TALLGRASS ENERGY PARTNERS

April 19, 2016

APR 26 2016

Mr. Allan C. Beshore
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. 3-2016-5001**
Proposed Compliance Order – Tallgrass Pony Express Pipeline, LLC

Dear Mr. Beshore:

Tallgrass Pony Express Pipeline, LLC (PXP) is not contesting violating the Pipeline Safety Regulation, Title 49, Code of Federal Regulations, §195.406 Maximum operating pressure expressed in the Notice of Probable Violation (NOPV) received on March 21, 2016. As described in the NOPV, both events resulted in an exceedance of the established maximum operating pressure (MOP) due to inadequate controls and protective equipment in place. In response to these events, several actions were taken to evaluate and improve the over pressure protection systems and control room procedures established to ensure PXP operates within acceptable design limits to protect the pipeline and stations maximum operating pressure.

Programming changes were implemented at Cushing station to prevent encountering an over pressure situation in the future. Changes made include:

- Requiring an open flow path through the meter station to the terminal before station inlet valves open,
- Addition of flow path violation logic in order for a valve closure in the flow path to initiate an immediate pipeline shutdown, and
- Addition of high pressure shutdowns, which initiate an immediate pipeline shutdown and station isolation.

Rooney Engineering was asked to perform a pipeline surge analysis in response to the overpressure events. Computer models of PXP were utilized to simulate various flow conditions and valve closure scenarios to ensure MOP and pipe velocities fall within acceptable ranges during a surge event. The recommendation to modify the surge relief systems at Ponca City and Cushing stations resulted from the analysis conducted (Cushing Surge Study enclosed). Station modifications made in response to the recommendations provided included installing nitrogen activated surge relief valves with larger piping at both Ponca City and Cushing stations. Relief valve set pressures were decreased, as recommended in the surge analysis report, to prevent an overpressure in response to a surge event.

Programming changes and modifications to the surge relief system were incorporated into the design of the Sterling station prior to construction in response to the lessons learned obtained from the overpressure events at Cushing station.

An evaluation of all overpressure protection equipment and set points was performed at each station on PXP and is illustrated in the enclosed spreadsheet, PXP OPP Set Points. All set points have been confirmed to reflect specified design requirements and adequately protect the pipeline and stations MOP.

As requested, all Operations Control Center (OCC) personnel on shift during the two overpressure events are identified as follows:

- Richard Seaton – on-duty Controller on 10/07/2014
- Daniel McGee – on-duty Controller on 10/28/2014
- Phil Atkinson – on-call Manager (both events)

Investigation into both events determined that procedures were adequate, but not properly followed. Improper execution of the line fill procedure led to a lack of communication between OCC and on-site field personnel resulting in the event on 10/08/2014. In response to the 10/28/2014 event an additional layer of protection, the flow path logic, was established to guard against human error. Both investigation summaries are enclosed for review.

The Cushing start-up procedure was modified in response to the programming changes implemented at the station (Pipeline Start-Up / Cushing Station enclosed) after the event on 10/28/2014. OCC management conducted a review of line fill and station start up procedures in conjunction with the incident investigations in Q4 of 2014 (OCC Operating Procedures Review certification enclosed). Lessons learned were developed and delivered to OCC personnel in Q4 of 2014 (OCC Incident Lessons Learned presentation and certification, and OCC PXP Training Matrix enclosed). The controller training program is currently being reviewed for enhancements in conjunction with procedure review.

Safety improvement costs associated with addressing these events include enhancing the surge relief system at Ponca City and Cushing stations, and modifying the design of the system at Sterling station. Approximately $100,000 was spent to perform the pipeline surge analysis; $4.5 million was spent on pipe, control valves, and surge relief valves and the installation of these materials to address overpressure protection.

Please consider examining the fine assessed due to the safety improvement costs incurred to improve the over pressure protection and surge relief systems at Ponca City, Cushing, and Sterling stations. The prompt actions taken in response to these events prove our diligence in correcting identified issues, and aim toward preventing future events. I sincerely appreciate your time and consideration.

Please let me know if you have any questions or would like to discuss the matter further.

Sincerely,

Jennifer Eckels
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CC: Tallgrass – Mick Rafter, Craig Meis, Jay Meyers, Jarid Kling, George Rider, Chris Jones
PHMSA – Hans Shieh

Enclosures: