

In the Matter of

CPF No. 5-2026-002-NOPV
Notice of Probable Violation

**Request for Informal Settlement Conference and Hearing,
Preliminary Statement of Issues, and Request for Documents**

Based on the facts at issue, documentation provided, and the applicable law, Tallgrass believes that three (3) alleged violations (Items 4, 5, and 7) are unwarranted and believes that one (1) alleged violation (Item 1) should be reclassified from a Warning to a Notice of Amendment (NOA). As to the remaining three (3) alleged violations identified in the NOPV, Tallgrass without admission has

¹ Email correspondence between to Danielle Stephens, Tallgrass, and PHMSA Western Region Director Dustin Hubbard (dated Mar. 2, 2026).

elected not to contest them (Items 2, 3, and 6) and provides a written response to clarify some of the factual issues underlying the NOPV and to confirm that the PCO obligations for Items 2 and 6 are in the process of being addressed or have already been addressed.

Tallgrass believes these issues are capable of resolution and respectfully requests an informal settlement meeting with PHMSA's Western Region. If the Western Region is amenable, Tallgrass requests that the scheduling of a hearing be postponed to allow for settlement meetings. To preserve its rights in the event the parties are unable to resolve this matter through an informal settlement conference, Tallgrass is filing this response on behalf of TIGT pursuant to 49 C.F.R. §§ 190.208 and 190.211, to request an in-person hearing to address the factual and legal issues presented by the NOPV. As set forth below, Tallgrass is contesting the three (3) allegations (Items 4, 5, and 7) contained in the NOPV, including the associated PCO obligations for Item 7. Tallgrass respectfully requests that each be withdrawn in their entirety. Based on further clarification provided below, Tallgrass also respectfully requests a reclassification of one (1) allegation (Item 1) from Warning Item to NOA.

In the event the parties proceed to a hearing, Tallgrass will be represented by in-house counsel as well as outside counsel with Bracewell, LLP.

I. Response to PHMSA NOPV Allegations

A. Uncontested Items

As noted above, Tallgrass has elected not to contest the allegations underlying Items 2, 3, and 6, and Tallgrass has already addressed or is in the process of addressing the PCO requirements associated with Items 2 and 6. Tallgrass provides clarifications below, by item number, regarding the nature of the efforts the Company has taken before, during, and after the inspection which are the subject of the Notice.

- 1. Item 2 (§ 192.169(d); Compressor stations: Pressure limiting devices.)**
(Alleging that Tallgrass failed to install protective devices necessary to prevent accidental overpressure of the drain system and associated equipment at the North Logan Compressor Station as required by § 192.169(a).)

Tallgrass Response

Tallgrass has elected not to contest the allegations underlying Item 2 and is in the process of complying with the associated PCO obligations. During the follow-up meeting with PHMSA on September 9, 2025, Tallgrass's Engineering team informed PHMSA that the required orifice plate had already been ordered and that Tallgrass's Operations team would verify its receipt and installation. The orifice was ordered and shipped on June 6, 2025, nearly three (3) months prior to the September meeting with PHMSA. As further context, the orifice is a specialized piece of equipment sourced from Germany, which resulted in a longer wait time for delivery. Tallgrass installed the orifice on August 8, 2025. On December 16, 2025, Tallgrass provided PHMSA with confirmation of its installation and a photograph of the installed orifice in its Written Preliminary Findings response. The Management of Change (MOC) documentation associated with the installation can also be made available to PHMSA upon request.

2. **Item 3 (§ 192.195(a) Protection against accidental overpressuring.)** (Alleging that Tallgrass failed to protect against overpressuring by any single point of pressure control failure as required by § 192.195(a).)

Tallgrass Response

Tallgrass does not contest the allegations underlying Item 3. The equipment in question is post-conversion from liquids to natural gas. Tallgrass is currently evaluating whether the equipment at issue is necessary. The Company will complete an MOC if the equipment is changed or removed, pending the outcome of the evaluation.

3. **Item 6 (§192.739(a)(2) Pressure limiting and regulating stations: Inspection and testing.)** (Alleging that Tallgrass failed to ensure its pressure relief valves were adequate from a standpoint of capacity and reliable operation as required by § 192.739(a)(2) because each valve was adjusted outside its allowable spring range or had parts incompatible with natural gas service.)

Tallgrass Response

Tallgrass does not contest the allegations underlying Item 6, and the Company is in the process of addressing the elements required by the associated PCO. In particular, Tallgrass has already ordered and received the replacement valves for the Edson Lateral, Kinsington Lateral, and Phillipsburg Power Gas, which have either been installed or are in the process of being installed. Tallgrass has initiated the MOC process and expects to complete the installation of the replacement valves by April 30, 2026. The MOC can be made available to PHMSA upon request.

B. Contested Items

As noted above, Tallgrass respectfully requests that Items 4, 5, and 7, including the associated PCO requirements for Item 7, be withdrawn, on the basis that these items are unsupported by the facts and the law as set forth below. Based on further clarification provided below, Tallgrass also respectfully requests a reclassification of Item 1 from Warning Item to NOA.

1. **Item 1 (§ 192.13(d) - What general requirements apply to pipelines regulated under this part?)**

PHMSA Allegation

Tallgrass failed to follow a Management of Change (MOC) process as required by § 192.13(d) regarding modifications to the West Wheeler overpressure protection site. Specifically, on April 10, 2025, PHMSA observed during its inspection that Tallgrass had incorrectly installed pressure-sensing lines at its West Wheeler overpressure prevention site. The Wheeler West Overpressure Protection regulating station reduces pressure from Tallgrass's pipeline system pressure into the St. Francis lateral pipeline. The station uses pressure control valves in a "worker/monitor" configuration, such that one pressure control valve is the pressure regulator the other pressure control valve is the overpressure protection. On April 10, 2025 PHMSA inspected that site and found the instrument control lines for both the worker and monitor valves were installed at a

common sensing point on the pipeline, such that damage or improper operation at that common sensing point would make both the worker control valve (regulator) and monitor control valve (overpressure protection) simultaneously inoperative. Further, if ever there was damage to the shared control line, both control valves would go to an open position, subjecting the St. Francis lateral pipeline segment to pressures greater than its 635 psi MAOP, potentially as high as the 800 psi upstream Tallgrass pipeline pressure.

Tallgrass then performed physical modifications to the identified lines between April 10 and April 18, 2025. During a follow-up interview between PHMSA and Tallgrass on April 29, 2025, Tallgrass personnel stated they had not conducted a MOC and could not provide any information or documentation that a formal MOC was initiated or used for this work.

Tallgrass's internal MOC procedure requires an MOC for changes to systems, components, and procedures controlled by engineered drawings or specifications. PHMSA notes that a lack of a formal MOC during pressure-control modifications has the potential to cause serious incidents, and the West Wheeler modifications could have over-pressured the downstream pipeline if done incorrectly. By modifying safety-critical pressure control equipment without an MOC, Tallgrass failed to analyze the implications of the change as required by § 192.13(d) and failed to follow its own written procedure.

Therefore, Tallgrass failed to follow a MOC process as required by § 192.13(d).

Tallgrass Response

Tallgrass respectfully requests withdrawal of the Warning Item and requests that the cited violation instead be alleged as a Notice of Amendment (NOA). The purpose of a NOA is to identify certain inadequacies in an operator's procedures and to propose revisions to assure the safe operation of pipeline facilities.² As discussed with PHMSA in the April 29, 2025, meeting during the inspection, Tallgrass had determined that following the MOC procedures was not required in the cited instance because none of the applicable criteria in the MOC procedures were met. Specifically, replacement of tubing was not identified in the MOC procedures as "pipeline equipment," and therefore, did not trigger the requirement for personnel to follow the MOC process.

Tallgrass maintains robust MOC procedures that meet the minimum pipeline safety standard as set forth in 49 C.F.R. § 192.13(d). Following subsequent discussions with the PHMSA inspector and after conducting further review of its MOC procedures, Tallgrass nevertheless acknowledges that the procedures would benefit from greater specificity regarding the classification of tubing as pipeline equipment. Because the regulatory standard was met and personnel followed the procedure as written, but the underlying procedures may have been inadequate, a NOA is the more appropriate enforcement mechanism to address this issue. In light of this clarification opportunity, Tallgrass requests a reclassification of Item 1 from Warning Item to NOA.

² 49 CFR § 190.206(a).

2. Item 4 (§ 192.199(e) - Requirements for design of pressure relief and limiting devices.)

PHMSA Allegation

Tallgrass failed to have discharge stacks, vents, or outlet ports located where gas can be discharged into the atmosphere without undue hazard, in violation of § 192.199(e). Specifically, Tallgrass installed a relief valve at the Kansas Gas Service interconnect facility in a configuration where escaping gas would discharge directly toward personnel at face level.

During the PHMSA inspection on September 25, 2025, PHMSA observed a relief valve installed on the station's power gas system. The valve was positioned at approximately face height with its relief port directed downward and outward into the workspace. The installation lacked a discharge stack or vent piping to direct the flow of gas away from areas accessed by operator personnel.

By failing to install a discharge stack to divert gas away from the work area, Tallgrass has created a condition where the operation of the relief valve would present an immediate physical hazard to any employee working on or near the equipment.

Therefore, Tallgrass failed to have discharge stacks, vents, or outlet ports located where gas could be discharged into the atmosphere without undue hazard as required by § 192.199(e).

Tallgrass Response

Tallgrass respectfully requests that PHMSA withdraw Item 4 of the NOPV as a matter of law and fact. PHMSA is generally authorized to prescribe and enforce minimum federal safety standards for the transportation of gas and hazardous liquids by pipeline.³ PHMSA's allegation regarding the relief valve configuration at the Kansas Gas Service interconnect, however, is based solely on personnel safety. Further, PHMSA has not defined "undue hazard," nor has the Agency issued formal interpretations or guidance outlining the criteria necessary to comply with that standard.

In addition, and in an abundance of caution, Tallgrass safety personnel have since reviewed the valve configuration at issue and determined that it does not pose a safety risk condition as described by PHMSA for the following reasons: (1) the valve is outside and does not vent into an enclosed area, which allows gas to dissipate quickly and not accumulate; (2) the valve is pointed downward and would not vent directly onto an employee in the unlikely event that the valve vented while an employee was nearby; and (3) the valve is in an electrically classified area which does not allow hot work without a hot work permit. If hot work were to be performed in this location, hot work procedures would require the valve at issue to be locked closed, which would prevent it from being vented and igniting.

³ 49 U.S.C. § 60101 et seq.

3. Item 5 (§192.731(a) Compressor stations: Inspection and testing of relief devices.)

PHMSA Allegation

Tallgrass failed to prepare accurate relief capacity calculation documentation for the relief valves at its Yumas Compressor Station, as required per §§ 192.731(a) and 192.743(a). Specifically, PHMSA reviewed Tallgrass's Overpressure Protection Evaluation forms and discovered that Tallgrass had classified its PSV-200 as a "thermal relief" valve. Consequently, Tallgrass's calculations stated the valve only needed a relief capacity of 1.92 standard cubic feet per minute (scfm).

However, PHMSA identified during the on-site inspection that PSV-200 is installed between the compressor discharge and the station block valves. Based on its size and installation location, PSV-200's actual function is to protect downstream facilities during a "blocked discharge" scenario, where the compressor continues to run against a closed valve. This scenario requires a much greater relief capacity than the 1.92 scfm stated capacity in Tallgrass's. During a follow-up meeting between PHMSA and Tallgrass on September 16, 2025, Tallgrass admitted the error and produced a revised calculation showing the true required capacity of PSV-200 was 7.6 million standard cubic feet per day (MMscfd).

In addition, the Overpressure Protection Evaluation forms for PSV-200 were dated August 13, 2025, which was several months after PHMSA's inspection and request for the capacity records. Tallgrass was required under § 192.743 to maintain accurate capacity records for annual reviews but instead produced post-dated documentation.

Therefore, Tallgrass failed to maintain accurate capacity reviews as required by §§ 192.731(a) and 192.743(a), relying instead on erroneous calculations that failed to account for the true operating hazards of the station.

Tallgrass Response

Tallgrass respectfully requests that PHMSA withdraw Item 5 of the NOPV because it is based on incorrect facts. Shortly after the on-site inspection in late June 2025, Tallgrass located the original relief calculation records from March 7, 2014, for PSV-200. Tallgrass took the additional step to reconfirm the accuracy of the original 2014 calculations for PSV-200 in a new form dated August 13, 2025, which verified that the original calculations reflect accurate capacity but mistakenly identified the relief function as thermal expansion. The sole purpose of preparing the August 13, 2025, form was to memorialize the verification of the original relief calculations. The Company continues to maintain and rely on the original 2014 calculations, not post-dated documentation as alleged by PHMSA.

Tallgrass subsequently recognized the error in the August 13, 2025, form in identifying the relief function as thermal expansion, correcting the mistake by completing a new form dated September 11, 2025, which again verified that the original 2014 calculations reflect accurate capacity and correctly stated the relief function. Tallgrass provided the original relief calculations for PSV-200

from March 7, 2014, and the confirmatory calculations from September 11, 2025, during the inspection follow-up meeting on September 16, 2025.

At that September meeting, Tallgrass also clarified for PHMSA that the pipeline MAOP is governed by station controls—not by the PSV 200 relief valve. As Tallgrass previously explained, the documentation associated with PSV 200 pertains solely to the compressor discharge bottles, which are ASME certified vessels with a Maximum Allowable Working Pressure (MAWP) of 1280 psig. Consistent with ASME requirements, the relief device protecting these vessels must be set at or below the vessel MAWP; accordingly, PSV 200 is correctly set at 1280 psig. As noted above, the correct calculations from March 7, 2014, and the confirmatory calculations from September 11, 2025, verifying the set points were provided to PHMSA during the inspection and can be provided again upon request.

4. Item 7 (§ 192.739(a)(3) Pressure limiting and regulating stations: Inspection and testing.)

PHMSA Allegation

Tallgrass failed to set the pressure relief devices at the Edson Lateral and Kensington Lateral to a correct pressure to prevent the pipeline from exceeding the limits prescribed in § 192.201(a), in violation of § 192.739(a)(3). Specifically, Tallgrass set its relief valves at pressures higher than the Maximum Allowable Operating Pressure (MAOP) of the pipeline, creating a condition where the valve could not reach the required relief capacity without exceeding the allowable 110 percent overpressure limit. Spring-set valves reliably fully open and achieve their certified capacity at 110 percent of their set pressure. This principle is reflected in the device manufacturer's capacity certifications, the specifications to which the valve was built and tested, and is codified into § 192.201(a)(1) which prohibits pressure from exceeded 110 percent of the MAOP during relief events.

During the on-site inspection, PHMSA documented that Tallgrass had set the relief valves (PSVs) significantly above the pipeline MAOP:

1. Edson Lateral: MAOP is 155 psi and the allowable overpressure under § 192.201(a)(2) is 170.5 psi. The PSV set pressure was 163 psi which achieves full lift and capacity at 179.3 psi, or approximately 9 psi greater than allowable.
2. Kensington Lateral: MAOP is 463 psi and the allowable overpressure under § 192.201(a)(2) is 509 psi. The PSV set pressure was 480 psi which achieves full lift and capacity at 528 psi, or approximately 19 psi greater than allowable.

Therefore, by setting the Edson and Kensington PSVs above MAOP and failing to account for the build-up to open the device, Tallgrass failed to set its PSVs to control or relieve at the correct pressure as required by § 192.739(a)(3).

Tallgrass Response

Tallgrass respectfully requests that PHMSA withdraw Item 7 of the NOPV as a matter of law and fact. PHMSA's assertion that the subject valves require "full lift capacity" above their setpoint is inconsistent with the manufacturer's technical documentation. In particular, the restriction capacity necessary is based off the pressure limiting equipment (e.g., the regulator). The manufacturer-calculated relief capacity must exceed the restriction capacity, as follows:

- Kinsington Lateral: The restriction capacity necessary is 48.79 MCFH at 480 PSIG. The relief valve is set at 480 PSIG, with a calculated relief capacity of 526 MCFH. This exceeds the necessary capacity.
- Edson Mainline: The restriction capacity necessary is 53.73 MCFH at 163 PSIG. The relief valve is set at 163 PSIG, with a calculated relief capacity of 70 MCFH. This exceeds the necessary capacity.
- Mercer: The manufacturer manual expressly states that 10% overpressure is not required for these valves to achieve full lift. The valves reach full lift at the setpoint and remain fully open within the allowable tolerance, staying below the 110% MAOP threshold.

Setting a relief valve set point at a pressure higher than MAOP does not violate 49 C.F.R. § 192.739(a)(3) if the operator meets the applicable relief valve set pressures for MAOP, as defined in either §§ 192.201 or 192.739, for the maximum relief valve set pressures above MAOP. Based on the manufacturer's specifications and consistent with both the PHMSA regulations and Tallgrass procedures, the relief valves operate as designed and do not require the overpressure margin suggested by PHMSA.

II. Preliminary Statement of Issues

1. Whether based on the facts and applicable law, PHMSA has met its burden to prove by a preponderance of the evidence that Tallgrass did not comply with 49 C.F.R. §§ 192.13(d), 192.199(e), 192.731(a), and 192.739(a)(3), as alleged in NOPV Items 1, 4, 5, and 7.
2. Whether PHMSA provided due process and fair notice, as required by the U.S. Constitution and the Administrative Procedure Act, in issuing an alleged violation for NOPV Items 1, 4, 5, and 7.
3. Whether PHMSA's allegations of noncompliance under NOPV Items 1, 4, 5, and 7 are arbitrary and capricious, an abuse of discretion, or otherwise not in accordance with law in violation of the Administrative Procedure Act, and in contradiction to the 2025 DOT Memorandum on enforcement actions.⁴
4. Whether PHMSA's consideration of Tallgrass's request to reclassify Item 1 from a Warning Item to a NOA is necessary for consistency with due process, 49 C.F.R. Part

⁴ See U.S. Dep't of Transp., Memorandum on Procedural Requirements for DOT Enforcement Actions (Mar. 11, 2025).

190, PHMSA's Pipeline Safety Enforcement Procedures, and the 2025 DOT Memorandum on enforcement actions.⁵

5. Whether PHMSA's authority under the Pipeline Safety Act extends to issues solely involving worker safety.⁶
6. Whether PHMSA has provided sufficient notice of the meaning of "undue hazard" as that term is used in 49 C.F.R. § 192.199(e) or how to comply with 49 C.F.R. § 192.199(e).
7. Whether the issuance of Item 7 and the proposed PCO obligations should be withdrawn because: (1) they contradict PHMSA's Pipeline Safety Enforcement Procedures and prior enforcement precedent; and (2) the PCO obligations are unnecessary.⁷
8. Whether adjudication of Warning items to determine if they are supported by facts and law is necessary for consistency with due process and the 2025 DOT Memorandum on enforcement actions given that Warning items can be considered prior violations by PHMSA.⁸
9. Whether PHMSA has made available a copy of the complete case file in this matter pursuant to 49 C.F.R. § 190.209 and consistent with PHMSA's memorandum titled, *Revised Procedures for Determining the Contents of the Case File in Pipeline Safety Enforcement Proceedings* (May 29, 2025).⁹

III. Request for Documents

Pursuant to the regulations at 49 C.F.R. §§ 190.209 and 190.212(c)(2), (c)(3), and (c)(7), and to ensure a full and fair hearing, Tallgrass respectfully reiterates its request for a complete copy of the case file in this matter, which has not yet been provided as of this filing. To date, Tallgrass has only received the Pipeline Safety Violation Report and the attached exhibits. As such, Tallgrass requests the entirety of the case file be provided, including but not limited to the following documents, as soon as possible but no later than 10 business days prior to the informal conference:

1. Any and all notes documents, or electronic records "that the agency considered 'at the time it reached the decision' and its contemporaneous findings."¹⁰

⁵ *Id.*; U.S. Dep't of Transp., "Memorandum on Procedural Requirements for DOT Enforcement Actions" (Mar. 11, 2025).

⁶ 29 U.S.C. § 652(8) (defining "occupational safety and health standard").

⁷ PHMSA, Office of Pipeline Safety, Administrative Enforcement Processes, Sept. 17, 2025 (*available at* <https://www.phmsa.dot.gov/pipeline/enforcement/pipeline-enforcement-procedures>).

⁸ U.S. Dep't of Transp., "Memorandum on Procedural Requirements for DOT Enforcement Actions" (Mar. 11, 2025).

⁹ Memorandum from Chief Counsel, PHMSA to Acting Associate Administrator for Pipeline Safety, PHMSA, "Revised Procedures for Determining the Contents of the Case File in Pipeline Safety Enforcement Proceedings", May 29, 2025.

¹⁰ U.S. Dep't of Transp., "Memorandum on Procedural Requirements for DOT Enforcement Actions" (Mar. 11, 2025).

2. Any and all notes, memoranda, inspector training materials, guidance and other materials supporting PHMSA's position concerning the alleged probable violations in the NOPV.

These materials are "pertinent to the matters of fact and law asserted" and must therefore be provided pursuant to 49 U.S.C. § 60117(b)(1)(C).¹¹

IV. Relief Requested

For the reasons identified above, and in consideration of other matters as justice may require, Tallgrass respectfully requests that NOPV Items 4, 5, and 7 be withdrawn in their entirety, including the PCO obligations for Item 7, and that Item 1 be reclassified from a Warning to a NOA. Tallgrass also respectfully provides clarifications for the record with respect to Items 2, 3, and 6, including with respect to the completion of the PCO obligations for Items 2 and 6.

As noted above, Tallgrass believes these issues are capable of resolution without the need to proceed to a hearing and respectfully requests an informal settlement meeting with the Western Region.

Tallgrass and its subsidiary TIGT remain committed to operating their pipeline systems safely and in compliance with all applicable regulations, as well as to continuously working to improve their processes.

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Respectfully submitted,



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¹¹ Memorandum from Chief Counsel, PHMSA to Acting Associate Administrator for Pipeline Safety, PHMSA, "Revised Procedures for Determining the Contents of the Case File in Pipeline Safety Enforcement Proceedings", May 29, 2025.

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