

**Before the
U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
Office of Pipeline Safety
Washington, D.C.**

In the Matter of	)	
	)	
	)	
Tallgrass Interstate Gas Transmission, LLC,	)	CPF No. 1-2026-044-NOPV
a subsidiary of Tallgrass Energy, LP,	)	Notice of Probable Violation
	)	
Respondent.	)	
	)	

**Request for Informal Settlement Conference and Hearing,
Preliminary Statement of Issues, and Request for Documents**

Tallgrass Interstate Gas Transmission, LLC (TIGT), a subsidiary of Tallgrass Energy, LP (Tallgrass) received the above-referenced Notice of Probable Violation (NOPV or Notice) and Proposed Compliance Order (PCO) issued by the Pipeline and Hazardous Materials Safety Administration (PHMSA or Agency), within the U.S. Department of Transportation (DOT), on May 29, 2026. The Notice was issued following a short three-day inspection by the PHMSA Eastern Region of TIGT’s Huntsman Underground Natural Gas Storage Facility (UNGSF) in Cheyenne County, Nebraska, from Sep. 30 – Oct. 2, 2025. The Notice alleged one probable violation and one PCO item, to which Tallgrass is timely providing this written response to (1) clarify the factual issues alleged by PHMSA in the NOPV, (2) contest the issuance of the Notice and request that it be withdrawn, and (3) confirm that, without admission, the PCO obligations have already been voluntarily addressed.

Based on the facts at issue, documentation and explanations provided to PHMSA, and applicable law, Tallgrass believes that this Notice is unwarranted, particularly in light of the fact that neither pipeline safety nor integrity issues are presented by the facts and circumstances underlying the NOPV. Tallgrass, including its subsidiary TIGT, prioritizes pipeline safety and strives for continuous improvement. To that end, Tallgrass has, without admission, proactively worked to address the concerns raised by PHMSA during the inspection of the Huntsman UNGSF, including implementing the actions identified in the PCO well in advance of PHMSA’s issuance of the NOPV.

Tallgrass believes the issues raised in the Notice are capable of resolution and respectfully requests an informal settlement meeting with PHMSA’s Eastern Region. To preserve Tallgrass’s rights in

the event the parties are unable to resolve this matter through an informal settlement conference, Tallgrass is filing this response on behalf of TIGT, pursuant to 49 C.F.R. §§ 190.208 and 190.211, to request an in-person hearing to address the factual and legal issues presented by the NOPV. If the Eastern Region is amenable, Tallgrass requests that the scheduling of a hearing be postponed to allow for settlement meetings. In the event the parties proceed to a hearing, Tallgrass will be represented by in-house counsel as well as outside counsel with Bracewell, LLP.

I. Response to PHMSA NOPV Allegation

Tallgrass respectfully requests that Item 1 be withdrawn in its entirety, including the related PCO obligation, on the basis that the underlying allegation is unsupported by the facts and the law. Tallgrass also wishes to clarify a number of the facts at issue which it believes are misrepresented in the Notice. As evidenced by the factual clarifications, no pipeline safety or integrity issues are presented in this matter. Tallgrass performed annual isolation and function testing of all relevant wellhead valves in 2024, and, in some cases, multiple times. To proceed with this enforcement would be inconsistent with DOT's Memorandum on Procedural Requirements for DOT Enforcement Actions, which makes clear that "inspections must not be used as a game of 'gotcha' with regulated entities,"¹ and with PHMSA enforcement guidance.²

Item 1 (§ 192.12(c) – Underground natural gas storage facilities)

Underground natural gas storage facilities (UNGSFs), as defined in § 192.3, are not subject to any requirements of this part aside from this section.

(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.

¹ See U.S. Dep't of Transp., Memorandum on Procedural Requirements for DOT Enforcement Actions at 4 (Mar. 11, 2025) (2025 DOT Memorandum).

² See PHMSA Enforcement Guidance Procedures, available at <https://www.phmsa.dot.gov/pipeline/enforcement/pipeline-enforcement-procedures>, (providing guidance regarding when to issue enforcement actions, the type of enforcement action, exercise of enforcement discretion, and also that a "Compliance Order should be proposed when the characteristics of the probable violation are such that corrective action is necessary").

PHMSA Allegation

Tallgrass failed to follow its written procedures for conducting operations, maintenance, and emergency preparedness and response activities in accordance with section 192.12(c). Specifically, Tallgrass failed to annually test the isolation of all wells at its Huntsman UNGSF in calendar year 2024 in accordance with its procedure, GSIMP 28 Testing and Inspection Valves including Surface and Subsurface Safety Valves (08/22/2023) (GSIMP 28).

Section 3.2.3 in GSIMP 28 required Field Operations personnel to test the master valve, side gate valves, and other well isolation valves as applicable, at least annually not to exceed 15 months for proper function and for ability to isolate the well, using a valve testing protocol consisting of fully cycling each valve (fully closing and fully opening it) to confirm proper function.

During the inspection, Eastern Region reviewed Tallgrass's procedures and records for wellhead valve isolation testing. In 2024, Tallgrass failed to follow section 3.2.3 in GSIMP 28 by failing to test the ability of all master valves and wellhead pipeline isolation valves to isolate the wells. Only 28 of 57 wells were tested for isolation per the procedure in GSIMP 28, section 3.2.3 and documented according to GSIMP 28, section 3.2.4 using Tallgrass' 2024 HMGS Valve Maintenance & Inspection form. Tallgrass stated that three wells were not tested for valve isolation in accordance with GSIMP 28 because they were isolated with a bridge plug. As for the remaining 26 wells, Tallgrass asserted there was valve isolation since the valves were used to isolate the well during a workover. However, Tallgrass failed to provide records demonstrating that those 26 well isolations were performed in accordance with GSIMP 28.

Therefore, Tallgrass failed to follow its written procedures for conducting operations, maintenance, and emergency preparedness and response activities in accordance with section 192.12(c).

Tallgrass Response

Tallgrass respectfully requests withdrawal of the alleged probable violation set forth in Item 1 on the basis that Tallgrass performed annual function and pressure testing of all relevant wellhead valves at all applicable gas storage wells³ in calendar year 2024.⁴ That testing was performed in accordance with Tallgrass procedure GSIMP 28, Section 3.2.3 and API Recommended Practice (RP) 1171, *Functional Integrity of Natural Gas Storage in Depleted Hydrocarbon Reservoirs and*

³ There is a total of 57 gas storage wells at the Huntsman UNGSF in 2024, but three (3) of those wells were offline in 2024 and isolated with a bridge plug, thus there was no requirement or need to test isolation valves at those wells. As such, relevant valves at only 54 of the gas storage wells were subject to isolation testing requirements and only 26 are at issue in PHMSA's allegations, as reflected in PHMSA's Notice.

⁴ It is also notable that PHMSA brought this action under 49 C.F.R. § 192.12(c) as opposed to § 192.12(b). Prior PHMSA enforcement has relied on § 192.12(b) for allegations of failure to perform required isolation valve testing or to provide supporting documentation. Further and in contrast to the underlying NOPV, prior PHMSA enforcement for alleged violations of § 192.12(c) consists of Notices of Amendment for inadequate procedures to ensure compliance with API RP 1171 isolation valve testing requirements. We are not aware of any other instances where operators were cited under § 192.12(c) for failing to follow their own written procedures.

Aquifer Reservoirs (incorporated by referenced at 49 C.F.R. § 192.7).⁵ As such and contrary to PHMSA’s allegations, Tallgrass complied with its written procedures for conducting operations, maintenance, and emergency preparedness and response activities in accordance with 49 C.F.R. § 192.12(c), including testing of all relevant well isolation valves.

Section 3.2.3 in Tallgrass’s procedure GSIMP 28 requires field “[o]perations personnel to test the master valve, side gate valves, and other well isolation valves as applicable, at least annually not to exceed 15 months for proper function and for ability to isolate the well (API RP 1171 9.3.2) using a valve testing protocol consisting of fully cycling each valve (fully closing and fully opening it) to confirm proper function.” The isolation and function tests were performed at all applicable wellhead valves in 2024 in alignment with Tallgrass procedures, both in standalone tests (for 28 of the gas storage wells wells) and as part of other work required to be performed on the subject wells during bottom hole pressure surveys (for 26 of the gas storage wells), with some of those wells tested more than once. PHMSA has never before articulated that an operator may not perform the relevant testing in conjunction with other work at the wellhead.

For those valves which were tested in conjunction with bottom hole pressure testing at 26 of the gas storage wells, the bottom hole testing procedure and documentation associated with that testing reflects the testing process and pressure readings which (1) demonstrate isolation and function of the relevant valves, and (2) are consistent with Tallgrass GSIMP 28, Section 3.2.3.⁶ In particular, Step 2 of Tallgrass’s bottom hole pressure testing procedure, HGS S2024 BHPs Work Plan, specifies to “Close master and wing valves and blowdown the wellhead to 0 psi through the tree cap valve. Close tree cap valve, wait 5 min, check wellhead pressure with pressure gauge. Call the engineer if any pressure change is noticed. If wellhead remains at 0 psi, continue to step 3.”⁷ A test duration of 5 minutes is the exact same test duration specified in Tallgrass GSIMP 28. The bottom hole testing records were discussed during the inspection and remain available for review by PHMSA.

Moreover, as part of its overall commitment to pipeline safety, Tallgrass seeks to foster a strong safety culture and empowers its employees to identify, prevent, and protect each other and communities from hazards and incidents through its TOPSafe program. Tallgrass maintains robust procedures that meet and often exceed the minimum pipeline safety standards, including 49 C.F.R. § 192.12 and provisions of API RP 1171 incorporated by reference therein. Tallgrass also periodically performs a variety of safety-oriented activities throughout the year to assess opportunities for continuous improvement. For example, in a Safety Bulletin issued by Tallgrass on Nov. 20, 2025 – after the PHMSA inspection and an unrelated incident at the Huntsman UNGSF – Tallgrass identified several enhancement opportunities including the development of expanded site-specific procedures for well isolation at the Huntsman facility.

⁵ At time of PHMSA’s underlying inspection, the 1st edition of API 1171 was in effect, per 49 C.F.R. § 192.7. Since that time, PHMSA issued a Direct Final Rule amending 49 C.F.R. § 192.7 to replace the outdated 1st edition (2015) with the newer 2nd edition (2022), which became effective on Jan. 1, 2026. See 90 Fed. Reg. 28086 (Jul. 1, 2025).

⁶ HGS S2024 BHPs Work Plan.

⁷ Id. at Step 2 (emphasis added). Closing the master and wing valves would be fully cycling closed, whereas the fully open cycle occurs when Tallgrass runs a wireline.

In addition to performing the 2024 isolation and function testing for relevant valves at all applicable gas storage wells in operation at the facility and implementing enhanced procedures to address PHMSA's concerns expressed in the 2025 inspection, Tallgrass proceeded in March 2026 with testing the operation of master valves and wellhead pipeline isolation valves for the ability to isolate the well in accordance with its GSIMP procedures. This is the very testing proposed by the NOPV PCO obligation issued by PHMSA two months after Tallgrass completed it. In short, Tallgrass has already completed the proposed corrective action (i.e., "test the operation of master valves and wellhead pipeline isolation valves for ability to isolate the well in accordance with its GSIMP procedures") for which records have been maintained and can be made available to PHMSA. As such, the valves at issue have been annually tested, both in 2024 and since, in alignment with the PHMSA regulations and Tallgrass procedures.

For all of these reasons, as a matter of fact and law, Tallgrass believes that the Notice should be withdrawn in its entirety.

II. Preliminary Statement of Issues

1. Whether based on the facts and applicable law, PHMSA has met its burden to prove by a preponderance of the evidence that Tallgrass did not comply with its procedures and 49 C.F.R. § 192.12(c) as alleged in NOPV Item 1.
2. Whether PHMSA provided due process and fair notice, as required by the U.S. Constitution and the Administrative Procedure Act, in issuing an alleged violation for NOPV Item 1.
3. Whether PHMSA's allegations of noncompliance under NOPV Item 1 are arbitrary and capricious, an abuse of discretion, or otherwise not in accordance with law in violation of the Administrative Procedure Act, and in contradiction with the 2025 DOT Memorandum on enforcement actions.⁸
4. Whether issuance of Item 1 and the proposed PCO obligations should be withdrawn because they contradict PHMSA's Pipeline Safety Enforcement Procedures and the 2025 DOT Memorandum on enforcement actions.⁹
5. Whether the proposed PCO obligations should be withdrawn because there is no outstanding remedial action and the PCO obligations are therefore unnecessary.
6. Whether PHMSA has properly alleged a violation of 49 C.F.R. § 192.12(c) as opposed to 49 C.F.R. § 192.12(b) in keeping with prior enforcement precedent.

⁸ See 2025 DOT Memorandum.

⁹ See *id.*; PHMSA, Office of Pipeline Safety, Administrative Enforcement Processes (Sep. 17, 2025), available at <https://www.phmsa.dot.gov/pipeline/enforcement/pipeline-enforcement-procedures>.

7. Whether PHMSA has made available a copy of the complete case file in this matter pursuant to 49 C.F.R. § 190.209 and consistent with PHMSA's memorandum titled, *Revised Procedures for Determining the Contents of the Case File in Pipeline Safety Enforcement Proceedings* (May 29, 2025).¹⁰

III. Request for Documents

Pursuant to 49 C.F.R. § 190.209 and to ensure a full and fair hearing consistent with 49 C.F.R. § 190.212(c)(2), (c)(3), and (c)(7), Tallgrass respectfully reiterates its request for a complete copy of the case file in this matter, which has not yet been provided as of this filing. To date, Tallgrass has only received the Pipeline Safety Violation Report and the exhibits attached to the Pipeline Safety Violation Report. Accordingly, Tallgrass requests the entirety of the case file, including but not limited to the following documents, as soon as possible but no later than 30 business days prior to any informal settlement conference:

1. Any and all notes or documents, including inspector notes or electronic records “that the agency considered ‘at the time it reached the decision’ and its contemporaneous findings.”¹¹
2. Any and all notes, memoranda, inspector training materials, guidance and other materials supporting PHMSA's position concerning the alleged probable violation in the NOPV.

These materials are “pertinent to the matters of fact and law asserted” and must therefore be provided pursuant to the Pipeline Safety Act, 49 U.S.C. § 60117(b)(1)(C).¹²

IV. Relief Requested

For the reasons identified above, and in consideration of other matters as justice may require, Tallgrass respectfully requests that the NOPV be withdrawn in its entirety, including the PCO. Tallgrass also respectfully provides the above clarifications for the record. Tallgrass believes these issues are capable of resolution without the need to proceed to a hearing, however, and requests an informal settlement meeting with the Eastern Region.

Tallgrass and its subsidiary TIGT remain committed to operating their pipeline systems safely and in compliance with all applicable regulations, as well as to continuously work to improve their processes.

¹⁰ See Memorandum from Chief Counsel, PHMSA to Acting Associate Administrator for Pipeline Safety, PHMSA, “Revised Procedures for Determining the Contents of the Case File in Pipeline Safety Enforcement Proceedings,” May 29, 2025.

¹¹ See 2025 DOT Memorandum.

¹² See supra note 10.

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Respectfully submitted,



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