U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY

In the Matter of	)	
Tallgrass Pony Express Pipeline, LLC,	)	**CPF No. 3-2022-018-NOPV**
Respondent.	)	

REQUEST FOR INFORMAL CONFERENCE, REQUEST FOR HEARING AND PRELIMINARY STATEMENT OF ISSUES FOR ITEMS 3 AND 4 WRITTEN RESPONSE TO NOPV ITEMS 1, 2, AND 5

I. Request for Informal Conference Regarding Items 3 and 4

Pursuant to 49 U.S.C. § 60117(b)(1)(B), Tallgrass Pony Express Pipeline, LLC (Tallgrass) respectfully requests an informal meeting to discuss the allegations in Items 3 and 4 of the above-referenced Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (NOPV). Tallgrass is hopeful that through further discussion these portions of the NOPV can be addressed without a hearing.

II. Alternative Request for Hearing Regarding Items 3 and 4

In order to preserve its rights, pursuant to 49 C.F.R. §§ 190.208(a)(4), 190.208(b)(4), and 190.211(b), Tallgrass also respectfully requests an in-person hearing for Items 3 and 4 in the event that the parties cannot resolve these items informally. If a hearing is held, Tallgrass will be represented by counsel at the hearing.

III. Preliminary Statement of Issues

Tallgrass respectfully contests the allegations of violation, the proposed civil penalties, and the proposed compliance terms for Items 3 and 4. At the hearing, Tallgrass intends to raise the following issues:

Item 3 – 49 C.F.R. § 195.446(c)(2) – Point-to-point Verification

A. Whether, based on the allegation in the NOPV and evidence in the record, PHMSA has met its burden of proof and persuasion that Tallgrass committed a probable violation of 49 C.F.R. § 195.446(c)(2).

B. Whether the proposed civil penalty and compliance order should be withdrawn.

C. If not withdrawn, whether the proposed compliance order should be modified.

Item 4 – 49 C.F.R. § 195.446(g) – Incorporating Operator Experience

A. Whether, based on the allegation in the NOPV and evidence in the record, PHMSA has met its burden of proof and persuasion that Tallgrass committed a probable violation of 49 C.F.R. § 195.446(g).

B. Whether the proposed civil penalty and compliance order should be withdrawn.

C. If not withdrawn, whether the proposed compliance order should be modified.

Tallgrass reserves the right to supplement this preliminary statement of issues in response to any additional information or arguments from PHMSA.

IV. Written Response to Items 1, 2, and 5

Pursuant to 49 C.F.R. §§ 190.208(a)(2), 190.208(a)(3) and 190.208(b)(3) Tallgrass provides the following written response to Items 1, 2, and 5 of the NOPV.

A. Item 1 – 49 C.F.R. § 195.446(a) – Documenting Tests of Backup SCADA Systems

Tallgrass provided the backup checklists at the time of the inspection. These records contain a section called "Setpoints", where in each instance the test member verified that setpoint commands were sent and received. Inherent in testing setpoint entry is the issuance of a command. Since setpoints cannot be received without a command, verifying the setpoint receipt also verifies the command that issued them. Tallgrass has included excerpts of the checklists as Attachment 1 to further explain its position. Tallgrass respectfully requests that PHMSA correct the record in the Final Order by acknowledging that Tallgrass' checklist records not only reflect its command and setpoint process but, in fact, demonstrate that the command and setpoints entry processes were tested in accordance with Tallgrass's OM1100_GL procedure.

B. Item 2– 49 C.F.R. § 195.446(a) – Documenting Training

Tallgrass has an established controller training program which specifically includes fatigue management training. Tallgrass reasonably believes that the necessary training was performed by Controllers 1 and 2. Although, Tallgrass could not locate the fatigue records for those controllers as the records are maintained on a third-party training platform. Tallgrass has made a formal inquiry to the third-party to locate and provide the missing records. Unfortunately, the records could not be located as of the date of this Response. Tallgrass has further inquired of the vendor as to why such records may be missing. For these reasons, Tallgrass does not contest this warning item. In order to prevent this issue in the future and as a matter of continuous improvement of Tallgrass' controller training program, two internal training coordinators have been hired. These training coordinators are tasked with the administration of the program in question as well as maintaining the integrity of the controller training records, among other training duties.

C. Item 5 – 49 C.F.R. § 195.446(j) – Documenting Deviations from Control Room Management Procedures

PHMSA cites two allegations and Tallgrass contests these allegations in part.

Krohne Leak Detection System

PHMSA alleges that Tallgrass violated Section 195.446(j) by failing to maintain documentation of deviations from its control room management procedures. The listed deviations were the decision not to use the Krohne system for leak detection and an alleged failure to train its personnel on the Redtail NGL pipeline. Although not a section 195.446(j) violation, PHMSA also alleged that Tallgrass should have updated its procedures to eliminate references to the Krohne system.

Tallgrass does not contest that it failed to file a deviation of its decision to no longer utilize the Krohne system for leak detection. Notably, Tallgrass never utilized the Krohne CPM for leak detection on the Redtail NGL pipeline; and therefore, was unaffected by the removal of the Krohne system from the Tallgrass suite of tools on its other pipelines.

Redtail NGL Pipeline – Failure to Train

In response to PHMSA's allegation that Tallgrass failed to properly train its controllers on the Redtail NGL pipeline, it is important to clarify that Tallgrass did not use the Krohne CPM on Redtail; and thus, it would be unnecessary to train its controllers on the same. Instead, Redtail uses a meter balance threshold alarm to indicate potential leak scenarios. Contrary to the allegations in the NOPV, all controllers operating the Redtail NGL pipeline were properly trained on the use of the meter balance threshold alarm.

Moreover, Tallgrass disagrees with PHMSA' allegation that Tallgrass does not follow its own training procedures requiring the use of tabletop exercises with its controllers. Tallgrass' primary method for controller training is focused on the recognition and response to Abnormal Operating Conditions (AOCs) of which the tabletop exercises conducted during Operator Qualification training ("OQ training") are but one useful tool. In this regard, Tallgrass relies on

the AOC suite of procedures including the AOC-F Leak Detection Guideline. An excerpt of the AOC-F Leak Detection Guideline for responding to leaks on the Redtail NGL pipeline is included as Attachment 2.

As communicated during the inspection, controllers are trained on the use of all available leak detection tools during on-the-job (OJT) training, which includes using the Meter Balance Threshold alarm on Redtail. A controller's proficiency in the use of these tools and their understanding of AOCs is verified during the Tallgrass' Operator Qualification training ("OQ training") as set forth under OM1100_GL, section 13.4 – System Training & Evaluation for New Controllers. As a part of the OQ training, a controller is presented with OJT tabletop exercises that present realistic scenarios and sufficient situations meant to challenge the controller's knowledge as to the abnormal (including emergency) conditions that a controller may encounter during the operation of the pipeline. A trainer must observe and provide feedback on a controllers' overall use of the tools and their performance during OJT tabletop exercises throughout the duration of their training. Additionally, controllers are required to participate in a series of live abnormal operations tabletop scenarios as a component of the final qualification review as required in OM1100_GL, Table 1 – Liquids System Operator Qualification Training. In sum, this means that all controllers must participate, be evaluated and pass tabletop exercises on Tallgrass' assets in order to be considered qualified.

In response to the other allegations in Item 5, Tallgrass filed a deviation to the CRM SharePoint Site on January 31, 2022, to account for the 2018-2020 time period without the use of the Krohne Leak Detection System. In addition, Tallgrass has updated its procedures to remove all references pertaining to the Krohne Leak Detection System. Finally, by June 30, 2022, Tallgrass will have implemented CPM or equivalent leak detection systems on all of its hazardous liquid pipelines, updated all procedures to reflect all necessary measures for identifying a leak using the systems, and trained all controllers on the use and operation of the leak detection systems. Thus, Tallgrass asserts that a compliance order is unnecessary for this allegation.

Respectfully submitted this 18th day of February 2022.

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Enclosures: Attachment 1: 2018 OCC Backup Site Checklist
2019 OCC Fort Collins Site Checklist
2020 OCC Fort Collins Backup Site Checklist

Attachment 2: AOC-F Leak Guideline