



U.S. Department  
of Transportation  
**Pipeline and Hazardous  
Materials Safety  
Administration**

1200 New Jersey Avenue, SE  
Washington, DC 20590

January 26, 2022

**VIA ELECTRONIC MAIL TO: bill.moler@tallgrassenergyllp.com**

Mr. William Moler  
Chief Executive Officer  
Tallgrass Powder River Gateway, LLC  
4200 W. 115th St., Suite 350  
Leawood, Kansas 66211

**Re: CPF No. 3-2021-088-NOPV**

Dear Mr. Moler:

Enclosed please find the Final Order issued in the above-referenced case. It makes a finding of violation and specifies actions that need to be taken to comply with the pipeline safety regulations. When the terms of the compliance order are completed, as determined by the Director, Central Region, this enforcement action will be closed. Service of the Final Order by e-mail is effective upon the date of transmission as provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

ALAN KRAMER  
MAYBERRY

Digitally signed by ALAN  
KRAMER MAYBERRY  
Date: 2022.01.25  
08:51:05 -05'00'

Alan K. Mayberry  
Associate Administrator  
for Pipeline Safety

Enclosures (Final Order and NOPV)

cc: Mr. Gregory Ochs, Director, Central Region, Office of Pipeline Safety, PHMSA  
Ms. Jennifer Eckles, Manager - Compliance, Tallgrass Powder River Gateway, LLC,  
jennifer.eckels@tallgrassenergyllp.com  
Ms. Crystal Heter, Chief Operating Officer, Tallgrass Powder River Gateway, LLC,  
crystal.heter@tallgrassenergyllp.com  
Mr. Brad Armsbury, Compliance Engineer, Tallgrass Powder River Gateway, LLC,  
brad.armsbury@tallgrassenergyllp.com

**CONFIRMATION OF RECEIPT REQUESTED**

**U.S. DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
OFFICE OF PIPELINE SAFETY  
WASHINGTON, D.C. 20590**

	)	
<b>In the Matter of</b>	)	
	)	
<b>Tallgrass Powder River Gateway, LLC,</b>	)	<b>CPF No. 3-2021-088-NOPV</b>
	)	
<b>Respondent.</b>	)	
	)	

**FINAL ORDER**

On November 30, 2021, pursuant to 49 C.F.R. § 190.207, the Director, Central Region, Office of Pipeline Safety (OPS), issued a Notice of Probable Violation (Notice) to Tallgrass Powder River Gateway, LLC (Respondent). The Notice proposed finding that Respondent had violated a pipeline safety regulation in 49 C.F.R. Part 195. The Notice also proposed certain measures to correct the violation. Respondent did not contest the allegation of violation or corrective measures.

Based upon a review of all of the evidence, pursuant to § 190.213, I find Respondent violated the pipeline safety regulation listed below, as more fully described in the enclosed Notice, which is incorporated by reference:

49 C.F.R. § 195.264(b)(1)(i) (**Item 1**) — Respondent failed to satisfy the requirements of Section 22.11.2 of NFPA-30 (2012 edition) regarding impoundment around breakout tanks.

This finding of violation will be considered a prior offense in any subsequent enforcement action taken against Respondent.

**Compliance Actions**

Pursuant to 49 U.S.C. § 60118(b) and 49 C.F.R. § 190.217, Respondent is ordered to take the actions proposed in the enclosed Notice to correct the violation. The Director may grant an extension of time to comply with any of the required items upon a written request timely submitted by the Respondent and demonstrating good cause for an extension. Upon completion of ordered actions, Respondent may request that the Director close the case. Failure to comply with this Order may result in the assessment of civil penalties under 49 C.F.R. § 190.223 or in referral to the Attorney General for appropriate relief in a district court of the United States.

The terms and conditions of this order are effective upon service in accordance with 49 C.F.R. § 190.5.

**ALAN KRAMER** Digitally signed by ALAN  
**MAYBERRY** KRAMER MAYBERRY  
Date: 2022.01.25 08:50:01  
-05'00'

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Alan K. Mayberry  
Associate Administrator  
for Pipeline Safety

January 26, 2022

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Date Issued



U.S. Department  
of Transportation  
**Pipeline and Hazardous  
Materials Safety Administration**

901 Locust Street, Suite 480  
Kansas City, MO 64106

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

**VIA ELECTRONIC MAIL TO:** [bill.moler@tallgrassenergyllp.com](mailto:bill.moler@tallgrassenergyllp.com);  
[jennifer.eckels@tallgrassenergyllp.com](mailto:jennifer.eckels@tallgrassenergyllp.com); [brad.armsbury@tallgrassenergyllp.com](mailto:brad.armsbury@tallgrassenergyllp.com);  
[crystal.heter@tallgrassenergyllp.com](mailto:crystal.heter@tallgrassenergyllp.com)

November 30, 2021

William Moler  
Chief Executive Officer  
Tallgrass Powder River Gateway, LLC  
4200 W. 115th St., Suite 350  
Leawood, KS 66211

**CPF 3-2021-088-NOPV**

Dear Mr. Moler:

From May 10 through August 13, 2021, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Tallgrass Powder River Gateway, LLC (Tallgrass) records and facilities in Wyoming.

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. **§ 195.264 Impoundment, protection against entry, normal/emergency venting or pressure/vacuum relief for aboveground breakout tanks.**
  - (a) . . .
  - (b) **After October 2, 2000, compliance with paragraph (a) of this section requires the following for the aboveground breakout tanks specified:**
    - (1) **For tanks built to API Spec 12F, API Std 620, and others (such as API Std 650 (or its predecessor Standard 12C)), the installation of impoundment must be in accordance with the following sections of NFPA-30 (incorporated by reference, see § 95.3);**

**(i) Impoundment around a breakout tank must be installed in accordance with section 22.11.2;**

Tallgrass failed to satisfy the requirements of Section 22.11.2 of NFPA-30 (2012 edition) regarding impoundment around breakout tanks. Section 22.11.2.6, NFPA-30 (2012 edition) requires that “[e]ach diked area containing two or more tanks shall be subdivided, preferably by drainage channels or at least by intermediate dikes, in order to prevent minor spills from a tank from endangering adjacent tanks within the diked area”.<sup>1</sup>

PHMSA’s field inspection of Tallgrass's tanks 612 and 613 (both built to API Std 650 2015) at the Guernsey North facility found Tallgrass failed to subdivide the tanks, and failed to have drainage channels or intermediate dikes installed in accordance with the referenced standard in the regulation.

In addition, tanks 3151, 3152, 3153, 3154 and 3251 (built to API Std 650 2018-2020) at the Guernsey South facility were found to have control of drainage that was not accessible under fire conditions from outside the impounding area as required per section 22.11.2.7.1 of NFPA-30 (2012 edition) which states “[c]ontrol of drainage shall be accessible under fire conditions from outside the dike.”<sup>2</sup> The control device was found to be only accessible by walking inside the dike of the impounding area making it impossible to operate during a fire condition.

Proposed Compliance Order

With respect to item 1 pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Tallgrass. 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 Enforcement Proceedings*. Please refer to this document and note the response options. All material you submit 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).

Following the receipt of this Notice, you have 30 days to submit written comments, or request a hearing under 49 CFR § 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

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<sup>1</sup> NFPA 30 2012 edition page 30-81/ Section 22.11.2.6

<sup>2</sup> NFPA 30 2012 edition page 30-81/Section 22.11.2.7.1

notice to you and to issue a Final Order. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. This period may be extended by written request for good cause.

In your correspondence on this matter, please refer to **CPF 3-2021-088-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Gregory A. Ochs  
Director, Central Region, OPS  
Pipeline and Hazardous Materials Safety Administration

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

cc: Jennifer Eckles, Director Compliance, [jennifer.eckels@tallgrassenergylp.com](mailto:jennifer.eckels@tallgrassenergylp.com)  
Crystal Heter, Chief Operating Officer, [crystal.heter@tallgrassenergylp.com](mailto:crystal.heter@tallgrassenergylp.com)  
Brad Armsbury, Compliance Engineer, [brad.armsbury@tallgrassenergylp.com](mailto:brad.armsbury@tallgrassenergylp.com)

## PROPOSED COMPLIANCE ORDER

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

- A. In regard to Item Number 1 of the Notice pertaining to subdivision around breakout tanks at Guernsey North and control of drainage within the dike at Guernsey South, Tallgrass must:
  - (i) Subdivide, either by drainage channels or at least by intermediate dikes, at Guernsey North and must install operable drain valves from outside of the impoundment at Guernsey South, in accordance with NFPA 30 within **twelve (12)**, months of receipt of the Final Order.
  - (ii) Submit to the Director, Central Region, evidence of remediated locations to demonstrate compliance with NFPA 30.
  
- B. It is requested that Tallgrass maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Gregory A. Ochs, 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.