

**Before the
U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
Office of Pipeline Safety
Washington, D.C.**

In the Matter of)	
)	
Kinder Morgan Liquid Terminals, LLC)	CPF No. 1-2024-003-NOPV
)	Notice of Probable Violation
Respondent.)	
)	

Notice of Withdrawal of Request for Hearing

Kinder Morgan Liquid Terminals, LLC (KMLT or the Company) and the Pipeline and Hazardous Materials Safety Administration (PHMSA) Eastern Region have reached an agreement that resolves the above-referenced Notice of Probable Violation (NOPV). As a result, and as set forth in the Consent Order and Agreement issued by PHMSA on October 10, 2024, KMLT is, without admission, withdrawing its request for hearing filed on April 25, 2024.

PHMSA issued a NOPV, proposed civil penalty, and proposed compliance order (PCO) to on March 28, 2024. The NOPV alleged six (6) probable violations of the 49 C.F.R. Part 195 regulations. Of those six (6) allegations, three (3) were issued as warning items and three (3) were issued as probable violations which included a proposed civil penalty (totaling \$177,400.00) and one (1) of which included a PCO obligation. KMLT timely contested the alleged violations and requested a hearing, which was most recently scheduled for October 17, 2024.

PHMSA issued the NOPV after a January 4, 2023 through April 6, 2023 investigation of KMLT's procedures and records from in regards to a pipeline failure that occurred at KMLT's Argo, Illinois facility on January 4, 2023. KMLT is committed to pipeline safety and integrity of its terminal facility. Toward this end, KMLT believed that certain allegations require clarification of the facts at issue, additional documentation, and the applicable law.

KMLT, without admission, elected not to contest two of the NOPV Items given the clarifications provided in its request for hearing. These Items are Warning Items 4 and 6. KMLT contested the remaining Warning Item (Warning Item 5), the three NOPV Items (NOPV Items 1, 2, and 3), the proposed civil penalties associated with NOPV Items 1, 2, and 3, and the associated PCO obligations with NOPV Items 1.

In the spirit of cooperation, KMLT nevertheless sought to resolve this action through informal settlement in coordination with the PHMSA Eastern Region. Pursuant to those discussions, KMLT, without admission and for purposes of settlement only, entered into a Consent Agreement with PHMSA to resolve this matter. Through the terms of the Consent Agreement, PHMSA

reduced the civil penalty amounts based on various factors, resulting in a final civil penalty of \$125,400.00. As required by the terms of the Consent Order and Agreement issued by PHMSA, the Company is hereby withdrawing its request for hearing.

Respectfully submitted,

Mary Clair Lyons

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Date: October 10, 2024