

**NOTICE OF PROBABLE VIOLATION
and
PROPOSED COMPLIANCE ORDER**

VIA ELECTRONIC MAIL TO: bill.moler@tallgrassenergyllp.com;
jennifer.eckels@tallgrassenergyllp.com; brad.armsbury@tallgrassenergyllp.com;
crystal.heter@tallgrassenergyllp.com

December 1, 2021

William Moler
Chief Executive Officer
Tallgrass Powder River Gateway, LLC
4200 W. 115th St. Suite 350
Leawood, KS 66211

CPF 3-2021-082-NOPV

Dear Mr. Moler:

On November 23 and 24, 2020, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), pursuant to Chapter 601 of 49 United States Code (U.S.C.) inspected Tallgrass Pony Express Pipeline, LLC's (Tallgrass) records and facilities in Lakewood, Colorado.

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 is:

1. **§ 195.505 Qualification Program.**
 - (a)
 - (b) **Ensure through qualification that individuals performing covered tasks are qualified.**

Tallgrass failed to have and follow a compliant operator qualification (OQ) program. Specifically, Tallgrass' OQ program failed to ensure through evaluation that individuals performing covered tasks are qualified to recognize and react to abnormal operating conditions. Section 195.503 defines "Qualified" as "an individual [that] has been evaluated and can: (a) Perform assigned covered tasks and (b) Recognize

and react to abnormal operating conditions.” Section 195.503 further defines “Abnormal operating condition” (AOC) as “a condition identified by the operator that may indicate a malfunction of a component or deviation from normal operations that may: (a) Indicate a condition exceeding design limits: or (b) Result in a hazard(s) to person, property, or environment.”

During the inspection, PHMSA reviewed Tallgrass’ evaluation requirements for operator qualification (OQ) tasks identified in the table below. Tallgrass provided records for the “Task Analysis” (Form OM100-82 GL) as evidence of the process through which it ensured that individuals performing covered tasks were qualified. The AOCs that individuals were trained to recognize and react to were, as identified in the Task Analysis forms so lacking in detail that they provided no training to personnel such that they would be considered “qualified” under the definition of § 195.503. Further, on April 28, 2021, Tallgrass admitted in a follow up email in response to PHMSA’s findings, that its AOC’s were “generic” and was working to correct the issue in 2021. In sum, Tallgrass failed to follow the requirements of § 195.505(b) by providing no detail to its personnel through its Task Analysis process as to how they should react and respond to AOCs, and by failing to incorporate its standard operating procedures into the qualification evaluation process for any of the tasks listed below.

0001_GL	Measure Structure-To-Electrolyte Potential	OM903_GLSOP914
0031_GL	Inspect And Monitor Galvanic Ground Beds/Anodes	OM903_GL
0061_GL	Inspect or Test Cathodic Protection Bonds	OM903_GL
0071_GL	Inspect or Test Cathodic Protection Electrical Isolation Devices	OM903_GL
0101_GL	Inspect Rectifier And Obtain Readings	OM903_GL
0141_GL	Perform Visual Inspection for Atmospheric Corrosion	OM918_GLBP301
0191_GL	Measure Atmospheric Corrosion	OM918_GL
0221_GL	Inspect, Test and Maintain Sensing Devices	OM703_GOM703_L
0241_L	Inspect, Test and Maintain Liquid Leak Detection Flow Computers	SOP3040
0251_L	Inspect, Test, and Maintain Overfill Protection Systems	OM704_L
0301_GL	Open and Close Valves Manually	OM301_GOM301_L
0331_GL	Perform Valve Visual Inspection and Partial Operation	OM301_GOM301_L
0651_L	Routine Visual Inspection of Breakout Tanks	OM2101_L
0961_GL	Above Ground Supports and Anchors - Inspection, Preventive and Corrective Maintenance	OM918_GLE0100
1221_G	Odorization - Odorizer Inspection, Testing, Preventive and Corrective Maintenance	OM1026_GOM1026_L
1261_G	Walking Gas Leakage Survey	OM215_GL
1271_G	Mobile Gas Leakage Survey - Flame Ionization	OM215_GL
1285_GL	Inspect Water Crossing	OM217_GOM217_L
1291_GL	Locate Underground Pipelines	OM204_GLBP204
1311_GL	Inspect Pipeline Surface Conditions - Patrol Right of Way or Easement	OM215_GLAerial Patrol
AOC_GAO C CT60_L	Abnormal Operating Conditions	OM1900_GLOM1902_GL

Proposed Compliance Order

With respect to Item 1, pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Tallgrass Powder River Gateway, LLC. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Response to this Notice

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. All material you submit in response to this enforcement action may be 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, or request a hearing under 49 C.F.R. § 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 a Final Order. If you are responding to this Notice, we propose that you submit your correspondence to my office within 30 days from receipt of this Notice. This period may be extended by written request for good cause.

In your correspondence on this matter, please refer to **CPF 3-2021-082-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

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

Enclosures: *Proposed Compliance Order*
Response Options for Pipeline Operators in Enforcement Proceedings

cc: Jennifer Eckles, Director Compliance – jennifer.eckels@tallgrassenergyllp.com
Crystal Heter, Chief Operating Officer, crystal.heter@tallgrassenergyllp.com
Brad Armsbury, Compliance Engineer, brad.armsbury@tallgrassenergyllp.com

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Tallgrass Pony Express Pipeline, LLC (Tallgrass) a Compliance Order incorporating the following remedial requirements to ensure the compliance of Tallgrass with the pipeline safety regulations:

- A. In regard to Item 1 of the Notice pertaining to qualifying individuals to react to abnormal operating conditions (AOC), Tallgrass shall:
 - i. Revise its OQ program to address the specific AOC's related to its identified covered tasks and submit to the Director for approval within 30 days of receipt of the Final Order.
 - ii. Within 30 days of receiving Director approval of the revised OQ program, as required by paragraph A(i), implement the program and communicate changes that affect the covered tasks to individuals performing those covered tasks (§ 195.505(f)).
 - iii. Requalify individuals as required by the revised program within 90 days of receipt of the Final Order.
 - iv. Provide to the Director, PHMSA Central Region a report summarizing the above actions within 120 days of receipt of the Final Order.

- B. It is requested that Tallgrass maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Greg Ochs, Director, Central Region, Pipeline and Hazardous Materials Safety Administration. It is requested that these costs be reported in two categories: 1) total cost associated with preparation/revision of plans, procedures, studies and analyses, and 2) total cost associated with replacements, additions and other changes to pipeline infrastructure.