

IOWA UTILITIES COMMISSION

IN RE: MAGELLAN PIPELINE COMPANY, L.P.	DOCKET NO. HLP-1996-0002
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ORDER GRANTING WAIVER AND HAZARDOUS LIQUID PIPELINE PERMIT AMENDMENT

BACKGROUND

On July 18, 2025, Magellan Pipeline Company, L.P. (Magellan), filed a petition with the Utilities Commission (Commission) for an amendment of Pipeline Permit No. N0066 pursuant to Iowa Code chapter 479B. The petition requests to construct, operate, and maintain approximately 1.16 miles of one 8-inch and one 12-inch diameter hazardous liquid pipeline and remove the existing segments in Johnson County, Iowa.

On August 12, 2025, the Commission issued a staff review letter that directed Magellan to respond to questions regarding the petition for amendment. Magellan provided sufficient responses on September 11, 2025. On October 7, 2025, the Commission issued a second staff review letter seeking further clarification on Magellan's petition for amendment. Magellan provided responses to this staff review letter on October 29, 2025.

On November 17, 2025, the Commission issued an order setting a scheduling conference for this matter. On December 3, 2025, Magellan requested a continuance of the scheduling conference and stated its intent to file a request for waiver of hearing. On December 4, 2025, the Office of Consumer Advocate (OCA), a division of the Iowa Department of Justice, responded to the request for continuance stating it did not object

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to Magellan's request. As such, the Commission granted the motion to continue on December 5, 2025.

On December 31, 2025, the Commission filed a staff report regarding the amendment. Commission staff states the information presented demonstrates the pipeline complies with all design, construction, testing, operating, and maintenance requirements of the Commission and no special safety or engineering considerations are recommended for this amendment.

On January 9, 2026, Magellan filed a request for waiver of hearing requirements found within the Commission's rules at 199 Iowa Administrative Code (IAC) 13.4 and 13.9(2)(b). On January 30, 2026, OCA filed a response stating it has no objections to the request for waiver of hearing requirements or to the petition for amendment.¹

ANALYSIS OF REQUEST FOR WAIVER

A. Legal Standards

Commission rules 199 IAC 13.4 and 13.9(2)(b) establish the requirement for notice of hearing when a proper petition for permit is received by the Commission, require a hearing when there is a petition for permit, and state that the applicable procedures for an original petition for permit, including hearing, shall also be followed for petition for permit amendment.

As an exception to these rules, 199 IAC 1.3 provides that the Commission may, in response to a request, grant a waiver from a rule adopted by the Commission, in

¹ On January 29, 2026, OCA filed its initial response stating it did not object to Magellan's request for waiver of hearing requirements or to the petition for amendment. In that response OCA misstated the date at which Magellan initially made its waiver request. On January 30, 2026, OCA filed a corrected response that stated the correct date Magellan made its waiver request.

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whole or in part, as applied to a specific set of circumstances, if it finds the waiver request meets the requirements of Iowa Code § 17A.9A(2). Iowa Code § 17A.9A(2) provide the following elements to determine if waiver of the Commission's rule is appropriate:

- (1) the application of the rule would pose an undue hardship on the person for whom the waiver is requested;
- (2) the waiver would not prejudice the substantial legal rights of any person;
- (3) the provisions of the rule subject to a petition for waiver are not specifically mandated by statute or another provision of law; and
- (4) substantially equal protection of public health, safety, and welfare will be afforded by a means other than that prescribed in the rule for which the waiver is requested.

B. Request for Waiver

Magellan has requested a waiver pursuant to 199 IAC 1.3 and asserts that waiver of 199 IAC 13.4 and 13.9(2)(b) is reasonable and justified pursuant to the standards prescribed in Iowa Code § 17A.9A(2) for the following reasons:

- (1) Magellan would face undue hardship from the enforcement of 199 IAC 13.4(1) and 13.9(2)(b) because the requested amendment arises from Klein Quarry's desire to accommodate expansion of the quarry, and the land that is impacted by the reconstruction is solely owned by Klein Quarry. Additionally, there are no objectors to this amendment; requiring a hearing would result in the incurrence of unnecessary costs and unduly delaying the project.
- (2) The substantial legal rights of any person would not be prejudiced by waiver of 199 IAC 13.4(1) and 13.9(2)(b) because the amendment only impacts one landowner, who has requested the amendment.
- (3) The Commission's rules at 199 IAC 13.4(1) and 13.9(2)(b) are not specifically mandated by statute or another provision of law.
- (4) The public health, safety, and welfare will be protected as no person has sought intervention or filed an objection,

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therefore there is no additional protection provided if a hearing is held where no opposing parties participate.

The Commission finds that Magellan's request satisfies the waiver criteria established in 199 IAC 1.3. There is no statutory requirement that amendments must follow the same procedural requirements as the original permit issuances. Requiring Magellan to go through a hearing would create an unnecessary administrative burden as no interested persons object to the amendment, and waiving the hearing requirement will not prejudice the legal rights of any person because the hazardous liquid pipeline will be constructed within properties where Magellan already has the necessary land rights.

The Commission further finds that substantially equal protections of the public health, safety, and welfare will be provided through a careful review of the information Magellan has submitted to justify its request for an amended permit, and a waiver does not change the safety requirements for the hazardous liquid pipeline and the inspections that Commission staff perform.

The Commission finds that the request satisfies the relevant criteria and it is appropriate to waive the requirement for a hearing. The Commission will grant Magellan's request for a waiver of the hearing requirement.

ANALYSIS OF PERMIT AMENDMENT

Iowa code chapter 479B establishes the specific requirements for granting a permit for a hazardous liquid pipeline. The Commission has adopted rules in 199 IAC chapter 13 that also establish the requirements for a hazardous liquid pipeline permit. Commission subrule 13.9(2) requires the same exhibits to be filed for an amendment as

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for a new pipeline and requires that the applicable procedures for a new permit also be followed for an amendment; however, in this instance, some of those required provisions have been waived or were not applicable to Magellan's petition for amendment.

An informational meeting is required to be held if the proposed pipeline will operate at a pressure in excess of 150 pounds per square inch and will extend for a distance of five miles or more. An informational meeting was not required for this amendment because the proposed pipeline extends for only 1.16 miles.

No hearing will be held regarding this petition for amendment; Commission rules at 199 IAC 13.4 and 13.6 regarding hearing requirements are waived. The remaining relevant statutory requirements regarding the petition for an amendment of a pipeline are addressed below.

A. Iowa Code § 479B.5, Iowa Code § 479B.13, and 199 IAC 13.3(1)

1. Iowa Code §§ 479B.5(1) and (2) require that the petition include the name of the entity requesting the permit and the entity's principal place of business.

Magellan's petition contains this information.

2. Iowa Code §§ 479B.5(3) and (4) require the petition include a legal description and map of the proposed hazardous liquid pipeline in addition to a general description of the public or private highways, grounds, waters, streams, and private lands along, over, or across the proposed hazardous liquid pipeline. Commission rules at 199 IAC 13.3(1)(a) and (b) require Exhibits A and B, respectively, and describe the information to be provided in the legal description and maps to comply with these statutory requirements. Magellan filed the required information.

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3. The Commission's rules at 199 IAC 13.3(1)(c) require that the petition include the engineering specifications of materials and manner of construction of the pipeline; the approximate length, diameter, and name and location of each railroad and primary highway, if any; and the maximum and normal operating pressure proposed for the pipeline. Magellan filed such required information.

4. Iowa Code § 479B.13 requires proof of solvency within the state of Iowa to be filed with the Commission in the amount of \$250,000 or more to be able to pay any and all damages arising from the construction, maintenance, or operation of the hazardous liquid pipeline. Commission rules at 199 IAC 13.3(1)(d) require an Exhibit D, which requires satisfactory proof of the petitioner's solvency and financial ability to pay damages in the sum of \$250,000 or more; a surety bond satisfactory to the Commission in the penal sum of \$250,000; security satisfactory to the Commission as a guarantee for the payment of damages in the sum of \$250,000; or satisfactory proof that the petitioner has property subject to execution located within the state, other than pipelines, of a value in excess of \$250,000. Magellan has provided sufficient proof of its ability to pay damages arising from construction, operation, or maintenance of the hazardous liquid pipeline.

5. Commission rules at 199 IAC 13.3(1)(e) require an Exhibit E, which, in relevant part, requires the petitioner to provide information on any other permits required for the construction of the hazardous liquid pipeline. Magellan has filed all required information.

6. Iowa Code §§ 479B.5(6)-(8) require that the petition include a description of possible alternative routes, the relationship of the proposed project to present and

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future land use and zoning ordinances, and provide information on the inconvenience or undue injury that may result to property owners as a result of the proposed project.

Commission rules at 199 IAC 13.3(1)(f) require an Exhibit F, which is to contain the information required by Iowa Code §§ 479B.5(6)-(8) in addition to a statement regarding the purpose of the project and a description of how the services rendered by the hazardous liquid pipeline will promote the public convenience and necessity, and provide the year of original construction and any other amendments the pipeline may have. Magellan has filed all required information.

7. Commission rules at 199 IAC 13.3(1)(i) require an Exhibit I, which is the petitioner's land restoration plan prepared pursuant to 199 IAC 9.2. Magellan has provided the required information in its land restoration plan.

8. Commission rules at 199 IAC 13.3(1)(k) require an Exhibit K, which requires the petitioner to file an affidavit describing the good faith effort Magellan has undertaken to identify all affected persons over which the pipeline is proposed before easements were signed or eminent domain was requested; whether private easements will be required for the proposed pipeline, and whether all affected persons have been notified; whether there are permits that will be required from other state agencies for the construction of the pipeline; whether there are permits from federal agencies that will be required for the construction of the pipeline; whether there are any agreements or additional facilities that need to be constructed to transport or receive hazardous liquids; and a projected date when construction of the pipeline will begin. Magellan has adequately addressed each of these topics in its Exhibit K.

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B. Iowa Code § 479B.7

Iowa Code § 479B.7 states that any person, including a governmental entity, whose rights or interests may be affected by the proposed pipeline may file written objections. No objections have been filed regarding the proposed hazardous liquid pipeline amendment.

C. Iowa Code § 479B.9

Iowa Code § 479B.9 states the Commission may grant a permit in whole or in part upon terms, conditions, and restrictions as to location and route as it determines to be just and proper. This section of the statute has been made applicable for petitions for amendment through the Commission's rules at 199 IAC 13.9(2)(b). The Commission is required, as a condition precedent to granting an amendment to the permit, to determine whether the proposed pipeline will promote the public convenience and necessity.

The statutory requirements of Iowa Code chapter 479B, as well as specific facts that relate to a proposed pipeline amendment, are considered when making a determination as to whether to approve an amendment to a permit. In this case, the evidence shows that the proposed pipeline will meet all federal and state safety requirements, all necessary easements are obtained, and no objections have been filed regarding the proposed hazardous liquid pipeline.

The evidence shows that the proposed amendment to relocate a portion of Magellan's hazardous liquid pipeline is necessary to support the overall system capacities and is being done at the request of the landowner impacted by the relocation of the pipeline.

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Based upon the evidence regarding the need for the amendment of the existing pipeline and compliance with statutory and Commission rules, the Commission finds that the proposed pipeline will promote the public convenience and necessity and an amended permit should be issued to allow construction of the pipeline.

Permit No. N0066 is to be in effect until February 5, 2047, as amended by this order, unless revoked, terminated, or amended by the Commission.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the subject matter of Magellan's petition under the provisions of Iowa Code chapter 479B.

2. The statutory requirements in Iowa Code chapter 479B have been considered and the evidence supports the granting of a permit for the proposed pipeline.

ORDERING CLAUSES

IT IS THEREFORE ORDERED:

1. The request for waiver of hearing filed on January 9, 2026, by Magellan Pipeline Company, L.P., is granted.

2. The notice of hearing requirements in 199 Iowa Administrative Code 13.4 are moot upon waiver of the hearing in Ordering Clause 1.

3. The Petition for Amendment to Hazardous Liquid Pipeline Permit filed by Magellan Pipeline Company, L.P., on July 18, 2025, as revised, is granted. Amendment No. 1 to Hazardous Liquid Pipeline Permit No. N0066 is hereby issued to Magellan Pipeline Company, L.P.

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4. The Utilities Commission retains jurisdiction of the subject matter of this docket pursuant to Iowa Code chapter 479B and may at any time during the period of the permit make such further orders as may be necessary.

UTILITIES COMMISSION



Sarah Martz, Chair



Joshua Byrnes, Commissioner



Erik Helland, Commissioner