



KCBX TERMINALS COMPANY

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KCBX PLANS TO CONSOLIDATE CHICAGO TERMINALS INTO SINGLE LOCATION

Southeast Side coal and petcoke terminal business submits plans to center operations at one location with product enclosed utilizing state-of-the-art environmental controls

CHICAGO—KCBX Terminals, operator of two Southeast Side coal and petcoke terminals, has submitted a plan to the City of Chicago to enclose its product piles and consolidate operations at a single location at the company's existing terminal located at 10730 South Burley Avenue.

"We are working toward establishing a single site with state-of-the-art environmental controls in an effort to address the concerns of our neighbors and comply with the city's new rules for handling bulk materials," said Dave Severson, president of KCBX Terminals. "We respect our neighbors and we want to address their concerns and make sure our operations remain compliant with all rules and regulations."

KCBX submitted the plan as part of its required compliance filings under the city's new rules. KCBX also filed petitions for a limited number of variances that are allowed under the new rules that will enable KCBX to meet its customer obligations while it works to enclose its petcoke and coal handling operations (see Figures 1 and 2 for examples). Once design and permitting are complete, the multi-million dollar enclosure project is expected to take approximately two years to construct and will require more than 300,000 hours of skilled labor resulting in hundreds of construction jobs.

Since acquiring the terminal on Burley Avenue about 18 months ago, KCBX has invested \$30 million on improvements including \$10 million in a dust suppression system that consists of water cannons, weather monitors, a wheel-washing station, spray bars on conveyors and transfer points and other safeguards which have proven effective at managing the potential for dust in and around the company's terminal.

KCBX has also worked with the US EPA to install a combined nine stationary air monitors and two weather stations on-site at its two terminals as a way to validate the effectiveness of the on-site dust suppression equipment, and to better understand potential off-site sources of dust. Preliminary data returned from these monitors over the course of approximately 14 weeks (February 18 – May 31) show that operations at KCBX's North and South Terminals are consistent with off-site levels that meet standards designed to protect public health. These particular air monitors are "source monitors," meaning they are located inside of KCBX's North and South operations and adjacent to the coal and petcoke that are being handled. Data continues to be collected and is being reviewed by air quality scientists, and the same information is being reported to the US EPA and Illinois EPA. The data is available on the KCBX website at www.aboutpetcoke.com.

An independent environmental expert has also been contracted by KCBX to conduct testing of surfaces and soil in the neighborhoods near the two Chicago terminals. Samples were collected from 69 public area locations surrounding the site in November and early December of 2013, and 39 additional neighborhood locations this April after an extended period of windy and dry conditions. Analysis of these samples shows no evidence of petcoke or coal on surfaces or in soil of East Side and South Deering neighborhoods.

An overview of KCBX's filings is available at www.aboutpetcoke.com.

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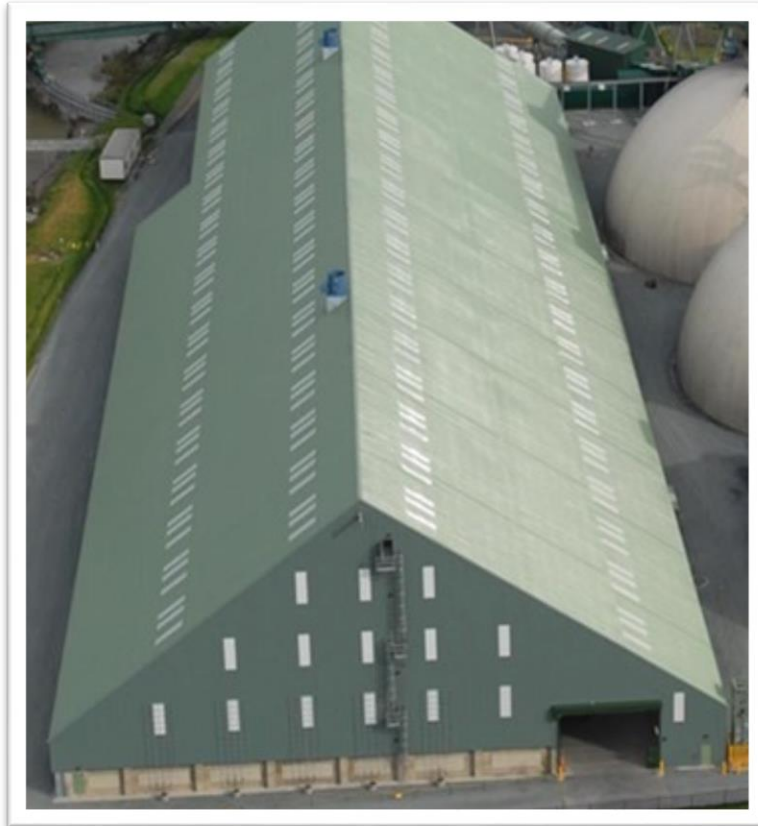


Figure 1: Example of a Typical Transfer Building



Figure 2: Side View of a Typical Covered External Fixed Conveyor