

VIA FEDERAL EXPRESS AND EMAIL (Lawrence.White@dot.gov)

December 5, 2018

Lawrence White, Esq.
Presiding Official
U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
Office of the Chief Counsel
East Building, E26-310
1200 New Jersey Avenue, S.E.
Washington, D.C. 20590

Re: CPF 4-2018-5005: Conditional Withdrawal of Hearing Request

Dear Mr. White,

On August 29, 2018, Holly Energy Partners Operating, L.P. (HEP) submitted a request for a hearing in the above-captioned proceeding. In the letter accompanying that request, HEP also requested an informal meeting with the PHMSA Southwest Region Office.

HEP met with PHMSA at the Southwest Region's offices on October 4, 2018 to discuss this matter. HEP appreciates the Southwest Region's willingness to meet and discuss the NOPV. During the meeting and in a follow-up letter dated October 19, 2018, HEP produced additional compliance documentation to support withdrawal of the allegations and associated proposed civil penalties in Items #1, #2, #3, and #6 of the NOPV. HEP also provided information to support a request for a reduction of the civil penalty for Item #4. HEP does not contest items #5 and #7.

On November 30, 2018, Southwest Region counsel and HEP counsel had a telephone call to discuss next steps in the matter. PHMSA counsel indicated that, on review of HEP's additional compliance documentation, the Southwest Region has determined to submit a Region Recommendation to withdraw the allegations of violation and proposed civil penalties for Items #1, #2, #3, and #6. HEP supports such a Region Recommendation. Southwest Region counsel indicated that the Southwest Region would not recommend a reduction of the civil penalty amount for Item #4.

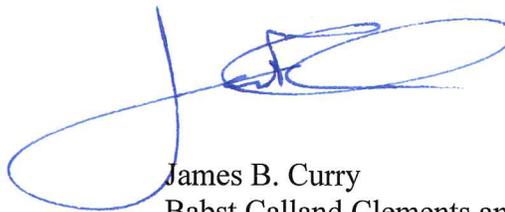
Contingent on the Southwest Region's issuance of a Region Recommendation to withdraw Items #1, #2, #3, and #6 of the Notice, HEP hereby withdraws its request for a hearing

Mr. Lawrence White
CPF 4-2018-5005
December 5, 2018

in this matter pursuant to 49 C.F.R. § 190.211(b). HEP does not contest Items #5 and #7 of the NOPV, and no longer contests Item #4. However, with regard to Item #4, HEP respectfully requests that the Presiding Official consider the information HEP submitted for the record during the October 4, 2018 meeting and in its October 19, 2018 letter. That information demonstrates HEP's efforts to comply with the CIS requirement at issue in Item #4.

HEP reserves the right to renew its hearing request should the Southwest Region submit a Region Recommendation that differs from what is described above. Please let me know if you have any questions regarding this letter.

Respectfully,



James B. Curry
Babst Calland Clements and Zomnir, PC
505 9th Street, N.W.
Suite 700
Washington, D.C. 20004
(202) 853-3461
jcurry@babstcalland.com
Counsel for Holly Energy Partners
Operating, L. P.

cc: Mary McDaniel, P.E., Director, Southwest Region, PHMSA
Lauren Clegg, Esq. Attorney-Advisor, PHMSA
Mark Cunningham, P.E., Senior Vice President, HEP
Lori Coupland, Director, Compliance & EHS, HEP
Timothy Jones, Esq, Assistant General Counsel, HEP
Todd Wright, P.E., Sr. Integrity Manager, HEP
Johanna Jochum, Esq, Babst Calland