JUNE 19, 2013

VIA CERTIFIED MAIL AND FAX TO: (913) 928-6006

David G. Dehaemers, Jr., CEO
Tallgrass Interstate Gas Transmission, LLC
6640 W. 143. St., Ste. 200
Overland Park, Kansas 66223

Re: CPF No. 5-2013-1007H

Dear Mr. Dehaemers:

Enclosed is a Corrective Action Order issued by the Pipeline and Hazardous Materials Safety Administration in the above-referenced case. It requires Tallgrass Interstate Gas Transmission, LLC, to take certain corrective actions with respect to the 12-inch Glenrock Natural Bridge Pipeline that failed on June 13, 2013, near Henry, Nebraska. Service is being made by certified mail and facsimile. Service of this Corrective Action Order by facsimile or other electronic means is complete upon transmission or acknowledgement of receipt, as provided under 49 C.F.R. § 190.5. The terms and conditions of this Order are effective immediately upon service.

Thank you for your cooperation in this matter.

Sincerely,

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Enclosure

cc: Mr. Alan Mayberry, Deputy Associate Administrator for Field Operations, OPS
Mr. Chris Hoidal, Director, Western Region, OPS
Mr. Mick Rafter, Vice President of Operations, Tallgrass Interstate Gas Transmission, LLC

U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590

In the Matter of	)	
Tallgrass Interstate Gas Transmission, LLC,	)	**CPF No. 5-2013-1007H**
Respondent.	)	

CORRECTIVE ACTION ORDER

Purpose and Background

This Corrective Action Order (Order) is being issued, under the authority of 49 U.S.C. § 60112 and 49 C.F.R. § 190.233, to require Tallgrass Interstate Gas Transmission, LLC (Tallgrass or Respondent), to take the necessary corrective action to protect the public, property, and the environment from potential hazards associated with a recent failure involving Tallgrass's 12-inch Glenrock Natural Bridge Lateral Pipeline.

On June 13, 2013, a failure occurred on Respondent's 12-inch line, approximately seven miles to the east of Torrington, Wyoming, and one mile west of Henry, Nebraska, resulting in the release of approximately 2.5 million cubic feet of natural gas into the atmosphere (Failure). The cause of the Failure has not yet been determined.

Pursuant to 49 U.S.C. § 60117, the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), initiated an investigation of the Failure. The preliminary findings of the ongoing investigation are set forth below.

Preliminary Findings

- Tallgrass Interstate Gas Transmission, LLC, a subsidiary of Tallgrass Energy Partners, LP, owns and operates approximately 5,100 miles of natural gas transportation pipelines in Colorado, Kansas, Nebraska, Missouri and Wyoming.[1]

- The affected pipeline is a 12-inch diameter line that runs from Lingle, Wyoming, and through Torrington, Wyoming, to Henry and Mitchel, Nebraska, a distance of

[1] *See* http://www.tallgrassenergylp.com/Pipelines/TIGT/ (last accessed June 17, 2013).

- approximately 32.98 miles ("Affected Segment").[2] The Failure occurred near milepost 17.65 in the state of Wyoming outside of Torrington, Wyoming, and Henry, Nebraska.

- The Affected Segment parallels and then loops with the Respondent's 16-inch line starting in Lingle, Wyoming. The 12-inch line takes a more southeasterly route and the Respondent's 16-inch diameter pipeline takes a more northeasterly route. The lines recombine in Mitchel, Nebraska. As originally configured, the overpressure protection for both lines was provided by a relief valve installed on the 12-inch pipeline at the Lingle takeoff. Since the release, the 12-inch pipeline has been isolated from the 16-inch pipeline. Therefore, the 16-inch pipeline currently has no overpressure protection downstream of the Guernsey Compressor Station. The Guernsey Compressor Station is approximately 19.33 miles upstream from Lingle, Wyoming.

- The Affected Segment was originally constructed in 1963. The failed pipe is 12 inches in diameter, has a wall thickness of 0.219," and has a low frequency electric resistance weld (LF-ERW) pipe seam.

- At approximately 8:58 pm CDT on June 13, 2013, Tallgrass' Operations Control Center in Lakewood, Colorado, detected a pressure drop on the pipeline and suspected that a failure had occurred on Respondent's Glen Rock Natural Bridge Lateral Pipeline in Goshen County.

- Upon learning of the pressure drop, Tallgrass began to close the valves downstream and upstream to isolate the Failure site. The valves were closed within 35 minutes of the pressure drop. The distance between the valves is approximately eight miles.

- The maximum allowable operating pressure (MAOP) of the pipeline at the Failure Site is 865 psig. At the time of the Failure, the actual operating pressure of the pipeline was 812 psig.

- Various federal, state and local agencies, including PHMSA and first responders, responded to the scene of the Failure. Due to their proximity to the Failure Site, emergency responders closed Highway 26 and State Road 63 during the release. The cause of the Failure is still undetermined and the investigation is ongoing. It appears that the cause of the Failure may have been due to an LF-ERW pipe seam failure.

- The Failure did not cause any known injuries, fatalities, fires or evacuations.

- Portions of the Affected Segment and Respondent's 16-inch pipeline run through populated areas, along Highway 26 and State Road 63, and along a railroad right-of-way.

- The line was brought back into service late in the day on Friday, June 14, 2013. The operator took a voluntary 20% reduction in pressure not to exceed 650 psig in the 12-inch segment. Permanent repairs were scheduled for June 17, 2013 and have been completed.

[2] The Affected Segment runs from the pig launcher at MP 0.00 at Lingle, Wyoming, to the pig receiver at MP 32.98 at Mitchel, Nebraska.

Determination of Necessity for Corrective Action Order and Right to Hearing

Section 60112 of Title 49, United States Code, provides for the issuance of a Corrective Action Order, after reasonable notice and the opportunity for a hearing, requiring corrective action, which may include the suspended or restricted use of a pipeline facility, physical inspection, testing, repair, replacement, or other action, as appropriate. The basis for making the determination that a pipeline facility is hazardous, requiring corrective action, is set forth both in the above-referenced statute and 49 C.F.R. § 190.233, a copy of which is enclosed.

Section 60112 and the regulations promulgated thereunder provide for the issuance of a Corrective Action Order without prior opportunity for notice and hearing, upon a finding that failure to issue the Order expeditiously will likely result in serious harm to life, property, or the environment. In such cases, an opportunity for a hearing will be provided as soon as practicable after the issuance of the Order.

After evaluating the foregoing preliminary findings of fact, I find that continued operation of the pipeline without corrective measures would be hazardous to life, property, and the environment. Additionally, having considered the unknown cause of the Failure,; the location of the Failure; the proximity of the Affected Segment and Respondent's 16-inch pipeline to populated areas, highways and a railroad; the current lack of adequate overpressure protection on Respondent's system; and the nature of the product being transported, I find that a failure to issue this Order expeditiously to require immediate corrective action would result in the likelihood of serious harm to life, property, or the environment.

Accordingly, this Corrective Action Order mandating immediate corrective action is issued without prior notice and opportunity for a hearing. The terms and conditions of this Order are effective upon receipt.

Within 10 days of receipt of this Order, Respondent may request a hearing, to be held as soon as practicable, by notifying the Associate Administrator for Pipeline Safety in writing, with a copy to the Director, Western Region, PHMSA (Director). If a hearing is requested, it will be held telephonically or in-person in Lakewood, CO or Washington, D.C.

After receiving and analyzing additional data in the course of this investigation, PHMSA may identify other corrective measures that need to be taken. In that event, Respondent will be notified of any additional measures required and amendment of this Order will be considered. To the extent consistent with safety, Respondent will be afforded notice and an opportunity for a hearing prior to the imposition of any additional corrective measures.

Required Corrective Actions

Pursuant to 49 U.S.C. § 60112, I hereby order Tallgrass to immediately take the following corrective actions regarding the Affected Segment:

1. *Metallurgical Testing.* Respondent has contracted with EN Engineering, Inc., located at 28100 Torch Parkway, Warrenville, Illinois 60555 to perform its metallurgical testing. Complete the testing and analysis as follows:

A. Document the chain-of-custody when handling and transporting the failed pipe section and other evidence from the Failure site;

B. Prior to commencing the mechanical and metallurgical testing utilizing the PHMSA metallurgical protocol, provide the Director with the scheduled date, time, and location of the testing to allow a PHMSA representative to witness the testing; and

C. Ensure that the testing laboratory distributes all resulting reports in their entirety (including all media), whether draft or final, to the Director at the same time as they are made available to Respondent.

2. *Hydrotest.* Within 30 days after the metallurgical report is completed, submit a hydrotest plan, including a spike test to 110% SMYS held for a minimum of 30 minutes, to be approved by the Director. The Director will approve a pressure test level and duration based upon the metallurgical report. Once the plan is approved, Respondent must perform a hydrotest, including a spike test, and submit the report to the Director within 30 days.

3. *Inline Inspection.* Within 180 days after the metallurgical report is completed, perform an in-line inspection (ILI) of the Affected Segment. The Director must provide prior approval of the final criteria and specific technology considerations taken into account in selecting the specific inspection tool. Technology considerations and final criteria should account for the size of the anomalies discovered. The data analysis must be completed expeditiously, but no later than 60 days of successful completion of the ILI. The ILI vendor must evaluate the results per a performance specification, including consideration of the location and size of the defects. The ILI vendor must distribute all reports in their entirety (including all media), whether preliminary or final, to the Director and the Respondent at the same time. Results of the ILI must be compared with the results of the previous ILIs in 2003 and 2010 in a report submitted to the Director that includes such comparison, as well as criteria and a plan for remediation of anomalies requiring immediate action.

4. *Leak Survey.* Within 30 days of receipt of this Order, perform a leak survey and submit the report to the Director.

5. *Root Cause Failure.* Within 60 days of the receipt of the Final Metallurgical Report, complete a root cause failure analysis that is supplemented and facilitated by an independent third-party acceptable to the Director. The root cause analysis must document all contributory factors and the decision making process. Submit a final report of the root cause process results to the Director including any lessons learned and whether the findings are applicable to other locations within the Respondent's system.

6. *Pressure Restriction.* Lower the pressure on the overpressure protection valve on the Affected Segment not to exceed 650 psig. This pressure restriction will remain in effect until written approval is obtained from the Director.

7. *Removal of Pressure Restriction.* The Director may allow the removal or modification of the pressure restriction upon a written request from Respondent demonstrating that restoring the over-pressure protection valve to its pre-failure operating pressure is justified, based on a reliable engineering analysis showing that the pressure increase is safe considering all known defects, anomalies and operating parameters of the pipeline.

8. *Monitoring.* Controllers must closely monitor the pressures downstream of the Guernsey compressor station (CS) on the 16-inch line that has been isolated from all overpressure protection. Maintain a log of pressures and flow rates on the Affected Segment and 16-inch line downstream of the Guernsey CS until the lines are returned back to their original configuration. Respondent must immediately notify the Western Region office if the MAOP of the lines are exceeded.

9. *Reporting.* Submit quarterly reports to the Director that: (1) include all available data and results of the testing and evaluations required by this Order; and (2) describe the progress of the repairs or other remedial actions being undertaken. The first quarterly report is due on October 15, 2013. The Director may change the interval for the submission of these reports.

10. *Documentation of the Costs.* It is requested but not required that Respondent maintain documentation of the costs associated with implementation of this Corrective Action Order. Include in each monthly report submitted, the to-date total costs associated with: (1) preparation and revision of procedures, studies and analyses; (2) physical changes to pipeline infrastructure, including repairs, replacements and other modifications; and (3) environmental remediation, if applicable.

11. *Approvals.* With respect to each submission that under this Order requires the approval of the Director, the Director may: (a) approve, in whole or part, the submission; (b) approve the submission on specified conditions; (c) modify the submission to cure any deficiencies; (d) disapprove in whole or in part, the submission, directing that Respondent modify the submission, or (e) any combination of the above. In the event of approval, approval upon conditions, or modification by the Director, Respondent shall proceed to take all action required by the submission as approved or modified by the Director. If the Director disapproves all or any portion of the submission, Respondent must correct all deficiencies within the time specified by the Director, and resubmit it for approval.

12. *Extensions of Time.* The Director may grant an extension of time for compliance with any of the terms of this Order upon a written request timely submitted demonstrating good cause for an extension.

The actions required by this Corrective Action Order are in addition to and do not waive any requirements that apply to Respondent's pipeline system under 49 C.F.R. Part 192, under any other order issued to Respondent under authority of 49 U.S.C. § 60101 et seq., or under any other provision of Federal or State law.

Respondent may appeal any decision of the Director to the Associate Administrator for Pipeline Safety. Decisions of the Associate Administrator shall be final.

Be advised that all material you submit in response to this enforcement action is subject to being 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).

Failure to comply with this Order may result in the assessment of civil penalties and in referral to the Attorney General for appropriate relief in United States District Court pursuant to 49 U.S.C. § 60120.

In your correspondence on this matter, please refer to CPF No. 5-2013-1007H and for each document you submit, please provide a copy in electronic format whenever possible.

The terms and conditions of this Corrective Action Order are effective upon receipt.

_____ _____

Jeffrey D. Wiese
Associate Administrator
for Pipeline Safety

Date Issued