



Tennessee Gas Pipeline
Company, L.L.C.
a Kinder Morgan company

September 18, 2015

The Honorable Jeanne Shaheen
United States Senate
508 Hart SOB, Washington, DC 20510

The Honorable Kelly Ayotte
United States Senate
144 Russell SOB, Washington, DC 20510

The Honorable Ann McLane Kuster
United States House of Representatives
137 Cannon HOB, Washington, DC 20515

The Honorable Frank Guinta
United States House of Representatives
326 Cannon HOB, Washington, SC 20515

To the Honorable New Hampshire Congressional Delegation,

I am writing in response to your letter to Allen Fore dated September 11, 2015 regarding the routing for Kinder Morgan's proposed Northeast Energy Direct (NED) pipeline project. As the President of Tennessee Gas Pipeline (TGP) and the individual in charge of this project, I am pleased to respond. We have been proudly serving New England for 60 years and are looking forward to helping lower your constituents' natural gas and electric bills through this important project.

As you aware, TGP, a Kinder Morgan subsidiary, requested and received approval to use the pre-filing process of the Federal Energy Regulatory Commission (FERC) in October 2014. As part of the pre-filing process, we are required to develop and submit draft environmental resource reports identifying the proposed project, anticipated impacts, and proposals to minimize and mitigate those impacts, to assist with the FERC's responsibility to review the project pursuant to the National Environmental Policy Act. Among these resource reports is Resource Report 10, which focuses on alternatives to the routing and proposed project facilities. Given the importance of the development and analysis of project alternatives, a draft of Resource Report 10 (along with a draft of Resource Report 1, which provides an overall project description) is required to be filed 30 days after the pre-filing proceeding is opened.

TGP filed drafts of Resource Reports 1 and 10 with the FERC on November 5, 2014. In that filing, we identified and discussed several route alternatives for various portions of the project in draft Resource Report 10. Among the route alternatives discussed for the Wright, New York to Dracut, Massachusetts Pipeline Segment (referred to as the Market Path Component of the project) were the New York Powerline Alternative and the New Hampshire Powerline Alternative (see Sections 10.3.1.2 and 10.3.1.8 of draft Resource Report 10). These identified alternatives involved co-locating the pipeline along an existing electric transmission line corridor in eastern New York, western Massachusetts, and southern New Hampshire.

As part of our ongoing outreach efforts, the route for the NED project and proposed alternatives were reviewed and refined in response to concerns and comments from local community members, elected officials, and non-governmental agencies in order to identify a route that would allow TGP to supply much needed gas to customers in New England with the least impact to the region as possible. Throughout the development of the project, TGP conducted an extensive needs and alternative routing analysis for the Project. The primary objective in performing this analysis was to develop a project that will accomplish TGP's objective to provide up to 1.3 billion cubic feet per day ("Bcf/d") of additional natural gas transportation capacity to meet the growing energy needs in the Northeast U.S., particularly in New England, while working to avoid or minimize potential adverse environmental impacts to the greatest extent practicable. TGP evaluated pipeline routing options based on regional topography, environmental considerations, population density, existing land usage, construction safety, and feasibility considerations. As a result of the extensive outreach efforts, as well as TGP's own review of the initial proposed route and the two alternatives that were identified above, it became clear that adopting these alternatives, which included a greater amount of co-location with existing utility corridors than the initial proposed route was the preferred option, primarily from an environmental siting perspective, as discussed in more detail below.

On December 8, 2014, TGP submitted a filing to the FERC in which it stated its determination that it would adopt both the New York Powerline Alternative and the New Hampshire Powerline Alternative as its proposed route. The Market Path Component of the project was thus revised to include the two alternatives, which included routing the proposed pipeline through southern New Hampshire.

This decision to adopt the two alternatives, which included the routing of the proposed pipeline through southern New Hampshire (referred to as the "NH route") rather than the originally proposed route through Massachusetts (referred to as the "MA route") was based on several reasons, including increased co-location with existing utility rights-of-way, reduced environmental impacts, and improved access to an interstate pipeline in New Hampshire:

- 1. Increased co-location with existing powerline rights-of-way:** One of the primary reasons that led to TGP's decision to adopt the current route through New Hampshire is that the route allows TGP to take advantage of a greater degree of pipeline construction and operation that is located adjacent to, and parallel with, existing utility corridors in the state of New Hampshire (as well as the states of New York and Massachusetts). When evaluating routing options for the Project, TGP has attempted to co-locate with existing utility rights-of-way, to the extent practicable and feasible, consistent with Section 380.15(d) of the FERC's regulations (18 CFR § 380.15(d)), which requires applicants for natural gas pipeline projects to consider the use, widening or extension of existing rights-of-ways when possible.¹ These regulations also require applicants to avoid, to the extent practicable, historic sites, national landmarks and parks, wetlands, recreational and wildlife areas. Approximately 87% of current 71-mile pipeline route through New Hampshire is co-

¹ In a recent Draft Environmental Impact Statement ("DEIS") issued by the FERC on September 4, 2015 for the Southeast Market Pipelines Project, Docket Nos. CP14-554-000, CP15-16-000, and CP15-17-000, the FERC, in its environmental analysis of resources, discussed co-location of new pipeline facilities with existing linear infrastructure as generally reducing environmental impacts by using existing disturbed areas during construction and incrementally expanding existing rights-of-way for operation. See p. 3-68. The DEIS further noted that co-location of natural gas pipeline facilities is a common and encouraged industry practice. See p. 3-275.

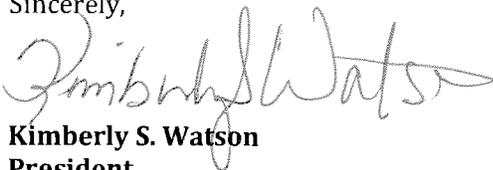
located with existing utility line rights-of-way. In contrast, the previous MA route for the NED pipeline included approximately 65.64 miles of new pipeline in Massachusetts, primarily through “greenfield” or new construction areas, with just 16.20 miles co-located with existing utility corridors (approximately 24.6% co-located).

2. **Reduced environmental impacts:** By increasing the percentage of co-location, as discussed above, the current route located through southern New Hampshire will minimize disruption of undeveloped land, thus reducing disruption to the environment, including habitat fragmentation. As noted in detail in the updated Resource Report 10 submitted on July 24, 2015 to FERC, the current proposed NH route crosses a smaller amount of wetland footage, fewer rivers, and the same amount of perennial waterbodies as the previous MA route. Additionally, the NH route crosses fewer miles of state forests and parks (1.55 miles for the NH route versus 9.22 miles for the MA route) and fewer national and state trails (4 for the NH route versus 23 for the MA route).

3. **Improved access to an interstate pipeline in New Hampshire:** The current NED project route through New Hampshire allows increased access to natural gas for New Hampshire power and gas utilities that have signed precedent agreements as customers for the NED Project, including Liberty Utilities. Currently, the southern New Hampshire region lacks an interstate natural gas pipeline. The current proposed NH route will provide economic gas transport service to several geographic areas in southern New Hampshire (as well as northern Massachusetts) that are not currently served by an interstate natural gas pipeline. Because of its close proximity, the NED pipeline in New Hampshire would provide the opportunity for local distribution companies (LDCs) to expand natural gas service in the future to towns along the NED route, such as Keene, Swanzey, Rindge, Jaffrey, Amherst, and New Ipswich, among others, as well as provided gas to clean burning gas-fired power generation facilities. The availability of low cost, domestic and abundant natural gas will allow New Hampshire to retain existing industries, attract new industries, lower electricity rates (gas-fired generation sets the pricing for electricity 70% of the time in New England), and replace fuel oil and coal with a cleaner burning fuel, while enabling the further growth of renewables and enabling the region meet its climate change objectives. Since fuel oil is currently one of the primary fuels used to heat New Hampshire homes, residents would greatly benefit from the cost advantage of natural gas, if it was available for them.

As part of this ongoing outreach effort, TGP appreciates this opportunity to provide responses to these important questions regarding the NED project. TGP remains committed to maintaining fluid lines of communications with the towns along the proposed route as well as local, state and federal elected officials and will continue to work constructively with these entities. Please do not hesitate to contact us with additional questions or comments.

Sincerely,



Kimberly S. Watson
President

Tennessee Gas Pipeline Company, L.L.C.

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