



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety Administration**

901 Locust Street, Suite 480
Kansas City, MO 64106

WARNING LETTER

VIA ELECTRONIC MAIL TO: Bill.Moler@TallgrassEnergyLP.com and Jennifer.FcklesEckles@TallgrassEnergyLP.com

January 11, 2021

William Moler
Chief Executive Officer
Rockies Express Pipeline LLC
2400 West 155th Street, Suite 350
Leawood, KS 66221-2609

CPF 3-2021-001-WL

Dear William Moler:

From February 18, 2020 - December 1, 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 your Rockies Express Pipeline LLC's (REXs) Cheyenne Hub compressor station in Cheyenne, CO.

As a result of the inspection, it is alleged that you have committed a probable violation of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The item inspected and the probable violation(s) is:

1. **§ 191.22 - National Registry of Pipeline and LNG operators.**

(c) *Changes.* Each operator of a gas pipeline, gas pipeline facility, underground natural gas storage facility, LNG plant, or LNG facility must notify PHMSA electronically through the National Registry of Pipeline, Underground Natural Gas Storage Facility, and LNG Operators at <http://opsweb.phmsa.dot.gov> of certain events.

(1) An operator must notify PHMSA of any of the following events not later than 60 days before the event occurs:

(i) Construction or any planned rehabilitation, replacement, modification, upgrade, uprate, or update of a facility, other than a section of line pipe, that costs \$10 million or more. If 60 day notice is not feasible because of an emergency, an operator must notify PHMSA as soon as practicable;

REX failed to notify PHMSA about the Cheyenne Hub Enhancement planned construction project, costing more than \$10 million, no later than 60 days before it began. REX filed a application to the Federal Energy Regulatory Commission (FERC) on September 20, 2019. Per the FERC filing under docket number CP18-103-000, Rockies Express proposed to construct and operate at the existing Cheyenne Hub Compressor Station in Weld County, Colorado, six new 5,350 horsepower (hp) natural gas reciprocating compressor units (32,100 hp total) and ancillary equipment. Rockies Express also proposed to modify the existing Colorado Interstate Gas Company, LLC and Trailblazer Pipeline Company, LLC Interconnect Meter Stations to enable bi-directional gas flow through the meters. REX later reported to FERC that construction of the project facilities commenced on October 17, 2019. This construction project was well under way and was only brought to PHMSA's attention on February 18, 2020, when PHMSA's Western Region inspectors were onsite for a different construction project for the new Cheyenne Connector pipeline with the Operator Identification Number (OPID) 39933. On March 9, 2020, a late notification was made to PHMSA about the Cheyenne Hub Enhancement construction project for REX (OPID 32163).

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations. For violation occurring on or after November 27, 2018 and before July 31, 2019, the maximum penalty may not exceed \$213,268 per violation per day, with a maximum penalty not to exceed \$2,132,679. For violation occurring on or after November 2, 2015 and before November 27, 2018, the maximum penalty may not exceed \$209,002 per violation per day, with a maximum penalty not to exceed \$2,090,022. For violations occurring prior to November 2, 2015, the maximum penalty may not exceed \$200,000 per violation per day, with a maximum penalty not to exceed \$2,000,000 for a related series of violations.

We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this

time. We advise you to correct the item identified in this letter. Failure to do so will result in Rockies Express Pipeline, LLC being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 3-2021-001-WL**. 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).

Sincerely,

Gregory A. Ochs
Director, Central Region, OPS
Pipeline and Hazardous Materials Safety Administration

cc: Jennifer Eckels, Manager of Compliance, 370 Van Gordon, Street, Lakewood, CO 80228;
jennifer.eckels@tallgrassenergyllp.com