

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

VIA ELECTRONIC MAIL TO: bill.moler@tallgrassenergylp.com;
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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**

2. **§ 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”.¹

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.”² 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

¹ NFPA 30 2012 edition page 30-81/ Section 22.11.2.6

² NFPA 30 2012 edition page 30-81/Section 22.11.2.7.1

Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further 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@tallgrassenergyllp.com
Crystal Heter, Chief Operating Officer, crystal.heter@tallgrassenergyllp.com
Brad Armsbury, Compliance Engineer, brad.armsbury@tallgrassenergyllp.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.