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February 13, 2015

VIA HAND DELIVERY

Russell McMurry, Commissioner
c/o Michael J. Bolden
Georgia Department of Transportation
One Georgia Center
600 West Peachtree NW
Atlanta, GA 30308

RE: Palmetto Products Pipe Line Updated Application for Certificate of Public Convenience and Necessity

Dear Mr. McMurry:

This firm represents Palmetto Products Pipe Line LLC (“Palmetto”). On Palmetto’s behalf, we respectfully submit this updated application to the Georgia Department of Transportation (“GDOT”) requesting a Certificate of Public Convenience and Necessity for its proposed Palmetto Pipeline Project (the “Palmetto Project” or the “Pipeline”). Palmetto’s application filing fee of \$200 is enclosed with this letter, and the information below satisfies the requirements of Ga. Comp. R. & Regs. 672-13-.03. A map of the proposed route is attached as Exhibit A, a certified copy of Palmetto’s certificate of formation is attached as Exhibit B, and verification of this application is attached as Exhibit C. All communications regarding the requested GDOT certification of the Palmetto Project should be directed to me at the above listed contact information.

General Information of the Applicant and Regarding the Proposed Pipeline

Palmetto is organized under Delaware law and has its principal place of business in Texas, but its day-to-day operations will be conducted from its office in Alpharetta, Georgia. Palmetto is a wholly owned subsidiary of Kinder Morgan, Inc. (“Kinder Morgan”), which is incorporated in Delaware and has its principal place of business in Houston, Texas. Palmetto is authorized to do business in Georgia, South Carolina, and Florida. Kinder Morgan is authorized to do business in Texas.

Kinder Morgan is the largest energy infrastructure company in North America, and it owns an interest in or operates approximately 80,000 miles of pipelines, transporting natural gas, refined petroleum products, crude oil, and carbon dioxide. Kinder Morgan also stores and handles a variety of products and materials at its over 180 terminals, such as gasoline, jet fuel, ethanol, coal, and steel. Specifically, Kinder Morgan is the largest independent transporter of petroleum products, transporting about 2.3 million barrels of product per day. Kinder Morgan currently owns an interest in or operates over 3,000 miles of pipelines in Georgia alone.

To build on this infrastructure and meet a critical need, Kinder Morgan, through Palmetto, has developed a pipeline project that will provide significant benefits to the energy industry by providing a second source of supply of refined petroleum products and ethanol to consumers in the southeast region of the United States. Once operational, the Pipeline will be capable of transporting refined petroleum products, including gasoline, petroleum oil distillates, biodiesel blend, and renewable diesel blend, from origin points located in Baton Rouge, Louisiana, Collins and Pascagoula, Mississippi, and Belton, South Carolina to destination points located in North Augusta, South Carolina, Savannah, Georgia, and Jacksonville, Florida. The Pipeline will also be capable of transporting denatured fuel ethanol as a purity product, on a batched basis, from the Belton origin point to each of the destination points. Attached as Exhibit A is a map depicting the preliminary route of the Pipeline. Palmetto anticipates beginning construction of the Pipeline in April, 2016 in order to complete that construction in advance of the Pipeline being placed in service by July, 2017. Palmetto intends to comply with all applicable federal and state laws regarding the siting of the pipeline.

Width of Proposed Pipeline Corridor

In most instances, Palmetto will not purchase right of way in fee simple. Rather, Palmetto will attempt to purchase permanent and temporary easements that allow for construction and operation of the Pipeline. Thus, property owners may be able to use property Palmetto acquires, under certain conditions. Palmetto will seek permanent easements that are up to 50 feet wide. The width of necessary temporary easements, which facilitate construction, will depend on a number of factors related to the constructability of the Pipeline in any given segment. Palmetto expects that temporary easements would typically be no more than an additional 75 feet wide. At road and water body crossings and other potentially unique features, however, Palmetto may need additional temporary work space.

Showing of Public Convenience and Necessity

The Pipeline will greatly benefit the destination markets – North Augusta, Savannah, and Jacksonville – because it will provide Savannah and Jacksonville with a second major source (and its first major pipeline source) of refined petroleum products. North Augusta will benefit from a new pipeline source of supply, supplementing what has been a historically constrained single pipeline source. Additionally, each market will benefit from the more efficient pipeline supply of ethanol. Currently, marine transport is the only source of supply to Savannah and Jacksonville markets. Therefore, the development of the Pipeline will benefit the consumers in

these markets because it will promote competition within the markets, which could serve to decrease prices, and it will also help to ensure that the supply needs of the markets are continuously served. The Pipeline will serve to minimize the issues that affect the availability of marine transport, such as inclement weather conditions (*e.g.*, hurricanes), currently have on the supply being provided to these markets.

Palmetto will be required to invest in excess of \$1 billion in order to develop the Pipeline. Given the magnitude of this investment, Palmetto's commitment to develop the Pipeline depends on, among other things, a sufficient number of potential shippers executing, as part of an open season process, a transportation services agreement ("TSA") with Palmetto, wherein each shipper commits to either ship, or pay, for a specified volume of products on the Pipeline over a defined period.

Palmetto held an 88-day open season for the Pipeline from August 4, 2014, to October 30, 2014 ("Open Season"). It issued a press release on August 4 to announce the commencement of the Open Season, and the contents of this press release were extensively reported by the trade press. Palmetto also undertook extensive marketing efforts to inform potential shippers on the system of the Open Season. By the close of the Open Season, Palmetto concluded that the level of volume commitments it had received from committed shippers was sufficient for it to proceed forward with the development of the Pipeline.

Power of Eminent Domain May Be Necessary and Is Justified by Public Necessity

Palmetto will engage landowners, as much as possible, to reach a negotiated transfer of the property interests that Palmetto seeks to complete construction of the Pipeline. Among other things, Palmetto will make representatives available to meet with landowners regarding the Pipeline and its impact on any landowner's property. Palmetto will engage expert appraisers to assist it in valuing the property interests it seeks and will use information these appraisers provide to guide negotiations with landowners. Despite these extensive efforts, the use of eminent domain may become critical if a landowner refuses to accept reasonable offers to purchase property interests necessary to construct the Pipeline. Without the right of eminent domain, an individual who does not negotiate in good faith could force Palmetto to alter the route of the Pipeline to areas where federal and state agencies would not prefer Palmetto to construct the Pipeline and could unnecessarily delay the expansion of capacity this Pipeline would otherwise create, to the detriment of Georgia citizens and many others in the Southeast.

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This letter addresses the various factors set forth in Ga. Comp. R. & Regs. 672-13-.03. Palmetto requests that the Department grant this application and authorize Palmetto to continue working towards construction of the Pipeline. Please contact me if you have any questions.

Sincerely,



Jonathan R. Chally

cc: John C. Griffin
Andrew M. Mutter

Enclosures: Exhibit A, *Map of Proposed Route*
Exhibit B, *Palmetto's Certificate of Formation*
Exhibit C, *Verification of Application*

Exhibit A

Map of Proposed Route

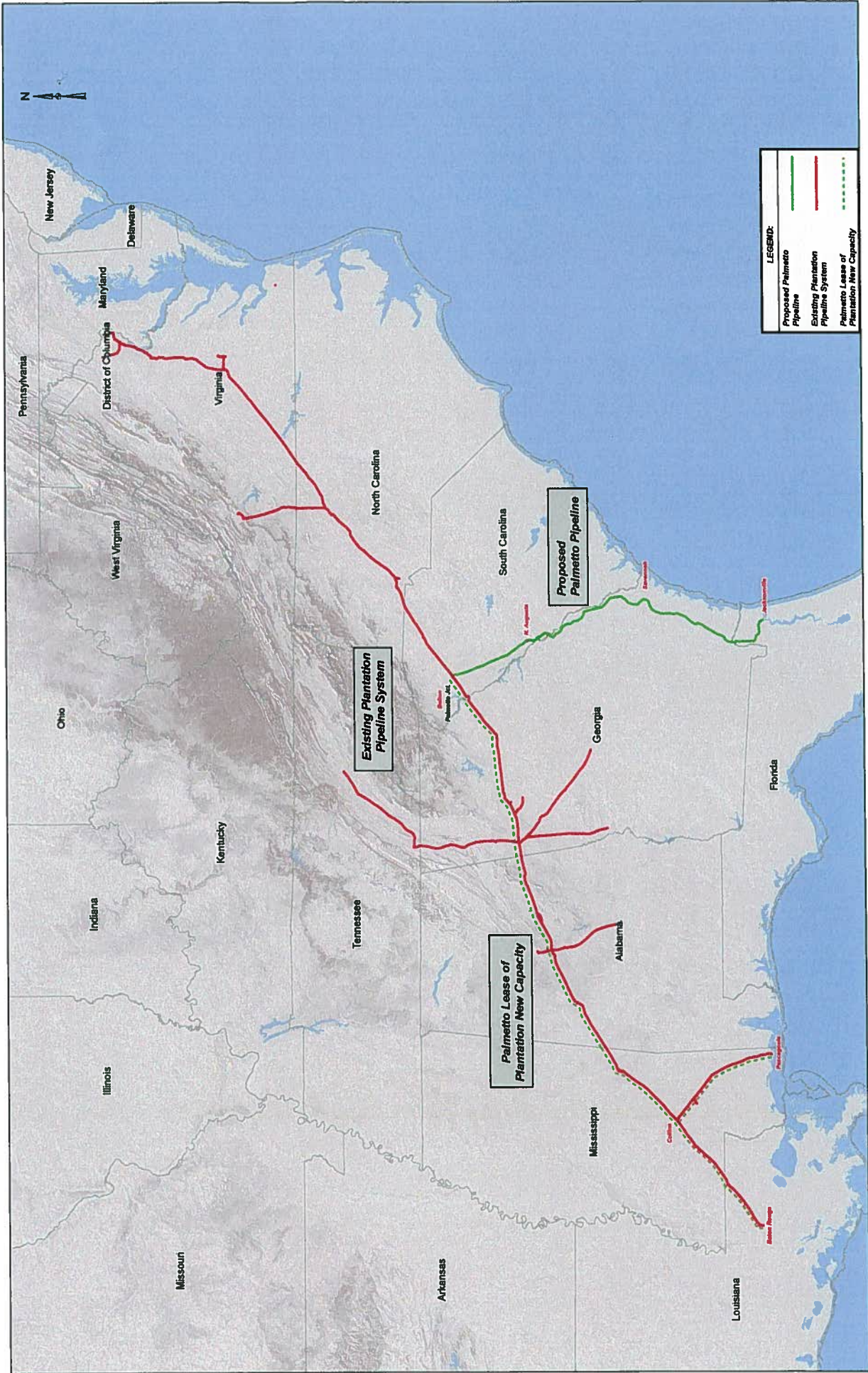


Exhibit B

Palmetto's Certificate of Formation

Delaware

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The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "PALMETTO PRODUCTS PIPE LINE LLC", FILED IN THIS OFFICE ON THE THIRD DAY OF APRIL, A.D. 2014, AT 4:27 O'CLOCK P.M.

5499240 8100

140426296

You may verify this certificate online
at corp.delaware.gov/authver.shtml




Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 1266765

DATE: 04-04-14

CERTIFICATE OF FORMATION
OF

PALMETTO PRODUCTS PIPE LINE LLC

This Certificate of Formation of Palmetto Products Pipe Line LLC is executed by the undersigned for the purpose of forming a limited liability company pursuant to the provisions of the Delaware Limited Liability Company Act.

1. The name of the limited liability company is:

Palmetto Products Pipe Line LLC

2. The address of the registered office of the limited liability company and the name of the registered agent for service of process of the limited liability company at such address are The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801.

IN WITNESS WHEREOF, the undersigned has duly executed this Certificate of Formation on this 3RD day of April, 2014.

By: _____

Adam Forman

Adam Forman
Authorized Person



Exhibit C

Verification of Application

VERIFICATION

I hereby verify that the foregoing application for a Certificate of Public Convenience and Necessity is based on facts assembled by authorized representatives of Kinder Morgan, Inc. and Palmetto Products Pipe Line LLC. To the best of my knowledge and belief, the information provided in the application is true and correct.



Brian S. Williams
Director-Engineering
Kinder Morgan, Inc.