



U.S. Department
of Transportation

**Pipeline and Hazardous
Materials Safety Administration**

400 Seventh Street, S.W.
Washington, D.C. 20590

DEC 14 2006

Robert Hogfoss, Esquire
Hunton & Williams LLP
Bank of America Plaza
Suite 4100
600 Peachtree Street, N.E.
Atlanta, GA 30308-2216

RE: Petition for Reconsideration or Clarification
Kinder Morgan Energy Partners, L.P., CPF No. 1-2004-5004

Dear Mr. Hogfoss:

As you know, on June 26, 2006 the Pipeline and Hazardous Materials Safety Administration (PHMSA) issued a Final Order to Kinder Morgan Energy Partners, L.P. (Re. CPF No. 1-2004-5004). I am in receipt of your letter for Request for Further Extension to File Petition for Reconsideration dated December 14, 2006 and your Petition for Reconsideration or Clarification dated July 17, 2006. Over the last several months we have met with Kinder Morgan to discuss and clarify the scope and timing of compliance directed by our Final Order.

At these meetings we discussed completion dates for assessments and remediation of low-frequency electric resistance welded (ERW) pipe and the propensity for some pipe to be susceptible to stress corrosion cracking (SCC). In addition, PHMSA issued a Corrective Action Order (CAO) to Kinder Morgan requiring a pressure reduction and a remediation plan. The CAO-related remediation plan requires a third-party review of Kinder Morgan's pig logs for axial flaws in ERW.

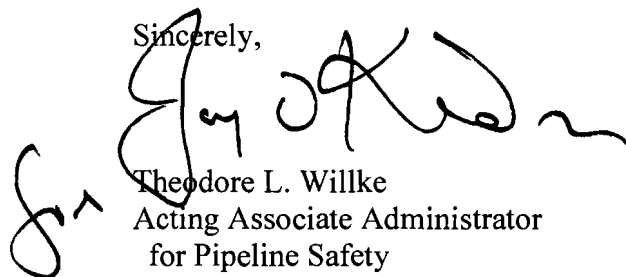
Kinder Morgan has complied with our CAO by developing a new process to evaluate pig logs to better identify cracks. This process is more time consuming than the traditional evaluation process. However, it is our opinion that the benefits far outweigh the cost needed for testing. In light of the time required for the new process and amount of pipe that needs to be evaluated, Kinder Morgan's proposed remediation plan provides for completing pig runs in ERW pipe by 2010, with remediation completed by 2011. We believe that the above times are consistent with the terms in CPF No. 1-2004-5004.

During our Integrity Management Plan (IMP) inspection we verified that SCC and axial flaw detection in ERW pipe are included in Kinder Morgan's IMP. Kinder Morgan's proposed remediation plan for evaluating pipe for potential seam failures according to Kiefner's protocols is consistent with IMP regulations and consistent with the terms of the Final Order.

Notwithstanding, Kinder Morgan must demonstrate that use of its newly developed evaluation techniques for Rosen's Axial Flaw Detection (AFD) tool is appropriate for finding and classifying linear cracks in ERW pipe. To confirm the AFD tool's abilities, PHMSA technical staff and its contractor met with Kinder Morgan in Houston, Texas on December 5-7, 2006. PHMSA is in the process of evaluating the reliability of Kinder Morgan's overall process and, specifically, Kinder Morgan's plan to use the AFD tool and the GE-Ultra Sound Crack Detection tool to evaluate linear flaws in ERW pipe identified in its hazardous liquid pipelines IMP Plan.

We appreciate your cooperation in resolving compliance issues associated with the June 26, 2006 Final Order. Pending our evaluation of information gathered from the December 5-7th meetings, I am extending the deadline for Kinder Morgan to file any petition for reconsideration to January 19, 2007.

Sincerely,

A handwritten signature in black ink, appearing to read 'Theodore L. Willke', is written over the typed name and title. The signature is fluid and cursive, with a long horizontal stroke at the end.

Theodore L. Willke
Acting Associate Administrator
for Pipeline Safety

cc: William Gute, Director, National Field Coordinator, PHMSA
Joy Kadnar, Director, Engineering and Emergency Support, PHMSA
Mark Wendorff, Acting Director, Eastern Region, PHMSA
Rodrick Seeley, Director, Southwest Region, PHMSA
Chris Hoidal, Director, Western Region, PHMSA
Ivan Huntoon, Director, Central Region, PHMSA
Linda Daugherty, Director, Southern Region, PHMSA