

May 26, 2023

VIA ELECTRONIC MAIL TO: rcooper@equitransmidstream.com

Robert Cooper
Senior Vice President, Construction Services
Equitrans Midstream Corporation
2200 Energy Drive
Canonsburg, PA 15317

CPF No. 1-2022-080-NOPSO

Dear Mr. Cooper:

Enclosed please find a Consent Order incorporating the terms of the Consent Agreement between the Pipeline and Hazardous Materials Safety Administration (PHMSA) and Equitrans Midstream Corporation, which was executed on May 25, 2023. Service of the Consent Order and Consent Agreement by electronic mail is deemed effective upon the date of transmission and acknowledgement of receipt, or as otherwise provided under 49 C.F.R. § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Enclosures: Consent Order and Consent Agreement

cc: Mr. Robert Burrough, Director, Eastern Region, Office of Pipeline Safety, PHMSA
Mr. Matthew Eggerding, Deputy General Counsel, Environmental and Regulatory
Affairs, Equitrans Midstream Corporation, meggerding@equitransmidstream.com
Ms. Brianne Kurdock, Outside Counsel for Equitrans Midstream Corporation,
bkurdock@babstcalland.com

CONFIRMATION OF RECEIPT REQUESTED

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

In the Matter of

Equitrans Midstream Corporation,

Respondent.

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CPF No. 1-2022-080-NOPSO

CONSENT ORDER

By letter dated December 29, 2022, the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), issued a Notice of Proposed Safety Order (Notice) to Equitrans Midstream Corporation (Equitrans or Respondent).

In accordance with 49 C.F.R. § 190.239, the Notice alleged that conditions exist on Respondent's Rager Mountain Storage Facility, an interstate underground natural gas storage facility, that pose an integrity risk to public safety, property, or the environment. The Notice also proposed that Respondent take certain corrective measures to remedy the alleged conditions and ensure that the public, property, and the environment are protected from the potential risk.

In response to the Notice, Respondent requested an informal consultation, whereupon the parties engaged in good-faith settlement discussions that have resulted in the Consent Agreement attached to this Consent Order that settles all of the allegations in the Notice.

Accordingly, the Consent Agreement is hereby approved and incorporated by reference into this Consent Order. The Respondent is hereby ordered to comply with the terms of the Consent Agreement, effective immediately.

Pursuant to 49 U.S.C. § 60101, *et seq.*, failure to comply with this Consent Order may result in the assessment of civil penalties as set forth in 49 U.S.C. § 60122 and 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 Consent Order are effective upon service in accordance with 49 C.F.R. § 190.5.

May 26, 2023

Alan K. Mayberry
Associate Administrator
for Pipeline Safety

Date Issued

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

In the Matter of

Equitrans Midstream Corporation,

Respondent.

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CPF No. 1-2022-080-NOPSO

CONSENT AGREEMENT

On December 29, 2022, the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety, Eastern Region issued a Notice of Proposed Safety Order (Notice) to Equitrans Midstream Corporation (Equitrans or Respondent). The Notice was issued after a reportable incident occurred on November 6, 2022, at Respondent's Rager Mountain Storage Facility, an interstate underground natural gas storage facility (the Facility). The Facility includes ten operating storage wells and two observation wells, and is connected via pipeline segments to interstate gas transmission pipelines.

On November 6, 2022, Equitrans was notified that Well 2244 at the Facility was unintentionally venting natural gas to the atmosphere. Equitrans's contractor, CUDD Pressure Control, Inc. (CUDD), responded to the scene. CUDD made multiple attempts to stop the venting by flooding the well with fresh and brine water. On November 17, 2022, CUDD temporarily stopped the venting by flooding the well. On November 18, 2022, gas began flowing from the annulus. CUDD re-initiated dynamic kill activities and attempted to set a bridge plug. On November 19, 2022, CUDD set a plug at a depth of 5,875 feet. On November 20, 2022, CUDD set another plug at 5,830 feet and had cement pumped into the well bore.

As a result of a preliminary investigation and in accordance with 49 C.F.R. § 190.239, PHMSA issued the Notice, which alleged that integrity risks to public safety, property, and the environment existed at the Facility. PHMSA alleged that at the time the Notice was issued, the cause of the incident and the later venting of annulus gas from Wells 2248 and 2251 were unknown and it was not clear whether other leaks were present at the Facility without a root cause analysis. The Notice proposed that Respondent take certain corrective measures, including retaining a third-party expert to conduct a root cause analysis, to remedy the alleged conditions and ensure that the public, property, and the environment are protected from the alleged integrity risks.

On January 16, 2023, Equitrans responded to the Notice requesting an informal consultation, whereupon PHMSA and Respondent (the Parties) engaged in good-faith settlement discussions. Informal consultations were held virtually between February 16, 2023, and March 30, 2023. As a

result of the informal consultations, the Parties agreed that settlement of this proceeding will avoid further administrative proceedings or litigation of the Notice and that entry into this Consent Agreement (Agreement) is the most appropriate means of resolving the issues raised in the Notice. Therefore, without adjudication of any issue of fact or law, and upon consent and agreement of the Parties, PHMSA and Equitrans agree to the terms and conditions set forth in this Agreement.

I. General Provisions

1. Respondent acknowledges that as the operator of the Facility, an interstate underground natural gas storage facility, Respondent is subject to the jurisdiction of the Federal pipeline safety laws, 49 U.S.C. § 60101, *et seq.*, and the regulations and administrative orders issued thereunder. For purposes of this Agreement, Respondent acknowledges that it received proper notice of PHMSA's action in this proceeding and that the Notice states claims upon which relief may be granted pursuant to 49 U.S.C. 60101, *et seq.*, and the regulations and orders issued thereunder.

2. Respondent agrees, for the purposes of this Agreement, to address the alleged integrity risks identified in the Notice by completing the actions specified in Section II of this Agreement (Corrective Measures) and to abide by the terms of this Agreement. This Agreement does not constitute a finding of violation of any Federal law or regulation and may not be used in any civil or administrative proceeding of any kind as evidence or proof of any fact, fault, or liability, or as evidence of the violation of any law, rule, regulations, or requirement, except in a proceeding to enforce the provisions in the Agreement.

3. After Respondent returns this signed Agreement to PHMSA, an agency representative will present it to the Associate Administrator for Pipeline Safety recommending that the Associate Administrator adopt the terms of this Agreement by issuing an administrative order (Consent Order) incorporating the terms of this Agreement. The terms of this Agreement constitute an offer of settlement until accepted by the Associate Administrator. Once accepted, the Associate Administrator will issue a Consent Order incorporating the terms of the Agreement.

4. Respondent consents to the issuance of a Consent Order that is consistent with this Agreement, and hereby waives any further procedural requirements with respect to its issuance. Respondent waives all rights to contest the adequacy of notice, or the validity of the Consent Order or this Agreement, including all rights to administrative or judicial hearings or appeals in this case, except as set forth herein.

5. This Agreement shall apply to and be binding upon PHMSA, and upon Respondent, its officers, directors, and employees, and its successors, assigns, or other entities or persons otherwise bound by law. Respondent agrees to provide a copy of this Agreement and any incorporated work plans and schedules to all of Respondent's officers, employees, and agents whose duties might reasonably include compliance with this Agreement.

6. For all transfers of ownership or operating responsibility of the Facility, Respondent will provide a copy of this Agreement to the prospective transferee at least 30 days prior to such transfer and provide written notice of the transfer within 30 days after the transfer to the PHMSA Eastern Region Director.

7. This Agreement constitutes the final, complete and exclusive agreement and understanding between the Parties with respect to the settlement embodied in this Agreement. The Parties acknowledge that there are no representations, agreements or understandings relating to settlement other than those expressly contained in this Agreement, except that the terms of this Agreement may be construed by reference to the Notice.

8. Nothing in this Agreement affects or relieves Respondent of its responsibility to comply with all applicable requirements of the Federal pipeline safety laws, 49 U.S.C. § 60101, et seq., and the regulations and orders issued thereunder. Nothing in this Agreement alters PHMSA's right of access, entry, inspection, and information gathering or PHMSA's authority to bring enforcement actions against Respondent, pursuant to the Federal pipeline safety laws, the regulations and orders issued thereunder, or any other provision of Federal or State law.

9. This Agreement does not waive or modify any Federal, State, or local laws or regulations that are applicable to Respondent's underground natural gas storage facilities. This Agreement is not a permit, or a modification of any permit, under any Federal, State, or local laws or regulations. Respondent remains responsible for achieving and maintaining compliance with all applicable Federal, State, and local laws, regulations and permits.

10. This Agreement does not create rights in, or grant any cause of action to, any third party not party to this Agreement. The U.S. Department of Transportation is not liable for any injuries or damages to persons or property arising from acts or omissions of Respondent or its officers, employees, or agents carrying out the work required by this Agreement. Equitrans agrees to hold harmless the U.S. Department of Transportation, its officers, employees, agents, and representatives from any and all causes of action arising from any acts or omissions of Respondent or its contractors in carrying out any work required by this Agreement.

11. Upon issuance of the Consent Order, the Parties agree to the following terms.

II. Corrective Measures

12. Definitions.

- A. The "Director" means the Director, Eastern Region, Office of Pipeline Safety (OPS), PHMSA.
- B. "Effective Date" means the date the Consent Order was issued.
- C. The "Facility" means Equitrans's Rager Mountain Storage Facility.
- D. The "Incident" means the event reported in NRC Report #s 1351880 and 1352149 pursuant to 49 C.F.R. § 191.5, as well as the unexpected presence of annulus gas from Wells 2248 and 2251, or any other well at the Facility between November 6, 2022, and the Effective Date.

13. Root Cause Failure Analysis. Within 90 days of the Effective Date, Respondent must complete a root cause failure analysis (RCFA) examining the cause of the Incident. The RCFA must also recommend corrective measures. Respondent must submit the RCFA to the Director. PHMSA has approved Equitrans's selection of Blade Energy Partners as the third-party conducting the RCFA on behalf of Equitrans.

- A. The RCFA must document the decision-making process and all factors contributing to the failures.
- B. The RCFA must include an analysis of the recent downhole inspections.
- C. The RCFA must analyze and document whether the findings and any lessons learned are applicable to other locations within the Facility.

14. Remedial Work Plan. Within 60 days after submission of the RCFA, Equitrans must develop and submit to the Director for approval a written Remedial Work Plan (RWP) that includes corrective measures. The RWP can be submitted contemporaneous with the RCFA. The submitted RWP will be based on the relevant information available at that time. Equitrans will update the RWP with the information required below, as it becomes available, and will periodically resubmit the RWP to the Director until all required elements are complete. The Director may approve the RWP elements incrementally. Once approved, the RWP (including elements approved incrementally) shall become incorporated into this Agreement, including any revisions to the RWP. The RWP must include:

- A. A plan for completing inspections of Wells 2244, 2251, and 2248.
- B. A plan to inspect all other wells at the Facility for similar conditions and to address any additional findings and associated repairs.
- C. A plan to address the final disposition of the temporary plugs in Wells 2244, 2251, and 2248.
 - i. The plan must consider the cause of the Incident, and describe whether Equitrans will plug and abandon or reactivate Well 2244 for future use.
 - ii. The plan must consider the cause of annulus gas at Well 2251 and describe whether Equitrans will plug and abandon or reactivate Well 2251 for future use.
 - iii. The plan must consider the cause of annulus gas at Well 2248 and describe whether Equitrans will plug and abandon or reactivate Well 2248 for future use.
 - iv. The plan must include a list of all currently installed plugs at the Facility and their locations and Equitrans's plan for their disposition.

D. A plan to complete repairs and/or other corrective measures that may be needed to address the alleged integrity risks listed in paragraph 3 on page 1 of this Agreement. This plan must also include provisions for continuing long-term and periodic testing and integrity verification measures to ensure the ongoing safe operation of the Facility after injection resumes.

E. Documentation of continuous, real time monitoring of annulus pressures at the Facility (when the valves are closed).

F. A proposed schedule for completion of the actions required by paragraphs (A), (B), (C), and (D) of this Item.

G. The results of all inspections described in Paragraphs 14(A) and (B) must be provided to the Director within 30 days of the inspection or the Effective Date, whichever is later.

15. *Review of Records and Procedures.* Equitrans must:

A. Within 30 days of the Effective Date, conduct a review of the construction, operation, maintenance and integrity management records and procedures for the Facility, make these records and procedures available for PHMSA's inspection electronically or at a mutually acceptable date and location, and submit the analysis and findings from the records and procedures review to the Director.

B. Address any findings from the review that require remedial measures and complete any necessary procedural modifications prior to restarting injection. Findings that require remedial measures may be identified by either Equitrans or the Director (within 30 days of submission of the analysis).

16. *Assessment of Personnel Training.* Within 30 days of the Effective Date, Equitrans must submit to the Director for review and approval an assessment of the training of operations, maintenance, and supervisory personnel (to include Equitrans contractors) who perform work at the Facility. This assessment must be performed by Blade Energy Partners. The Assessment must include a review of the training of the employees involved in the implementation of all applicable Emergency Response Plans.

17. *Injection Plan.* Prior to injecting any gas into the Facility and resuming injection operations, Equitrans must submit a written Injection Plan to the Director for approval. The Director may approve the Injection Plan incrementally without approving the entire plan, but Equitrans cannot begin injecting until the Injection Plan is approved in its entirety. The Injection Plan must include:

A. The day-light hour schedule to begin the injection into the Facility including a plan for providing advance communication to local emergency response officials and the Director before beginning any injection.

- B. Documentation that verifies the submission of the obligations in Paragraph 13 (RCFA), Paragraph 14 (RWP), Paragraph 15 (Review of Records and Procedures), and Paragraph 16 (Assessment of Personnel Training).
 - C. Documentation of the real-time monitoring results at the Facility (See Paragraph 14(E)).
 - D. Documentation that Equitrans has implemented the corrective measures from its RWP necessary to provide a safe storage field operation and well integrity for the wells to be operated, as determined by the Director.
18. ***Return to Full Operations.*** After the Director approves the Injection Plan, Equitrans may inject gas into the Facility, but the operating pressure must not initially exceed eighty percent (80%) of the actual operating pressure in effect immediately prior to the Incident.
- A. After reaching 80% of the actual operating pressure in effect at the time of the Incident, Equitrans must complete a 7-day shut-in test to determine all storage wells used for injection, withdrawal, and/or observation are not leaking and are otherwise safe to operate.
 - B. Equitrans must submit the results of the shut-in test to the Director for approval prior to resuming operation at the Maximum Allowable Operating Pressure.
19. ***Monthly Reports.*** Equitrans must submit monthly reports to the Director that: (1) describe the progress of the repairs and other long-term remedial actions being undertaken and (2) provide the results of the inspections required by this Agreement (if not already provided through compliance with Paragraph 14(G)). The first report is due 30 days from the Effective Date.
20. ***Extensions of Time.*** The Director may grant an extension of time for compliance with any of the terms of the Agreement upon a written request timely submitted demonstrating good cause for an extension. The Director shall respond in writing to any such request within 30 days.
21. ***Documentation of the Costs.*** It is requested but not mandated that Equitrans maintain documentation of the safety improvement costs associated with fulfilling this Agreement and submit the total to the Director. It is requested that these costs be reported in two categories: (1) total cost associated with preparation and revision of plans, procedures, studies, and analyses and (2) total cost associated with replacement, additions, or other changes to underground natural gas storage infrastructure.

III. Review and Approval Process

22. With respect to any submission under Section II (Corrective Measures) of this Agreement that requires the approval of the Director, the Director may: (a) approve, in whole or in part, the submission, (b) approve the submission on specified, reasonable conditions, (c)

disapprove, in whole or in part, the submission, or (d) any combination of the foregoing. If the Director approves, approves in part, or approves with conditions, Equitrans will take all action as approved by the Director, subject to Respondent's right to invoke the dispute resolution procedures in Section IV. If the Director disapproves all or any portion of the submission, the Director will provide Equitrans with a written notice of the deficiencies. Respondent will correct all deficiencies within the time specified by the Director and resubmit it for approval.

IV. Dispute Resolution

23. The Director and Equitrans will informally attempt to resolve any disputes arising under this Agreement. If Respondent and the Director are unable to informally resolve the dispute within 15 business days, Respondent may request in writing, within 10 days from the 15 business day deadline, a written determination resolving the dispute from the Associate Administrator. The Director and counsel for the Eastern Region should be copied on any such request. Along with its request, Respondent will provide all information that Respondent reasonably believes is relevant to the dispute. If the request is submitted as provided herein, the Associate Administrator will issue a final determination in writing. This determination will constitute final agency action. The existence of a dispute and PHMSA's consideration of matters placed in dispute will not excuse, toll, or suspend any term or timeframe for completion of any work to be performed under this Agreement during the pendency of the dispute resolution process except as agreed by the Director or the Associate Administrator in writing.

V. Enforcement

24. This Agreement is subject to all enforcement authorities available to PHMSA under 49 U.S.C. § 60101, *et seq.*, and 49 C.F.R. Part 190, including administrative civil penalties under 49 U.S.C. § 60122, of up to \$257,664 per violation for each day the violation continues and referral of the case to the Attorney General for judicial enforcement, if PHMSA determines that Respondent is not complying with the terms of this Agreement in accordance with the determinations made by the Director, or in accordance with decisions of the Associate Administrator if resolved pursuant to the Dispute Resolution process herein. All work plans and associated schedules set forth or referenced in Section II are automatically incorporated into this Agreement and are enforceable in the same manner.

VI. Recordkeeping and Information Disclosure

25. Unless otherwise required in this Agreement or the pipeline safety regulations, Equitrans agrees to maintain records demonstrating compliance with all requirements of this Agreement for a period of at least five years following completion of all work to be performed. For any reports, plans, or other deliverables required to be submitted to PHMSA pursuant to this Agreement, Equitrans may assert a claim of business confidentiality or other protections applicable to the release of information by PHMSA, covering part or all of the information required to be submitted to PHMSA pursuant to this Agreement in accordance with 49 C.F.R. Part 7. Equitrans must mark the claim of confidentiality in writing on each page, and include a statement specifying the grounds

for each claim of confidentially. PHMSA determines release of any information submitted pursuant to this Agreement in accordance with 49 C.F.R. Part 7, the Freedom of Information Act, 5 U.S.C. § 552, DOT and PHMSA policies, and other applicable regulations and Executive Orders.

VII. Effective Date

26. The term "Effective Date," as used herein, is the date on which the Consent Order is issued by the Associate Administrator incorporating the terms of this Agreement. Unless specified to the contrary, all deadlines for actions required by this Agreement run from the Effective Date of the Consent Order. Nothing in this Agreement prevents Equitrans from completing any of the obligations earlier than the deadlines provided for in this Agreement.

VIII. Modification

27. The terms of this Agreement may be modified by mutual agreement of the Parties. Such modifications must be in writing and signed by both parties.

IX. Termination

28. This Agreement shall remain in effect until the Corrective Measures set forth in Section II are satisfied, as determined by the Director.

X. Ratification

29. The Parties' undersigned representatives certify that they are fully authorized to enter into the terms and conditions of this Agreement and to execute and legally bind such party to this document.

30. The Parties hereby agree to all conditions and terms of this Agreement.

For Respondent:

Robert Cooper
Senior Vice President, Construction Services
Equitrans Midstream Corporation

Date

For PHMSA:

Robert Burrough
Director, Eastern Region, Office of Pipeline Safety

Date