



U.S. Department
of Transportation

Pipeline and Hazardous Materials
Safety Administration

901 Locust Street, Suite 462
Kansas City, Missouri 64106-2641

**NOTICE OF PROBABLE VIOLATION
PROPOSED CIVIL PENALTY
and
PROPOSED COMPLIANCE ORDER**

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

March 16, 2016

Mr. Mick Rafter
Vice-President – Operations and Environmental, Health, and Safety
Tallgrass Pony Express Pipeline, LLC
370 Van Gordon Street
Lakewood, Colorado 80228

CPF 3-2016-5001

Dear Mr. Rafter:

On February 13, 2015, the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), Central Region, pursuant to Chapter 601 of 49 United States Code, sent a Request for Specific Information for two over-pressure incidents that occurred on October 7, 2014, between Jennings Station and Natoma Station in Kansas and again on October 28, 2014, at Cushing Station in Cushing, Oklahoma.

As a result of the review of the information, 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 violations are:

1. **§195.406 Maximum operating pressure.**
 - (b) **No operator may permit the pressure in a pipeline during surges or other variations from normal operations to exceed 110 percent of the operating pressure limit established under paragraph (a) of this section. Each operator must provide adequate controls and protective equipment to control the pressure within this limit.**

Tallgrass did not provide adequate controls and protective equipment to limit the pressure to 110% on two occasions during the operation of the Pony Express pipeline in October of 2014.

- a) On October 7, 2014, during the line fill operations of the Pony Express Pipeline, Tallgrass personnel did not open a valve at Cushing to relieve the nitrogen that was being used as backpressure to keep the line from going slack. As a result, the pressure of the line began to build up to over 110% of the maximum operating pressure (MOP) at several locations between Jennings and Natoma Stations in Kansas. Tallgrass recorded the following pressures at the pressure transmitters located at BG-MOV-100 upstream, BG-MOV-100 downstream, MLV 69-upstream, and MLV-71-downstream:

<u>Transmitter</u>	<u>MOP</u>	<u>Pressures Recorded</u>	<u>Time Length</u>
BG-MOV-1000 upstream	956 psig	1053 – 1076 psig	11 minutes
BG-MOV-1000 downstream	956 psig	1053 – 1072 psig	11 minutes
MLV 69-upstream	956 psig	1054 – 1080 psig	20 minutes
MLV 71-upstream	956 psig	1053 – 1061 psig	9 minutes
MLV 71-downstream	956 psig	1055 – 1070 psig	9 minutes

- b) On October 28, 2014, a controller was checking the operation of main line valves at the Cushing Station because he had noted that a couple of mainline valves on the northern end of the pipeline had not responded. As the valves opened, head pressure on the mainline caused the Cushing Station piping to reach over 110% of the 285 psig MOP. The station outlet was shut-in at the time. Because the flow control valve did not react fast enough to limit the pressure and the set point of the rupture pin (285 psig) was too high in this scenario, the station piping was subjected to pressure of approximately 350 psig for about 45 seconds.

Proposed Civil Penalty

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. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation and has recommended that you be preliminarily assessed a civil penalty of \$14,700.

Proposed Compliance Order

With respect to item 1 pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Tallgrass Pony Express Pipeline, LLC. Please refer to the Proposed Compliance Order, which is enclosed and made a part of this Notice.

Response to this Notice

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. All material submitted in response to this enforcement action may be 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.

In your correspondence on this matter, please refer to **CPF 3-2016-5001** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,



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

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

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Tallgrass Pony Express Pipeline, LLC a Compliance Order incorporating the following remedial requirements to ensure the compliance of Tallgrass Pony Express Pipeline, LLC with the pipeline safety regulations:

1. In regard to Item Number 1 of the Notice pertaining to the overpressure incidents on the Pony Express pipeline between Jennings and Natoma Stations and at Cushing Station, Tallgrass will perform an evaluation of all overpressure set points at each station on the Pony Express Pipeline to ensure that the set points will adequately protect the pipeline and station's maximum operating pressure and re-set as necessary. Additionally, Tallgrass will identify all personnel involved in the incidents and retrain them on the procedures for line fill and start-up of all stations as well as review controller training and operating procedures to address any needed enhancements as a result of the two incidents.
2. Tallgrass must complete and submit records demonstrating the re-evaluation of all overpressure protection equipment and reset of set-points as necessary within 60 days of the date of the Final Order. Further, Tallgrass will submit records that demonstrate the identification and re-training of all personnel on the line fill and start-up procedures of the stations and the review of the controller operating and training procedures within 30 days of the date of the Final Order.
3. It is requested (not mandated) that Tallgrass maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Allan C. Beshore, Director, Central Region, OPS, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.