

21. **Item 2 – 49 CFR § 192.179(a)(4):** The Notice proposed a compliance order action to address the non-compliance alleged in Item 2. As a result of the Parties' informal discussions, the Parties have agreed to the following:

A. Special Permit Application, or Alternative Spacing Equivalency Determination, and Limitations

- i. As soon as practicable but no more than 180 days from the Effective Date of this Agreement, Respondent will apply for a mainline valve spacing special permit (Special Permit) under 49 CFR § 190.341 to allow for sectionalizing block valves to be spaced outside of the 10 mile (16 kilometer) spacing requirement for certain pipeline segments in a Class 1 location as set forth in 49 CFR § 192.179(a)(4).
- ii. If approved, the proposed Special Permit conditions shall apply, and the obligations set forth in Paragraph B will terminate.
- iii. Unless or until the Special Permit is approved by PHMSA, or PHMSA otherwise finds that the alternative spacing provides an equivalent level of safety in accordance with 49 CFR 192.179(a), Respondent will proceed to comply with obligations set forth in Par. B.i.a. If the Special Permit is denied by PHMSA or withdrawn by Respondent, Respondent shall also proceed with the obligations specified in Par. B.i.b, unless PHMSA otherwise finds that the alternative spacing provides an equivalent level of safety in accordance with 49 CFR 192.179(a).
- iv. If PHMSA finds that the alternative spacing provides an equivalent level of safety in accordance with 49 CFR 192.179(a), paragraph B is no longer applicable and paragraph 21 has been deemed satisfied in its entirety.
- v. Respondent reserves the right to seek additional special permits or other alternatives as provided by applicable laws.

B. Compliance Plan

- i. In regard to Item 2 of the Notice, Respondent shall perform the following actions, subject to the limitations set forth in paragraph A (including if PHMSA otherwise finds that the alternative spacing provides an equivalent level of safety in accordance with 49 CFR 192.179(a)), applicable to the area identified in the Notice with sectionalizing block valves spaced outside of the 10 mile (16 kilometer) spacing requirements of 49 CFR § 192.179(a)(4):
 - a. ***Interim Actions Until the Grant of the Special Permit Application or Determination that the Alternative Valve Spacing Provides Equivalent Level of Safety in Accordance with 49 CFR 192.179(a).***

1. *Work Plan.* Within **90 days** of the *Effective Date* of this Agreement, Respondent will prepare and submit for the Director approval a Work Plan and Schedule to implement the Remedial Measures set forth in paragraph B.i.a.2, unless and until a Special Permit is granted or PHMSA otherwise finds that the alternative spacing provides an equivalent level of safety in accordance with 49 CFR 192.179(a).

2. *Remedial Measures.*

A. Conduct documented monthly aerial right-of-way patrols.

B. Perform documented leak survey with leak survey equipment at least twice each calendar year but not to exceed 7-1/2 months.

C. Documented in-line inspection conducted within 18 months of the *Effective Date* of this Agreement.

D. A documented close interval survey (CIS) will be conducted within 18 months of the *Effective Date* of this Agreement.

3. The Work Plan and Schedule required by paragraph B.i.a.1 may not be implemented until it has been approved, in writing, by the Director.

b. *Additional Actions Upon Special Permit Denial or Withdrawal*

1. Except where PHMSA otherwise finds that the alternative spacing provides an equivalent level of safety in accordance with 49 CFR 192.179(a), in the event the Special Permit is denied or withdrawn, and until Respondent has installed the valves referenced in B.i.b.2 below, Respondent will continue to implement remedial measures as set forth in B.i.a.2 as appropriate and applicable and described in the Work Plan and Schedule pursuant to B.i.a.1 of this Agreement. The Schedule will be updated as necessary.

2. Within **2** years of the date of denial or withdrawal, Respondent will determine a suitable location for, and install, the necessary valve(s) to meet the requirements of 49 CFR § 192.179.

3. Respondent's obligations under B.i.a will terminate upon installation of the valves as required by B.i.b.2 or termination of this Agreement.

C. Respondent shall provide status updates to the Director on a quarterly basis describing the progress on all actions being undertaken pursuant to this Agreement.

D. The Director may grant an extension of time for compliance with any of the terms of the Agreement upon a written request timely submitted demonstrating good cause for an extension. The Director shall respond in writing to any such request.

II. Ratification:

1. The Parties' undersigned representatives certify that they are fully authorized to enter into the terms and conditions of this modification and to execute and legally bind such party to this document.
2. The Parties hereby agree to all findings, conditions, and terms of this modification.

[Signature Lines on Following Page]

For Tallgrass Energy, LP:

Date

For PHMSA:

Director, Western Region, Office of Pipeline Safety

Date