteville river crossing.

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$213,268 per violation per day the violation persists, up to a maximum of \$2,132,679 for a related series of violations. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 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 items 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 5-2019-6008W**. 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,

Dustin Hubbard
Director, Western Region
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 Y. Liang (#163299)