

May 2, 2013

VIA FEDEX

Mr. Byron Coy
Director, Eastern Region
Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration
Suite 103
820 Bear Tavern Road
West Trenton, NJ 08628

RE: KMLT, Carteret, N.J.
Response to NOPV, CPF No. 1-2013-5004

Dear Byron:

Kinder Morgan Liquids Terminals, LLC (KMLT), has received the Notice of Proposed Violation (NOPV), Proposed Civil Penalty and Proposed Compliance Order concerning the above referenced matter. Please be advised that KMLT understands and accepts this action as issued, although KMLT respectfully requests a reduction in the amount of the proposed civil penalty in light of the fact that Items 1-3 of the NOPV are all alleged under a single regulatory provision (Part 195.402(c)) and thus should be treated as a single violation. In addition, as noted below, KMLT has already undertaken significant work on the facility, and has demonstrated good faith in its efforts to correct deficiencies and achieve compliance. Accordingly, KMLT requests that PHMSA exercise its discretion under 49 C.F.R. Part 190.225 in reducing the amount of the civil penalty in this matter.

In regard to the Proposed Compliance Order, we have already begun work on the remedial measures as proposed. Depending on the date of issuance of the Final Order in this matter, we may need some additional time to meet the schedule proposed in the Compliance Order (150 days from issuance of the Final Order). We will keep you advised if any extension of time is required, and if it is, we will submit an explanation of the specific reason(s) for such extension.

8500 W 68th St

Argo

IL 60501-0409

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Do The Right Thing Every Day

1) Safety Will Not Be Compromised 2) Environmentally Compliant and Responsible Operator 3) Ethics and Integrity 4) Commitment to Employees and Resources 5) Customer Service and Fiscal Responsibility 6) Quality Focus



We appreciate your cooperation in resolving the issues presented in this matter. If you have further questions please feel free to contact myself at 708-924-5938 or Danielle Stephens at 713-725-0147.

Sincerely,

Carlos T. Munguia
Vice President – Operations
Northern Area

Cc: Danielle Stephens
Nancy Van Burgel

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