



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

12300 W. Dakota Ave., Suite 340
Lakewood, CO 80228

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

VIA ELECTRONIC MAIL TO: CEO@tallgrass.com

January 22, 2026

Matt Sheehy
President/CEO
Tallgrass Interstate Gas Transmission LLC
370 Van Gordon St.
Lakewood, CO 80228

CPF 5-2026-002-NOPV

Dear Mr. Sheehy:

From April 8 to September 25, 2025 representatives 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 Interstate Gas Transmission, LLC's (Tallgrass) pipeline system located in Colorado, Kansas, and Missouri.

As a result of the inspection, it is alleged that Tallgrass has committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations (CFR). The items inspected and the probable violations are:

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

(a) ...

(d) Each operator of an onshore gas transmission pipeline must evaluate and mitigate, as necessary, significant changes that pose a risk to safety or the environment through a management of change process. Each operator of an onshore gas transmission pipeline must develop and follow a management of change process, as outlined in ASME B31.8S, section 11 (incorporated by reference, *see* § 192.7), that addresses technical, design, physical, environmental, procedural, operational, maintenance, and organizational changes to the pipeline or processes, whether permanent or temporary. A management of change process must include the following: reason for change, authority for approving changes, analysis of implications, acquisition of required work permits, documentation, communication of change to affected parties, time limitations, and qualification of staff. For pipeline segments other than those covered in subpart O of this part, this management of change process must be implemented by February 26, 2024. The requirements of this paragraph (d) do not apply to gas gathering pipelines. Operators may request an extension of up to 1 year by submitting a notification to PHMSA at least 90 days before February 26, 2024, in accordance with § 192.18. The notification must include a reasonable and technically justified basis, an up-to-date plan for completing all actions required by this section, the reason for the requested extension, current safety or mitigation status of the pipeline segment, the proposed completion date, and any needed temporary safety measures to mitigate the impact on safety.

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).

2. § 192.169 Compressor stations: Pressure limiting devices.

(a) Each compressor station must have pressure relief or other suitable protective devices of sufficient capacity and sensitivity to ensure that the maximum allowable operating pressure of the station piping and equipment is not exceeded by more than 10 percent.

Tallgrass failed to install suitable protective devices at the North Logan Compressor Station to prevent station piping and equipment from exceeding the maximum allowable operating pressure (MAOP) by more than 10 percent, in violation of § 192.169(a). Specifically, Tallgrass failed to install a restriction orifice on the suction scrubber drain piping, leaving the downstream atmospheric storage tank unprotected against potential overpressurization.

Under normal operations, the natural gas pipeline's pressure pushes liquids recovered from the compressor's inlet suction scrubbers into an atmospheric storage tank through the compressor station's drain piping. This process is controlled by automatic level-control valves or manual valves on the bottom of the suction scrubbers. If these valves were to fail to close, natural gas moving at pipeline pressure could flow into the drain piping and atmospheric tank, requiring suitable pressure relief or other pressure-protective devices.

A review of Tallgrass's design drawings specified the installation of a restriction orifice to limit gas flow into the atmospheric tank in the event of a drain valve failure. During the PHMSA inspection on April 9, 2025 PHMSA discovered that the restriction orifice was missing. In a meeting between the PHMSA inspector and Tallgrass on May 19, 2025 Tallgrass engineering personnel admitted the orifice was required by design but never installed and confirmed that relief calculations showed the tank could be overpressured without it.

As of PHMSA's follow-up on September 9, 2025, nearly four months later, Tallgrass stated that they had not installed the required orifice and had not been able to demonstrate that the restriction orifice required by its design drawings had been installed.

The absence of this device creates an immediate safety hazard. The storage tank connected to this system is an atmospheric vessel designed for zero pressure. Without the restriction orifice, a failure of the scrubber drain valve would allow high-pressure gas to flow directly into the tank at a rate exceeding its venting capacity risking catastrophic tank rupture in the presence of combustible liquids and ignition sources.

Therefore, 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).^a

3. § 192.195 Protection against accidental overpressuring.

(a) General requirements. Except as provided in § 192.197, each pipeline that is connected to a gas source so that the maximum allowable operating pressure could be exceeded as the result of pressure control failure or of some other type of failure, must have pressure relieving or pressure limiting devices that meet the requirements of §§ 192.199 and 192.201.

Tallgrass failed to have pressure relieving or pressure limiting devices at the Milepost 8.7 pipeline facility^b to ensure that the maximum allowable operating pressure (MAOP) is not exceeded by more than 10 percent, in violation of § 192.195(a).^c Specifically, Tallgrass installed a regulator arrangement on the control gas system for the filter/separator without overpressure protection, creating a scenario where a single regulator failure would subject downstream components to pressures exceeding the design ratings.

Tallgrass's Milepost 8.7 pipeline facility is the junction of the Tescott and Riverside Lateral pipelines and is equipped with an in-service filter/separator to recover potential liquids from the pipeline. During the PHMSA inspection on September 25, 2025 PHMSA observed that the control gas supply pressure for the filter/separator equipment was reduced from the pipeline MAOP (973 psig) using two regulators in series (colloquially referred to as "double cut" regulators). The upstream regulator reduces line pressure to an intermediate pressure, and the downstream regulator reduces it further to instrument pressure.

PHMSA identified that the downstream regulator has a maximum allowable inlet pressure rating of 250 psig. Consequently, if the upstream regulator were to fail in the open position due to, but not limited to, such examples as seat erosion, debris, or mechanical failure, the inlet of the downstream regulator would be subjected to the full pipeline pressure of up to 973 psig, nearly

^a In addition, the atmospheric storage tank connected to the drain system stores flammable or combustible oils and must be protected consistent with 49 CFR § 192.735 and NFPA-30, which require safeguards against accidental overpressure. The tank is built to standards for flammable liquid storage and is equipped with flame arrestors on the vents, clearly indicating that it is intended for storing flammable oils such as natural gas liquids or compressor lubricating oils typically recovered from compressor scrubbers.

^b 49 CFR § 192.3 "Pipeline means all parts of those physical facilities through which gas moves in transportation, including pipe, valves, and other appurtenance attached to pipe, compressor units, metering stations, regulator stations, delivery stations, holders, and fabricated assemblies...Pipeline Facility means new and existing pipelines, rights-of-way, and any equipment, facility, or building used in the transportation of gas or in the treatment of gas during the course of transportation."

^c 49 CFR 192.201(a)(2)(i) "Each pressure relief station or pressure limiting station or group of those stations installed to protect a pipeline must have enough capacity, and must be set to operate, to insure the following: In pipelines other than a low pressure distribution system: if the maximum allowable pressure is 60 psi (414 kPa) gage or more, the pressure may not exceed the maximum allowable operating pressure plus 10 percent, or the pressure that produces a hoop stress of 75 percent of S, whichever is lower"

four hundred percent of the downstream regulator's maximum pressure rating. There are no other pressure relief or other pressure limiting devices installed between the two regulators.

Therefore, Tallgrass failed to protect against overpressuring by any single point of pressure control failure as required by § 192.195(a).

4. § 192.199 Requirements for design of pressure relief and limiting devices.

(a) ...

(e) Have discharge stacks, vents, or outlet ports designed to prevent accumulation of water, ice, or snow, located where gas can be discharged into the atmosphere without undue hazard;

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).

5. § 192.731 Compressor stations: Inspection and testing of relief devices.

(a) Except for rupture discs, each pressure relieving device in a compressor station must be inspected and tested in accordance with §§ 192.739 and 192.743, and must be operated periodically to determine that it opens at the correct set pressure.

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.

6. § 192.739 Pressure limiting and regulating stations: Inspection and testing.

(a) Each pressure limiting station, relief device (except rupture discs), and pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is—

(1) ...

(2) Adequate from the standpoint of capacity and reliability of operation for the service in which it is employed;

Tallgrass failed to ensure that pressure relief devices at multiple facilities were adequate in capacity and reliable for their service, as was required by of § 192.739(a)(2). Tallgrass's overpressure protection, pressure limiting, and relief devices inspection procedure requires that, as part of the device's annual inspection, Tallgrass confirm that the device is installed correctly and properly rated for the application for which it is installed. However Tallgrass failed to identify several instances where devices were not installed correctly and were not rated for the application for which it was installed. Specifically, Tallgrass adjusted multiple relief valves to setpoints outside their allowable spring ranges which impairs reliable operation of the valve, and use a liquid-service valve for natural gas protection.

During the on-site inspection, PHMSA documented three separate instances where Tallgrass adjusted pressure relief valves outside of their spring range:

1. Edson Lateral: The valve was set to 163 psig. PHMSA observed that the placard shows a factory set pressure of 190 psi and a part number which corresponds to a spring range of 180–300 psig.
2. Kensington Lateral: The valve was set to 480 psig. PHMSA observed that the placard shows a factory set pressure of 280 psi and a part number exceeding its certified maximum spring range of 221–450 psig.

3. Phillipsburg Power Gas: The valve was set to 140 psig, despite the placard indicating a set pressure of 1,350 psig. The manufacturer confirmed that a spring change is required to achieve this lower setpoint.

In addition, PHMSA identified that the Kensington Lateral valve was inappropriate for the commodity transported. The valve's placard lists capacity in gallons-per-minute (water) and the part number corresponds to internal parts appropriate for liquid service. The manufacturer confirmed the spring and other internal parts must be replaced for natural gas service. Further, Tallgrass lacked records showing that the internal parts for any of these valves had been previously replaced to meet the condition for the service in which they are employed.

Because each valve was adjusted outside its allowable spring range or had parts incompatible with natural gas service, 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).

7. § 192.739 Pressure limiting and regulating stations: Inspection and testing.

(a) Each pressure limiting station, relief device (except rupture discs), and pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is—

(1) ...

(3) Except as provided in paragraph (b) of this section, set to control or relieve at the correct pressure consistent with the pressure limits of § 192.201(a); and

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).

Proposed Civil Penalty

Under 49 U.S.C. § 60122 and 49 CFR § 190.223, you are subject to a civil penalty not to exceed \$272,926 per violation per day the violation persists, up to a maximum of \$2,729,245 for a related series of violations. For violation occurring on or after December 28, 2023 and before December 30, 2024, the maximum penalty may not exceed \$266,015 per violation per day the violation persists, up to a maximum of \$2,660,135 for a related series of violations. For violation occurring on or after January 6, 2023 and before December 28, 2023, the maximum penalty may not exceed \$257,664 per violation per day the violation persists, up to a maximum of \$2,576,627 for a related series of violations. For violation occurring on or after March 21, 2022 and before January 6, 2023, the maximum penalty may not exceed \$239,142 per violation per day the violation persists, up to a maximum of \$2,391,412 for a related series of violations. For violation occurring on or after May 3, 2021 and before March 21, 2022, the maximum penalty may not exceed \$225,134 per violation per day the violation persists, up to a maximum of \$2,251,334 for a related series of violations. For violation occurring on or after January 11, 2021 and before May 3, 2021, the maximum penalty may not exceed \$222,504 per violation per day the violation persists, up to a maximum of \$2,225,034 for a related series of violations. For violation occurring on or after July 31, 2019 and before January 11, 2021, the maximum penalty may not exceed \$218,647 per violation per day the violation persists, up to a maximum of \$2,186,465 for a related series of violations.

We have reviewed the circumstances and supporting documents involved in this case and have decided not to propose a civil penalty assessment at this time.

Proposed Compliance Order

With respect to Items 2, 6 and 7, pursuant to 49 U.S.C. § 60118, the Pipeline and Hazardous Materials Safety Administration proposes to issue a Compliance Order to Tallgrass Interstate Gas Transmission LLC. Please refer to the *Proposed Compliance Order*, which is enclosed and made a part of this Notice.

Warning Items

With respect to Items 1, 3, 4, and 5 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 promptly correct these items. Failure to do so may result in additional enforcement action.

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 your receipt of this Notice, you have 30 days to respond as described in the enclosed *Response Options*. 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. The Region Director may extend the period for responding upon a written request timely submitted demonstrating good cause for an extension.

In your correspondence on this matter, please refer to **CPF 5-2026-002-NOPV** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

TONYA D JEZ
Digitally signed by TONYA D JEZ
Date: 2026.01.22 09:38:30 -07'00'

For Dustin Hubbard
Director, Western Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

cc: PHP-60 Compliance Registry
PHP-500 J. Gano (25-331927)
Danielle Stephens, Director PHMSA Compliance, danielle.stephens@tallgrass.com

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

PROPOSED COMPLIANCE ORDER

Pursuant to 49 United States Code § 60118, the Pipeline and Hazardous Materials Safety Administration (PHMSA) proposes to issue to Tallgrass Interstate Gas Transmission, 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 2 of the Notice pertaining to lack of adequate overpressure protection on the North Logan Station equipment, Tallgrass must install the specified restriction orifice referenced in the Notice or other appropriate protective device(s) and provide documentation of its installation to the Director, Western Region, within **30** days of receipt of the Final Order.
- B. In regard to Items 6 and 7 of the Notice pertaining to pressure safety valves, Tallgrass must repair or replace the Edson Lateral, Kensington Lateral, and Phillipsburg power gas pressure safety valves with valves with spring ranges and internal parts appropriate for the set pressures and natural gas service, with set pressures not to exceed the maximum allowable operating pressure of the pipeline which they protect. If Tallgrass elects to repair these valves, they must do so using a National Board accredited Valve Repair shop that will affix a corrected placard. Tallgrass must complete the repair or replacement and provide documentation to the Director Western Region, of the repair or replacement within **90** days of receipt of the Final Order.
- C. Regarding paragraphs A and B, Tallgrass must follow its Management of Change (MOC) procedure as appropriate and provide to the Director, Western Region copies of its management approval, updated engineering drawings, and MOC closure documentation within **30** days of the completion of work.
- D. It is requested (not mandated) that Tallgrass maintain documentation of the safety improvement costs associated with fulfilling this Compliance Order and submit the total to Dustin Hubbard, Director, Western 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.