

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

April 4, 2012

Mr. Eric Amundsen
Vice President and Chief Asset Integrity Officer
Panhandle Energy
5444 Westheimer Road
Houston, Texas 77056

CPF 2-2010-1009M

Dear Mr. Amundsen:

On April 12-16, 2010 and April 26-30, 2010, representatives of the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS) inspected the Panhandle Energy (Panhandle) Gas Integrity Management Program (IMP) written procedures in Houston, Texas, pursuant to Chapter 601 of 49 United States Code. As a result of the inspection, PHMSA issued a Notice of Amendment (NOA) on August 18, 2010.

Panhandle asked for and was granted a hearing to address two issues in the NOA. After the hearing, PHMSA issued an Order Directing Amendment (ODA) on December 29, 2011.

We have received and reviewed revised IMP procedures from Panhandle in response to the ODA. This letter is to inform you that Panhandle has complied with the terms of the NOA and ODA. No further action is necessary with regards to the NOA and ODA. This case is now closed.

Please be advised that this letter refers only to the NOA and ODA referenced above (CPF 2-2010-1009M) and not to any other PHMSA pending cases. Also be advised that nothing herein states or implies that the above described IMP meets the requirements of the federal pipeline safety regulations or that the IMP is approved. The pipeline system and IMP remain subject to inspection by PHMSA.

Sincerely,

Wayne T. Lemoi
Director, Office of Pipeline Safety
PHMSA Southern Region