

**From:** Woody Cole [mailto:woody.cole@calpine.com]  
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**Subject:** Pipe Failure - Power Station

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Attached are pictures of an actual pipe that failed at the Datong Power Station Unit 2....as they say one picture is worth a thousand words....

This steam line is from a 300MW unit at the Datong Power Station Unit 2. The investigation indicates that the pipe was actually manufactured by a Chinese pipe mill, then sold to another Chinese "pipe producer" who allegedly did some type of heat treatment to it then sold it to a third "pipe company" who polished the OD and sized the ends. (It was very clean and proper looking pipe.) The pipe was then shipped to a company in Houston, TX, called S.M.A.N.T, who then certified it as Made in the USA, and shipped it to the fabrication company who supplied it for installation on the Datong Power Station Unit 2 job. The pipe was installed early to mid 2006, and it had been in operation for less than 6 weeks when the rupture occurred. Tragically, two people died, others are still listed as critical, and many were injured. The Chinese Government has stepped in and has called for a formal investigation. The Chinese Government has also banned Chinese made pipe for use in major power plant critical applications. Thus far there is evidence to support that over 30 plants contain similar or other "fake pipe" all over China. Unfortunately some non-discerning companies are now marketing and selling this pipe for export. Documented instances exist where this type of pipe has been moved into US markets. These details have been confirmed by the Bechtel QA Manager of Power. Bechtel China has also conducted an investigation and the supply chain is ugly due to the extent of how many agents, brokers, and mills are involved.

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