



Kinder Morgan Files Lawsuit Challenging Kyle Ordinance

July 22, 2019

Houston – Kinder Morgan has filed a lawsuit challenging an ordinance enacted by the City of Kyle. The ordinance is the City’s most recent attempt to hinder construction and impermissibly interfere with the Permian Highway Pipeline project (PHP). Not only is it unconstitutional, but it is also preempted by existing federal and Texas laws and regulations that have effectively governed pipeline projects, like PHP, for decades. Pipelines are already heavily regulated by both state and federal agencies that are dedicated to ensuring the safety of people, wildlife, property and the environment.

In addition, Kinder Morgan has filed a complaint with the Texas Railroad Commission to appeal the unsupported and excessive fees the City of Kyle has attempted to levy on the project through the same ordinance. While municipalities have the authority to impose certain fees in discrete circumstances under Texas law, those fees must be both reasonably calculated and tied to the actual costs incurred by the City administering valid municipal regulations. The fees the City of Kyle is attempting to collect are neither. We are confident the Railroad Commission will find them to be unsupported and, thus, invalid.

We remain committed to working with the City to address its concerns, but the City’s enactment of these ordinances left us with no choice but to take action. This project is vital to the state of Texas in order to alleviate the flaring of natural gas in the Permian Basin and move the energy needed to heat and cool homes, schools and public buildings in Texas – while providing substantial local and state revenues. While the ordinance is an attempt to influence us to reroute PHP, we believe this route is a good one that minimizes the potential impacts to the environment and landowners of the state of Texas. We are dedicated to this project, and will continue to engage all stakeholders as we work to complete PHP.

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