



Midcontinent Region Office/Argo Terminal
8500 West 68th Street
Argo, IL 60501-0409

9 December 2008

Ivan A. Huntoon
Director, Central Region
Pipeline and Hazardous Materials Safety Administration
901 Locust Street, Suite 462
Kansas City, MO 64106-2641

RE: CPF 3-2008-5012
Notice of Probable Violation and Civil Penalty

Dear Mr. Huntoon,

Kinder Morgan Liquid Terminals LLC has received your Notice of Probable Violation (NOPV) and the corresponding Proposed Civil Penalty dated 26 November 2008. In your letter you cite two probable violations of 49 CFR Part 195.404(c)(3) for failure to maintain records as listed below.

Item 1(a) – Failure to maintain records of Monthly Tank Inspections for tanks 33-1, 33-2, 63-1, 80-4 and 55-8 for the months of November 2006 and August 2007.

Item 1(b) – Failure to maintain records of semi-annual Mainline Valve Inspections for Valves 40, 45, 60, 61 and 62 in the first half of calendar year 2007.

In the time since the most recent probable violation took place, Kinder Morgan LLC has taken the following initiatives to ensure compliance with 49 CFR Part 195:

- Provided all affected employees training on our Operating and Maintenance Procedures Manual which specifically address the requirements of 49 CFR Part 195.
- Hired additional staff to coordinate and audit our performance in compliance with 49 CFR Part 195.

Kinder Morgan LLC strives to maintain the highest level of operational performance and is committed to maintaining compliance with the applicable regulations. We welcome continued open communications between the Pipeline and Hazardous Materials Safety Administration and Kinder Morgan Liquid Terminals LLC.

Kinder Morgan Liquid Terminals LLC does not contest the findings as stated in your NOPV. Kinder Morgan has arranged a wire transfer (Ref# 122411B7031R004043) for payment in full of the proposed Civil Penalty. We request that if CPF 3-2008-5012 is made available to the public on the PHMSA website, this reply be posted as well.

Sincerely,

David Vattimo
Kinder Morgan Liquid Terminals
Vice President Terminals LLC