

## PRESIDENTIAL PERMIT

### AUTHORIZING KINDER MORGAN COCHIN, LLC TO CONNECT, OPERATE, AND MAINTAIN EXISTING PIPELINE FACILITIES AT THE INTERNATIONAL BOUNDARY BETWEEN THE UNITED STATES AND CANADA

By virtue of the authority vested in me as Under Secretary of State for Economic Growth, Energy, and the Environment, including those authorities under Executive Order 13337, 69 Fed. Reg. 25299 (2004), and Department of State Delegation of Authority 118-2 of January 26, 2006; having requested and received the views of members of the public and various federal agencies; I hereby grant permission, subject to the conditions herein set forth, to Kinder Morgan Cochin, LLC (hereinafter referred to as the “permittee”), incorporated in the State of Delaware, to connect, operate, and maintain existing pipeline facilities at the border of the United States and Canada in Detroit, Michigan for the transport of liquid hydrocarbons between the United States and Canada.

The term "facilities" as used in this permit means the relevant portion of the pipeline and any land, structures, installations or equipment appurtenant thereto.

The term “United States facilities” as used in this permit means those parts of the facilities located in the United States. The United States facilities consist of a ten-inch diameter pipeline in existence at the time of this permit’s issuance extending from the international border between the United States and Canada underneath the Detroit River to the first block valve in the United States, located at a point onshore in Detroit, Michigan. The United States facilities also include certain appurtenant facilities.

This permit is subject to the following conditions:

Article 1. (1) The United States facilities herein described, and all aspects of their operation, shall be subject to all the conditions, provisions, and requirements of this permit and any amendment thereof. This permit may be terminated or amended at any time at the discretion of the Secretary of State or the Secretary's delegate or upon proper application therefor. The permittee shall make no substantial change in the United States facilities, the location of the United States facilities, or in the operation authorized by this permit until such changes have been approved by the Secretary of State or the Secretary's delegate.

(2) The connection, operation and maintenance of the United States facilities shall be in all material respects as described in the permittee's October 2, 2014 application for a Presidential Permit (the "Application").

Article 2. The standards for, and the manner of, the operation and maintenance of the United States facilities shall be subject to inspection and approval by the representatives of appropriate federal, state and local agencies. The permittee shall allow duly authorized officers and employees of such agencies free and unrestricted access to said facilities in the performance of their official duties.

Article 3. The permittee shall comply with all applicable federal, state, and local laws and regulations regarding the connection, operation, and maintenance of the United States facilities and with all applicable industrial codes. The permittee shall obtain all requisite permits from state and local government entities and relevant federal agencies.

Article 4. Connection, operation, and maintenance of the United States facilities hereunder shall be subject to the limitations, terms, and conditions issued by any competent agency of the United States Government. The permittee shall continue the operations hereby authorized and conduct maintenance in accordance with such limitations, terms, and conditions. Such limitations, terms, and conditions could address, for example, environmental protection and mitigation measures, safety requirements, export or import and customs regulations, measurement capabilities and procedures, requirements pertaining to the pipeline's capacity, and other pipeline regulations.

Article 5. Upon the termination, revocation, or surrender of this permit, and unless otherwise agreed by the Secretary of State or the Secretary's delegate, the United States facilities in the immediate vicinity of the international boundary shall be removed by and at the expense of the permittee within such time as the Secretary of State or the Secretary's delegate may specify, and upon failure of the permittee to remove, or to take such other action with respect to, this portion of the United States facilities as ordered, the Secretary of State or the Secretary's delegate may direct that possession of such facilities be taken and that they be removed or other action taken, at the expense of the permittee; and the permittee shall have no claim for damages by reason of such possession, removal, or other action.

Article 6. When, in the opinion of the President of the United States, the national security of the United States demands it, due notice being given by the Secretary of State or the Secretary's delegate, the United States shall have the right to enter

upon and take possession of any of the United States facilities or parts thereof; to retain possession, management, or control thereof for such length of time as may appear to the President to be necessary; and thereafter to restore possession and control to the permittee. In the event that the United States shall exercise such right, it shall pay to the permittee just and fair compensation for the use of such United States facilities upon the basis of a reasonable profit in normal conditions, and the cost of restoring said facilities to as good condition as existed at the time of entering and taking over the same, less the reasonable value of any improvements that may have been made by the United States.

Article 7. Any change of ownership or control of the United States facilities or any part thereof shall be immediately notified in writing to the United States Department of State, including the submission of information identifying the new owner or controlling entity. This permit shall remain in force subject to all the conditions, permissions and requirements of this permit and any amendments thereto unless subsequently terminated or amended by the Secretary of State or the Secretary's delegate.

Article 8. (1) The permittee is responsible for acquiring any right-of-way grants or easements, permits, and other authorizations as may become necessary and appropriate.

(2) The permittee shall hold harmless and indemnify the United States from any claimed or adjudged liability arising out of construction, connection, operation, or maintenance of the facilities, including but not limited to environmental contamination from the release or threatened release or discharge of hazardous substances and hazardous waste.

(3) The permittee shall maintain the United States facilities and every part thereof in a condition of good repair for their safe operation, and in compliance with prevailing environmental standards and regulations.

Article 9. The permittee shall take all necessary measures to prevent or mitigate adverse impacts on, or disruption of, the human environment in connection with connection, operation and maintenance of the United States facilities. Such measures will include any mitigation and control plans that are already approved or that are approved in the future by the Department of State or other relevant federal or state agencies, and any other measures deemed prudent by the permittee.

Article 10. The permittee shall file with the appropriate agencies of the United States Government such statements or reports under oath with respect to the United

States facilities, and/or permittee's activities and operations in connection therewith as are now, or may hereafter, be required under any laws or regulations of the United States Government or its agencies. The permittee shall file electronic Export Information where required.

Article 11. The permittee shall provide information upon request to the Department of State with regard to the United States facilities. Such requests could include, for example, information concerning current conditions or anticipated changes in ownership or control, construction, connection, operation, or maintenance of the U.S. facilities.

**IN WITNESS WHEREOF, I,** the Under Secretary of State for Economic Growth, Energy, and the Environment, have hereunto set my hand this 3<sup>rd</sup> day of November 2015 in the City of Washington, District of Columbia.

*Catherine A. Novelli*

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Under Secretary of State for Economic Growth,  
Energy, and the Environment