



ZENITH ENERGY TERMINALS JOLIET HOLDINGS, LLC

3900 Essex Lane
Suite 700
Houston, Texas 77027

June 24, 2024

VIA EMAIL (Gregory.Ochs@dot.gov)

Gregory A. Ochs
Director, Central Region, Office of Public Safety
Pipeline and Hazardous Materials Safety Administration
901 Locust Street, Suite 480
Kansas City, MO 64106

RE: Notice of Probable Violation Proposed Civil Penalty and Proposed Compliance Order (**CPF 3-2024-038-NOPV**) to Zenith Energy Terminals Joliet Holdings, LLC ("Zenith Energy") (the "Notice")

Dear Mr. Ochs:

This letter is in response to the Notice referenced above. Zenith Energy does not contest Item 1 or Item 2.

With respect to Item 1, Zenith Energy reviewed and updated its Hydrostatic Testing Procedure to document the instructions to the responsible Zenith Energy personnel who oversee contractors performing hydrostatic testing. The changes in this procedure will ensure that the hydrostatic testing procedures and requirements are followed and that adequate records are created and properly stored.

With respect to Item 2 and the obligations in the Proposed Compliance Order, Zenith Energy has engaged its pipeline integrity services consulting firm to perform and document the integration of the 2019 In-Line Inspection results with other available information (e.g. Close Interval Survey (CIS), High Consequence Area (HCA) analysis, hydrostatic test of 40-foot pipeline segment, etc.) in order to evaluate the integrity of the JBBR Pipeline. The results will be submitted to you for approval and the approved results will be maintained as required per Part 195 and used to develop plans when a decision is made to return the purged JBBR Pipeline to active service. Zenith will document and report the safety improvement costs associated with fulfilling the Proposed Compliance Order in the manner requested therein.

We appreciate the opportunity to respond to the Notice, express Zenith Energy's commitment to safety and look forward to completing the requested actions to avoid a recurrence and close this case.

Sincerely,

Carlos Munguia
VP Operations