

NOTICE OF AMENDMENT

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 12, 2019

David Dehaemers
President
Tallgrass Pony Express Pipeline, LLC
370 Van Gordon Street
Lakewood, CO 80228

CPF 3-2019-5011M

Dear Mr. Dehaemers:

From May 24th - October 21st, 2016, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected Tallgrass Pony Express Pipeline (Tallgrass) procedures for operations, maintenance, and emergencies in Lakewood, CO and Wichita, KS.

On the basis of the inspection, PHMSA has identified the apparent inadequacies found within Tallgrass plans or procedures, as described below:

- 1. §195.402 Procedural manual for operations, maintenance, and emergencies.**
(c) *Maintenance and normal operations.* The manual required by paragraph (a) of this section must include procedure for the following to provide safety during maintenance and normal operations:
(3) Operating, maintaining, and repairing the pipeline system in accordance with each of the requirements of this subpart and subpart H of this part.

Tallgrass O&M procedures 2101_L, and O&M 500_L (all are effective November 13, 2012) applicable to Pony Express are inadequate.

Tallgrass O&M 2101_L entitled “Atmospheric Breakout Tank Inspections” references API Standard 650 in section 3.6 “Pressure Testing” but does not include this standard appropriately in section 6 “References”.

Tallgrass O&M 500_L, “Pump Station Emergency Shutdown,” Section 3.6 “Maintenance” is inadequate to pump facilities as it incorrectly references remote control blowdown systems that would be utilized for natural gas. The procedure does not mention flares, sumps, or relief tanks which would be utilized for hazardous liquids.

2. **§195.402 Procedural manual for operations, maintenance, and emergencies.**
 - (e) **Emergencies. The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs:**
 - (3) **Having personnel, equipment, instruments, tools, and material available as needed at the scene of an emergency.**

Tallgrass O&M 111_GL titled, “Fire Prevention”, is inadequate because it failed to include locations of firefighting equipment at breakout tank areas in case of a fire as required by 49 CFR195.430.

3. **§195.402 Procedural manual for operations, maintenance, and emergencies.**
 - (e) **Emergencies. The manual required by paragraph (a) of this section must include procedures for the following to provide safety when an emergency condition occurs:**
 - (6) **Minimization of public exposure to injury and probability of accidental ignition by assisting with evacuation of residents and assisting with halting traffic on roads and railroads in the affected area, or taking other appropriate action.**

At the time of the inspection, the emergency procedures failed to include procedures to minimize public exposure to injury and probability of accidental ignition by assisting with evacuation of residents and assisting with halting traffic on roads and railroads in the affected area. The emergency procedures reviewed that did not include this provision were site specific emergency procedures, the OPA 90 Plan, and the O&M 1900_L Abnormal Operating Conditions and Emergency Response Plan.

4. §195.404 Maps and Records.

(a) Each operator shall maintain current maps and records of its pipeline systems that include at least the following information:

(1) Location and identification of the following pipeline facilities:

(i) Breakout tanks;

(ii) Pump stations;

(iii) Scraper and sphere facilities;

(iv) Pipeline valves;

(v) Facilities to which §195.402(c)(9) applies;

(vi) Rights-of-way; and

(vii) Safety devices to which §195.428 applies.

(2) All crossings of public roads, railroads, rivers, buried utilities, and foreign pipelines.

(3) The maximum operating pressure of each pipeline.

(4) The diameter, grade, type and nominal wall thickness of all pipe.

(b) Each operator shall maintain for at least 3 years daily operating records that indicate-

(1) The discharge pressure at each pump station; and

(2) Any emergency or abnormal operation to which the procedures under §195.402 apply.

(c) Each operator shall maintain the following records for the periods specified:

(1) The date, location, and description of each repair made to pipe shall be maintained for the useful life of the pipe.

(2) The date, location, and description of each repair made to parts of the pipeline other than pipe shall be maintained for at least 1 year.

(3) A record of each inspection and test required by this subpart shall be maintained for at least 2 years or until the next inspection or test is performed, whichever is longer.

Tallgrass O&M procedures 1400_L, 1401L, and 1404_L, (all are effective November 13, 2012) applicable to Pony Express are inadequate. Examples of inadequacies are: incorrect references (references to the wrong code section 49CFR§192 versus 49CFR§195) and omitted or incomplete record retention periods.

Tallgrass O&M 1400_L, “Record Retention by O&M Procedure” and O&M 1401L “Records Retention by Form Number” are inadequate as 49CFR§192 natural gas requirements are referenced instead of 49CFR§195.

Tallgrass O&M 1400_L, “Record Retention by O&M Procedure” and O&M 1401L “Records Retention by Form Number” list valve maintenance, relief valve inspections, and patrols in Attachment 1 as the only 49CFR§195 records with retention requirements. Other records with retention requirements, such as breakout tank inspection forms and cathodic protection records, have been omitted.

Tallgrass O&M 1400_L, “Record Retention by O&M Procedure” and O&M 1401L “Records Retention by Form Number” also omit retention for the O&M 1900_L Abnormal Operating Conditions and Emergency Response Plan (ERP) records and forms. The following forms associated with the Emergency Response Plan/FRP - Tallgrass Pony Express Pipeline and Northeast Colorado Lateral Emergency Response Plan are not identified in O&M 1400_L and O&M 1401L:

- Form 1 – Emergency Response Plan Annual Review Acknowledgement Form
- Form 2 – Initial Control Center Notification Checklist
- Form 3 – Initial ERL Call Checklist
- Form 4 – DOT Form 7000-1 (01-2010)
- Form 5 – Spill Response Checklist
- Form 6 – Emergency Response Site Health and Safety Plan
- Form 7 – TPXP Critical Self Analysis of Oil Spill Response
- Form 8 – Incident Action Plan (IAP)
- Form 9 – TPXP Drill Documentation Summary
- Form 10 – Equipment Deployment Form
- Form 11 – Training Attendance Sign-in Sheet
- Form 12– Drill Evaluation Documentation Form

Tallgrass O&M 1400_L, “Record Retention by O&M Procedure Attachment 1” and O&M 1401_L, “Records Retention by Form Number” are inadequate as Table 2 – Retention Schedule Chart states “Non-DOT Serviceability Inspections, Testing & Maintenance Records” while referencing DOT relevant records.^a

Tallgrass O&M 1400_L and 1401L are inadequate as Section 3.2 has not been completed to reflect applicable record retention periods for the 100 – Safety series procedures. Section 3.2 is similar in both procedures and states “The Environmental, Health and Safety Department (EHS) will research and add them to Table 1 – Retention Schedule of Company Forms and I&M Procedures later:

- 100 – Safety
- 1200- Environment”

Section 3.2 of O&M 1400_L and 1401L had not been completed at the time of the inspection to include retention schedules in Table 1 for 100- Safety and 1200 – Environment.

Tallgrass O&M Procedure 1404_L, Maps and Records is inadequate because it does not identify record retention requirements for tank inspections as required by O&M 2101_L, “Atmospheric Breakout Tank Inspections, Section 5.”^b

^aTable 1 indicates that the retention period is B02, B is notated at the bottom of Table 1 to mean the following: “B=Appropriate maintenance cycle per procedure, refer to Table 2 – Retention Schedule Chart on the last page”

^b Tallgrass O&M 2101_L entitled “Atmospheric Breakout Tank Inspections” identifies the following record types for retention:

Monthly Breakout Tanks Inspection Report,
Annual In-Service Tank Inspection Report,
5 Yearly External Tank Inspection Report,

5. §195.452 Pipeline integrity management in high consequence areas

(f) What are the elements of an integrity management program? An integrity management program begins with the initial framework. An operator must continually change the program to reflect operating experience, conclusions drawn from results of the integrity assessments, and other maintenance and surveillance data, and evaluation of consequences of a failure on the high consequence area. An operator must include, at minimum, each of the following elements in its written integrity management program:

(1) A process for identifying which pipeline segments could affect a high consequence area;

The Tallgrass written integrity management program (IMP) is inadequate. The IMP Section 4 entitled, “High Consequence Area” makes an incorrect statement regarding breakout tank assets. IMP Section: 4 “High Consequence Areas” states:

“Tallgrass does not currently operate breakout tanks.”

On October 17, 2016, PHMSA inspectors identified a breakout tank operated by Tallgrass at the Tallgrass Pony Express Ponca City, OK facility. The Tallgrass IMP was not amended to correctly identify the break out tank in Ponca City located in a could affect HCA.

6. §195.452 Pipeline integrity management in high consequence areas.

(i) What preventive and mitigative measures must an operator take to protect the high consequence area?

(3) Leak detection. An operator must have a means to detect leaks on its pipeline system. An operator must evaluate the capability of its leak detection means and modify, as necessary, to protect the high consequence area. An operator's evaluation must, at least, consider, the following factors-length and size of the pipeline, type of product carried, the pipeline's proximity to the high consequence area, the swiftness of leak detection, location of nearest response personnel, leak history, and risk assessment results.

The Tallgrass IMP is inadequate because it does not correctly evaluate the capability of its leak detection. Tallgrass IMP, Section 9, titled, “Preventive and Mitigative Measures,” part 3.3.1 (revised July 24, 2015) and the OM200-63L titled, “Pipeline System Leak Detection Analysis Sheet”, do not reflect the current time estimated to detect, isolate, and shut down a pipeline as described in the “Tallgrass Pony Express Pipeline and Northeast Colorado Lateral Emergency Response Plan.”

7. **§195.505 Qualification program.**

Each operator shall have and follow a written qualification program. The program shall include provisions to:

(a)

(i) After December 16, 2004, notify the Administrator or a state agency participating under 49 U.S.C. Chapter 601 if the operator significantly modifies the program after the administrator or state agency has verified that it complies with this section. Notifications to PHMSA may be submitted by electronic mail to InformationResourcesManager@dot.gov, or by mail to ATTN: Information Resources Manager DOT/PHMSA/OPS, East Building, 2nd Floor, E22-321, New Jersey Avenue SE., Washington, DC 20590.

Tallgrass Operator Qualification (OQ) Plan was inadequate because the plan did not include any provisions to notify the PHMSA Administrator or a state agency participating under 49 U.S.C. Chapter 601 when a significant modification to the OQ plan has occurred. The plan does not define a significant change.

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. 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. 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).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under §190.211. 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 an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 45 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that Tallgrass Pony Express Pipeline maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Allan Beshore, Director,

Central Region, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 3-2019-5011M** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

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