

SCHOLL CANYON LFG LIMITED PARTNERSHIP

c/o Palmer Management Corporation
13 Elm Street, Suite 200, Cohasset, MA 02025-1828
Tel: 781-383-3200 /// Fax: 781-383-3205

Friday March 19, 2010

Certified Mail – Return Receipt Requested

Mr. Chris Hoidal
Director, Western Region
Pipeline and Hazardous Material Safety Administration
12300 W. Dakota Avenue, Suite 110
Lakewood, Colorado 80288

**Subject: Notice of Probable Violation and Proposed Compliance Order
CPF 5-2010-0009 dated March 2, 2010**

Dear Mr. Hoidal:

The Scholl Canyon LFG Limited Partnership ("Scholl") is in receipt of the above referenced letter which arrived at our office on March 8th. Your letter mentions that we met with Mr. Nguyen in August of 2008, which is correct. It neglects to mention that we also met with Mr. Nguyen in October of 2005.

In reference to the above letter, and in reference to the Proposed Compliance Order, Scholl respectfully disagrees that it has been in violation under PHMSA rules (with specific reference to Item 1 in the Notice of Probable Violation and Item 1 in the Compliance Order). In our meeting almost 5 years ago, as well as in our meeting in August of 2008, we explained to Mr. Nguyen our reasoning for following the guidelines for a Distribution Line. In our review of the requirements, the Scholl Canyon pipeline did not fall under the DOT definition of a Transmission line. As such, Scholl has been consistently meeting the requirements of a Distribution line. We have been filing the Annual Report for Gas Distribution systems since calendar year 2003.

In reference to Item number 2 (in both the Notice of Probable Violation and Proposed Compliance Order), and as was explained in our August 2008 site meeting with Mr. Nguyen, since 2007 Scholl has employed Advanced Workplace Strategies (AWSI) to administer a random drug testing program for our employees. The program is based on DOT requirements and Scholl employees have been processed in the "pipeline consortium random pool". The test type has been the Random DOT Drug Test with the testing panel being the NIDA 5

Drug Panel. The Annual drug testing reports have been filed with DOT when required. In addition, our supervisor has received the DOT/PHMSA (pipeline) required supervisor training.

Also, please note that as of January 1, 2010, Scholl Canyon LFG Limited Partnership no longer has any ownership in the pipeline. The City of Glendale's Glendale Water and Power ("GWP") now has complete ownership of, and operational responsibility for, all facilities related to the pipeline project. If any new procedures are required, other than what is already implemented, it will be GWP's responsibility.

We have informed the City of this DOT notice and have copied them on this letter. In addition, the City will be undertaking (or has already undertaken) the task to change the ownership contacts in the DOT system.

Although no longer responsible for the operation of the pipeline, we are attempting to assist the City in this transition. Please let us know if there are further questions regarding this issue.

Sincerely,
Scholl Canyon LFG Limited Partnership

A handwritten signature in black ink that reads "David A. Marques". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

David A Marques
Vice President
Scholl Canyon Landfill Gas Corporation
Its General Partner

cc: Mr. Nick Cruz, Glendale Water and Power
Mr. Philip Nguyen, OPS-Western Region
Mr. Gordon Deane, President, Scholl Canyon
Mr. Jeffrey Bernstein, Esq., BCK Law