



March 26, 2021

Mr. Gregory A. Ochs  
Director, Central Region  
U.S. Department of Transportation  
Pipeline and Hazardous Materials Safety Administration  
901 Locust Street, Suite 462  
Kansas City, MO 64106

**Re: CPF No. 3-2021-1003  
Notice of Probable Violation, Proposed Civil Penalty, and Proposed  
Compliance Order  
Request for an Informal Meeting  
Alternative Request for a Hearing and Preliminary Statement of Issues**

Dear Mr. Ochs:

Tallgrass Energy, LP (Tallgrass or the Company) is responding to the Notice of Proposed Violation, Proposed Civil Penalty, and Proposed Compliance Order (collectively, NOPV) that the Pipeline and Hazardous Materials Safety Administration (PHMSA or the Agency) issued in the above-captioned case on February 26, 2021. The NOPV alleges two violations of the Pipeline Safety Regulations, 49 C.F.R. § 192.481 (Item 1) and § 192.605 (Item 2) and proposes a \$36,600 civil penalty and a compliance order. Tallgrass does not contest Item 1, but requests that PHMSA reduce the proposed civil penalty based on the information provided below. Tallgrass respectfully requests an informal meeting to discuss Item 2. Tallgrass believes that Item 2 involves technical issues and proposed solutions going forward that would be better explored through an informal meeting with PHMSA.

Although we are hopeful that Item 2 can be resolved through an informal conference, and that a hearing will not be necessary, Tallgrass submits a Request for Hearing and Preliminary Statement of Issues with regard to Item 2, pursuant 49 C.F.R. §§ 190.208 (b)(4) and 190.211(b).

**Item 1:**

**§192.481 Atmospheric corrosion control: Monitoring.**

**(b) During inspections the operator must give particular attention to pipe at soil-to-air interfaces, under thermal insulation, under disbonded coatings, at pipe supports, in splash zones, at deck penetrations, and in spans over water.**

**PHMSA allegation:** Tallgrass failed to give particular attention, during inspections, to pipe at pipe supports and pipe under thermal insulation. Specifically, Tallgrass failed to inspect for atmospheric corrosion at pipe supports at the 601

Compressor Station, Cheyenne Station/TB1 pig launchers, NNG Gage interconnect, and NGPL Gage interconnect. Tallgrass also failed to inspect for atmospheric corrosion under thermal insulation at 601 Compressor Station.

PHMSA proposed a \$36,600 civil penalty for this alleged violation.

### **Tallgrass response to Item 1:**

Tallgrass does not contest this violation. However, Tallgrass respectfully requests that the Final Order in this matter reflect the Company's efforts to address the issues that PHMSA identified in Item 1. Since the 2017 inspection that led to the NOPV, Tallgrass has added Fiberglass Reinforced Plastic (FRP) at the locations identified in the NOPV, with the exception of the NNG meter run which Tallgrass plans to replace with an ultrasonic meter. The FRP is attached to the pipe and protects the pipe from atmospheric corrosion by acting as a barrier between the support and pipeline. Tallgrass also installed inspection ports in the thermal insulation at the 601 Compressor Station so that pipe under thermal insulation may be inspected for corrosion.

While Tallgrass does not contest the alleged violation, Tallgrass respectfully requests that PHMSA reduce the proposed civil penalty on the basis of the gravity factor.<sup>1</sup> The Civil Penalty Worksheet assigned a score of "7" under gravity.<sup>2</sup> Tallgrass requests that PHMSA reduce the gravity point factor from "7" to "1" as "pipeline safety was minimally affected" in this case.

The locations cited in the NOPV showed signs of "rust and discoloration."<sup>3</sup> However, the locations did not have signs of wall loss, peeling, or pitting.<sup>4</sup> PHMSA guidance provides that rust is not indicative of active corrosion where there are no signs of coating deterioration, metal loss, or pitting.<sup>5</sup> Further, Tallgrass's corrosion inspections when installing the FRP showed no signs of active corrosion, metal loss, or pitting at the locations cited in the NOPV. In conjunction with the installation of the FRP, the piping at these locations was cleaned and repainted to mitigate atmospheric corrosion. There are also no signs of atmospheric corrosion at the NNG meter run.

Additionally, to the extent that the rust identified at the locations cited in the NOPV would have spread further or started showing signs of wall loss, pitting, or peeling, Tallgrass would have promptly identified the corrosion growth under its yearly atmospheric corrosion inspections and remediated the corrosion in accordance with its procedure before the safe operation of the pipeline was affected.<sup>6</sup> To the extent atmospheric corrosion develops at the NNG meter run before it is removed, Tallgrass will promptly identify and remediate it.

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<sup>1</sup> 49 U.S.C. § 60122(b)(1)(A); 49 C.F.R. § 190.255(a)(1).

<sup>2</sup> Proposed Civil Penalty Worksheet at 1, CPF No. 3-2021-1003 (Feb. 25, 2021).

<sup>3</sup> Exhibit A-1, at pgs. 1-6, 21, CPF No. 3-2021-1003 (Feb. 26, 2021).

<sup>4</sup> *Id.*

<sup>5</sup> See PHMSA Part 192 Corrosion Enforcement Guidance at pg. 120 (Dec. 7, 2015) ("Atmospheric Corrosion is an area of metal loss due to general corrosion, localized corrosion pitting, or peeling scale on the steel surface that has damaged the pipe. Surface oxide is corrosion and if allowed to continue may affect the safe operation of the pipeline at some point in the future. Oxidation (or "light surface oxide") can be defined as the slow rusting of pipe which is not yet considered to be atmospheric corrosion because there is no evidence of metal loss at this time.").

<sup>6</sup> *OM918\_GL – Inspecting for Atmospheric Corrosion*, Section 3.2.

The photographs in the Exhibits and Tallgrass's procedures, which go above and beyond the minimum requirement, demonstrate that pipeline safety was minimally affected as the locations cited in the NOPV did not have signs of active corrosion. Areas of rust that may escalate into active corrosion would be promptly identified and remediated. Accordingly, while Tallgrass is not contesting the alleged violation, a civil penalty reduction is warranted because pipeline safety was minimally affected.

Tallgrass appreciates PHMSA's feedback during the inspections in this matter, and shares PHMSA's commitment to pipeline safety and continuous program improvement.

Sincerely,



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Jennifer Eckels  
Manager – Compliance  
Tallgrass Energy, LP  
370 Van Gordon Street  
Lakewood, CO 80228  
Phone: (303) 763-3486

CC: Valerie Schwing, PHMSA  
Crystal Heter, Senior Vice President & Chief Operating Officer, Tallgrass  
Adam Schiche, Assistant General Counsel, Tallgrass  
Mick Rafter, Senior Vice President – Operations & Engineering, Tallgrass  
Jay Meyers, Vice President - Engineering, Tallgrass  
Craig Meis, Vice President - EHSS & Governmental Affairs, Tallgrass

**U.S. DEPARTMENT OF TRANSPORTATION  
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION  
OFFICE OF PIPELINE SAFETY**

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<b>In the Matter of</b>	)	
	)	
<b>Tallgrass Energy, LP</b>	)	<b>CPF No. 3-2021-1003</b>
	)	
<b>Respondent.</b>	)	
	)	

**REQUEST FOR INFORMAL CONFERENCE AND HEARING AND PRELIMINARY  
STATEMENT OF ISSUES  
IN RESPONSE TO NOTICE OF PROBABLE VIOLATION, PROPOSED CIVIL  
PENALTY, AND PROPOSED COMPLIANCE ORDER**

**I. Request for Hearing**

Pursuant to 49 C.F.R. §§ 190.208 (b)(4) and 190.211(b), Tallgrass respectfully requests a hearing on the alleged violation and proposed compliance order contained in Item 2 of the Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (collectively, NOPV), issued by the Pipeline and Hazardous Materials Safety Administration (PHMSA) on February 26, 2021. Tallgrass will be represented by counsel at the hearing, if one occurs.

**II. Request for Informal Conference**

Tallgrass believes that this matter can be best resolved through an informal conference. The substantive technical issues related to Item 2 of the NOPV are best and most efficiently addressed through a discussion between the parties. Pursuant to Section 108(a)(2) of the Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2020 (amending 49 U.S.C. § 60117(b)(1)(B)), Tallgrass respectfully requests that, before any hearing is held, the parties convene for a meeting for purposes of settlement or simplification or to aid in the disposition of the issues.

**III. Preliminary Statement of Issues**

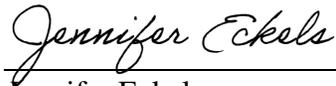
Tallgrass respectfully contests the allegation of violation and the proposed compliance order in Item 2 of the NOPV.

1. Whether, based on the allegations in the Notice and other evidence in the record, Tallgrass violated 49 C.F.R. § 192.605 in relation to its handling of rate of drop during valve maintenance.

2. Whether the proposed compliance order should be amended or withdrawn.

Tallgrass reserves the right to revise and supplement this Preliminary Statement of Issues as needed based on any new information or argument provided by PHMSA in this matter.

Respectfully submitted this 26<sup>th</sup> day of March 2021.



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Jennifer Eckels  
Manager – Compliance  
Tallgrass Energy, LP  
370 Van Gordon Street  
Lakewood, CO 80228  
Phone: (303) 763-3486