



U.S. Department
of Transportation
**Pipeline and Hazardous
Materials Safety
Administration**

1200 New Jersey Ave., S.E.
Washington, DC 20590

JUL 31 2007

Mr. Thomas A. Bannigan
President
Products Pipeline
Kinder Morgan Energy Partners, LP
500 Dallas Street, Suite 1000
Houston, TX 77002

Re: CPF No. 5-2004-5018-H

Dear Mr. Bannigan:

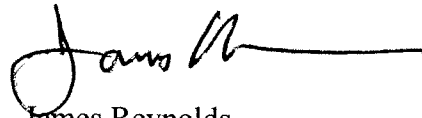
On May 1, 2004, the Associate Administrator for Pipeline and Safety, Pipeline and Hazardous Materials Safety Administration (PHMSA),¹ issued a Corrective Action Order (CAO) in the above-referenced case. The CAO required Kinder Morgan Energy Partners, L.P. (Kinder Morgan), to take the necessary corrective action to protect the public and the environment from potential hazards associated with a failure of Kinder Morgan's 14-inch Concord-Sacramento hazardous liquid pipeline (part of SFPP LP, which is part of Kinder Morgan Products Pipeline) in Solano County, California. After review of the records and the work performed on Kinder Morgan's Concord-Sacramento Pipeline system,² the Director, Western Region, PHMSA has determined that Kinder Morgan has satisfactorily complied with the terms of that CAO. Accordingly, the case is now closed.

¹ Effective February 20, 2005, the Pipeline and Hazardous Materials Safety Administration (PHMSA) succeeded Research and Special Programs Administration as the agency responsible for regulating safety in pipeline transportation and hazardous materials transportation. See, section 108 of the Norman Y. Mineta Research and Special Programs Improvement Act (Public Law 108-426, 118 Stat. 2423-2429 (November 30, 2004)). See also, 70 Fed. Reg. 8299 (February 18, 2005) re delegating the pipeline safety authorities and functions to the PHMSA Administrator.

² On May 28, 2004, Kinder Morgan submitted a Response to the CAO detailing its efforts to address the May 1, 2004 CAO (CPF No. 5-2004-5018H). Since then, it has replaced the entire pipeline from Concord to Sacramento, except a short portion that crosses the Carquinez Strait. Enhanced review of the ILI data and pipe characteristics at the Carquinez Strait do not warrant hydrostatic testing or replacement of that crossing.

No further action is contemplated with respect to the matters involved in the case. Closure of this case has no effect on any other pipeline enforcement proceedings.

Sincerely,

A handwritten signature in black ink, appearing to read "James Reynolds", with a long horizontal line extending to the right.

James Reynolds
Pipeline Compliance Registry
PHMSA-Office of Pipeline Safety

cc: Chris Hoidal, P.E., Director, Western Region, PHMSA

CERTIFIED MAIL - RETURN RECEIPT REQUESTED