



**Fiaz Mohammed**  
Area Operations Manager, Southwest

January 10, 2017

Chris Hoidal  
Director, Western Region  
Pipeline and Hazardous Materials Safety Administration  
U.S. Department of Transportation  
12300 W. Dakota Ave., Suite 110  
Lakewood, CO 80228

Re: CPF 5-2016-6013 Notice of Probable Violation and Proposed Compliance Order for  
Chevron Products Company ("Notice")

Dear Mr. Hoidal:

Chevron Products Company, a division of Chevron U.S.A. Inc. ("Chevron") is in receipt of the above-referenced Notice from the U.S Department of Transportation Pipeline and Hazardous Materials Safety Administration ("PHMSA"). The Notice arose from a PHMSA inspection of Chevron's terminal in Hilo, HI during March 8-10, 2016.

Please be advised that Island Energy Services, LLC and its affiliates (collectively, "IES") subsequently purchased the Hilo, HI terminal from Chevron, effective November 1, 2016, as part of IES's purchase of substantially all of Chevron's operating fuels refining, logistics and marketing assets in Hawaii.

Chevron notified PHMSA that it was ceasing operatorship of the Hilo terminal facilities under PHMSA Operator Identification Number (OPID) 2730 using the PHMSA Operator Registry Notification form.

It is our understanding that IES, as the current owner/operator of the terminal, sent the PHMSA a letter dated January 4, 2017 concerning the Notice, and will address the items identified in the Notice, engaging directly with the PHMSA as applicable.

Very truly yours,

Fiaz Mohammed

cc: D. Johnson, USDOT (via e-mail donald.t.johnson@dot.gov)  
Michael Vomund (via e-mail mevo@chevron.com)  
Mark Hepburn (via e-mail MAHE@islandenergyservices.com)

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