IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

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In re:

PES Administrative Services, LLC,¹

Debtors.

Chapter 11 Case No. 19-11629 (LSS)

(Jointly Administered) (Formerly Jointly Administered under Lead Case: PES Holdings, LLC, Case No. 19-11626)

NOTICE OF LODGING OF PROPOSED STIPULATION REGARDING THE ALLOWANCE OF THE UNITED STATES' GENERAL UNSECURED CLAIM

The United States of America, on behalf of the United States Environmental Protection

Agency ("EPA"), respectfully lodges with the Court the accompanying Stipulation

("Stipulation"), attached hereto as Exhibit 1, between the United States and Debtors in the

above-captioned case. The Stipulation, if approved, will resolve EPA's Proof of Claim No. 342

(the "EPA PESRM Proof of Claim") against Debtor Philadelphia Energy Solutions Refining and

Marketing LLC ("PESRM") and Proof of Claim No. 15 against Debtor North Yard Logistics,

L.P. (the "EPA North Yard Proof of Claim") seeking, among other things, a claim for payment

of a civil penalty pursuant to Section 113(e) of the Clean Air Act ("CAA"), 42 U.S.C. § 7413(e),

for PESRM's and North Yard's alleged violations of Section 112(r) of the CAA, 42 U.S.C.

§ 7412(r), (collectively the "EPA 112(r) Claim").

¹ The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized Debtor's federal tax identification number, are: PES Holdings, LLC (8157); North Yard GP, LLC (5458); North Yard Logistics, L.P. (5952); PES Administrative Services, LLC (3022); PES Energy Inc. (0661); PES Intermediate, LLC (0074); PES Ultimate Holdings, LLC (6061); and Philadelphia Energy Solutions Refining and Marketing LLC (9574). On March 28, 2022, the Court entered an order [Docket No. [1900]] closing the chapter 11 cases of the Reorganized Debtors other than Case No. 19-11629 (LSS), PES Administrative Services, LLC.

Under the Stipulation, EPA shall have an Allowed General Unsecured Claims for the EPA 112(r) Claim against PESRM in the amount of \$4,200,000 and against North Yard in the amount of \$26,724.

At this time, the United States is <u>not</u> requesting any action by the Court on the proposed Stipulation. Instead, the proposed Stipulation should remain lodged with the Court while the United States provides an opportunity for public comment.

The Department of Justice will publish in the Federal Register a notice that the proposed Stipulation has been lodged with the Court. The notice will solicit public comment for a period of 30 days. After the close of the comment period, the United States will evaluate any comments received, determine whether any comments disclose facts or considerations that indicate that the proposed settlement is inappropriate, inadequate, or improper, and advise the Court whether the United States requests that the Stipulation be entered.

The United States respectfully requests that the Court await, before considering whether to approve EPA's entry into the proposed Stipulation, a subsequent submission by the United States regarding any comments received during the public comment period and the United States' position regarding entry of the proposed Stipulation.

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Dated: October 8, 2024

Respectfully Submitted TODD KIM Assistant Attorney General Environment & Natural Resources Div.

/s/Matthew Indrisano MATTHEW INDRISANO Trial Attorney RUBEN GOMEZ Assistant Section Chief Environmental Enforcement Section P.O. Box 7611 Washington, D.C. 20044-7611 Phone: (202) 514-1398 (Indrisano) Phone: (202) 514-4797 (Gomez) Email: Matthew.Indrisano@usdoj.gov Email: Ruben.Gomez@usdoj.gov

CERTIFICATE OF SERVICE

I certify that on October 8, 2024, the United States of America served this Notice of

Lodging of Proposed Stipulation Regarding the Allowance of the United States' General

Unsecured Claim has been served on all counsel and all parties requesting same via the Court's

ECF system.

<u>/s/Matthew Indrisano</u> Matthew Indrisano Trial Attorney United States Department of Justice Environmental Enforcement Section P.O. Box 7611 Washington, D.C. 20044-7611 Telephone: (202) 514-1398 Email: matthew.indrisano@usdoj.gov