

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 4, 2011

Mr. Tim Reichwein
Vice President Operations
PB Energy Storage Services, Inc
16285 Park Ten Place
Houston, Texas 77084

CPF 4-2011-5002M

Dear Mr. Reichwein:

On October 4-7, 2010, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA) inspected PB Energy Storage Services Inc. Integrity Management Program. As a result of the inspection, PBE was issued a Notice of Amendment on January 27, 2011. This Notice proposed amendment of your procedures to assure safe operation of your pipeline facilities.

PBE submitted its amended procedures on February 21, 2011. My staff reviewed the amended procedures, and it appears that the inadequacies outlined in this Notice of Amendment have been corrected.

This letter is to inform you no further action is necessary and this case is now closed. Thank you for your cooperation.

Sincerely,

R. M. Seeley
Director, Southwest Region
Pipeline and Hazardous
Materials Safety Administration