



Pacific Operations

September 1, 2005

To All Kinder Morgan Pacific Operations Customers:

On Wednesday, August 31, USEPA Administrator Stephen L. Johnson issued a temporary waiver of gasoline volatility requirements under 40 C.F.R. §80.27 and 40 C.F.R. § 80.78. Further, a temporary waiver to the requirements of the Clean Air Act sections 211(g), (h) and (I), 42 U.S.C. §§ 7545(g), (h) and (I), and the regulations promulgated thereunder at 40 CFR Part 80 which require the on-road use of diesel fuel having a sulfur content not greater than 500 parts per million (ppm) and free of visible evidence of red dye was granted. According to the EPA website, the waiver is effective immediately and will continue through September 15th of this year.

After review of our Pacific Operations systems, we have determined that the following adjustments will be made to our product slate immediately:

- For the Kinder Morgan Liquids Terminals in Portland (Linnton and Willbridge) and Seattle (Harbor Island), ASTM Volatility Class C-3, 11.5 pound RVP, will be accepted and distributed from the fungible community storage.
- In the SFPP Operating Partnership, shipments of conventional gasoline from Portland to Eugene on the Oregon Line must meet the requirements of product codes J2 or L2, conventional regular and premium respectively, 11.5 pound RVP.
- For shipments of conventional gasoline to Reno on the North Line, please use product codes N4 and R4, conventional regular and premium respectively, 9 pound RVP.

Kinder Morgan's SFPP system has not transported red dyed diesel through its breakout facilities since 1999. We do not anticipate a downstream demand for diesel fuel that cannot be filled with current production of on-road diesel having less than 500 ppm sulfur. We therefore are not planning on the addition of red dyed diesel to our product slate on any line where this product has been eliminated.

Please refer any questions to my attention at (714) 560-4662 or my e-mail address kinzig@kindermorgan.com.

Respectfully,

A handwritten signature in black ink, appearing to read 'Russ Kinzig', is written over a faint, larger version of the signature.

Russell G. Kinzig
Manager, Quality Control