

NOTICE OF AMENDMENT

OVERNIGHT EXPRESS DELIVERY

April 23, 2021

Mr. Mick Rafter
Sr. VP Engineering & Operations
Tallgrass Interstate Gas Transmission, LLC
370 Van Gordon St
Lakewood, CO 80228

CPF 1-2021-016-NOA

Dear Mr. Rafter:

On July 21-23, 2020 and August 10, 2020, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Tallgrass Interstate Gas Transmission, LLC's (Tallgrass) procedures for the Huntsman Gas Storage field in Cheyenne County, Nebraska.

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

1. § 192.12 Underground natural gas storage facilities.

(a) ...

(c) *Procedural manuals.* Each operator of a UNGSF must prepare and follow for each facility one or more manuals of written procedures for conducting operations, maintenance, and emergency preparedness and response activities under paragraphs (a) and (b) of this section. Each operator must keep records necessary to administer such procedures and review and update these manuals at intervals not exceeding 15 months, but at least once each calendar year. Each operator must keep the appropriate parts of these manuals accessible at locations where UNGSF work is being performed. Each operator must have written procedures in place before commencing operations or beginning an activity not yet implemented.

Tallgrass's written procedures for conducting operations, maintenance, and emergency preparedness and response activities under §192.12(b)¹ were inadequate. Specifically, Tallgrass's procedures failed to establish how frequently well integrity evaluation data from third-party well owner/operators would be requested in accordance with API RP 1171, Section 9.3.1 (Section 9.3.1).

Section 9.3.1 states in part:

The operator shall request well integrity evaluation data from third-party well owner/operators following the frequency established using conclusions from the risk assessment.

During the inspection, Tallgrass reported that it had not established a frequency for requesting well integrity evaluation data from third-party well owner/operators.

Therefore, Tallgrass's written procedures required by § 192.12(c) were inadequate. Tallgrass must revise its procedures to include how frequently it will request well integrity evaluation data from third-party well owner/operators in accordance with Section 9.3.1.

2. § 192.12 Underground natural gas storage facilities.

(a) ...

(d) *Integrity management program—*

(1) ...

(4) *Integrity management procedures and recordkeeping.* Each UNGSF operator must establish and follow written procedures to carry out its integrity management program under API RP 1171 (incorporated by reference, see § 192.7), section 8 ("Risk Management for Gas Storage Operations"), and this paragraph (d). The operator must also maintain, for the useful life of the UNGSF, records that demonstrate compliance with the requirements of this paragraph (d). This includes records developed and used in support of any identification, calculation, amendment, modification, justification, deviation, and determination made, and any action taken to implement and evaluate any integrity management program element.

Tallgrass's written procedures for carrying out its integrity management program under API RP 1171, Section 8 were inadequate. Specifically, Tallgrass did not have a procedure to assess threat and hazard interaction in accordance with API RP 1171, Section 8.3.2 (Section 8.3.2).

¹ §192.12 Underground natural gas storage facilities.

(b) *Depleted hydrocarbon and aquifer reservoir UNGSFs.*

(1) Each UNGSF that uses a depleted hydrocarbon reservoir or an aquifer reservoir for natural gas storage and was constructed after July 18, 2017, must meet all provisions of API RP 1171 (incorporated by reference, *see* §192.7), and paragraphs (c) and (d) of this section, prior to commencing operations.

(2) Each UNGSF that uses a depleted hydrocarbon reservoir or an aquifer reservoir for natural gas storage and was constructed on or before July 18, 2017, must meet the provisions of API RP 1171 (incorporated by reference, *see* §192.7), sections 8, 9, 10, and 11, and paragraph (c) of this section, by January 18, 2018, and must meet all provisions of paragraph (d) of this section by March 13, 2021.

Section 8.3.2 states in part:

The operator shall use available information such as performance data collected through the field history, operations and maintenance (O&M) activities, geotechnical data such as well logs, engineering data, and completion reports to determine susceptibility to threat and hazard-related events and to assess threat and hazard interaction.

During the inspection, Tallgrass reported that they did not have a procedure for assessing threats and hazard interaction.

Therefore, Tallgrass's written procedures required by § 192.12(d)(4) were inadequate. Tallgrass must revise its procedures to include how it will assess threat and hazard interaction in accordance with Section 8.3.2.

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 Enforcement 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 30 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 Interstate Gas Transmission, LLC maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Robert Burrough, Director, PHMSA Eastern Region, 840 Bear Tavern Road, Suite 300, West Trenton, NJ 08628. Please refer to **CPF 1-2021-016-NOA** on each document you submit, and whenever possible provide a signed PDF copy in electronic format. Smaller files may be emailed to robert.burrough@dot.gov. Larger files should be sent on USB flash drive accompanied by the original paper copy to the Eastern Region Office.

Additionally, if you choose to respond to this (or any other case), please ensure that any response letter pertains solely to one CPF case number.

Sincerely,

Robert Burrough
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

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