

Rindge Town Questions & Responses

Guaranteed tax payments to Rindge per year from Kinder Morgan?

The final tax revenue estimates depend on the final cost of the pipeline mileage within the town of Rindge. However, at this time, our estimated cost for the pipeline in the town of Rindge, based on current mileage, places the annual tax payment at approximately \$1.1 million after construction is completed.

Typical devaluation of properties involved and abutting pipeline?

The pipeline and associated easement should not impact the value of properties. Multiple studies across the country have found minimal to no correlation between a property's sales price and its proximity to a natural gas transmission pipeline. Please see the following studies for information on the correlation between property values and the presence of pipelines;

- Diskin, Barry A., PH.D., Jack P. Friedman, PH.D, Spero C. Peppas, PH.D, and Stephanie R. Peppas. "The Effect of Natural Gas Pipelines on Residential Values." Right of Way (2011)
- Fruits, E., "Natural Gas Pipelines and Residential Property Values: Evidence from Clackamas and Washington Counties." (2008).
- The INGAA Foundation, Inc., "Natural Gas Pipeline Impact Study." (2001)
- Kinnard, Williams N., Jr., Sue Ann Dickey, and Mary Beth Geckler. "Natural Gas Pipeline Impact on Residential Property Values: An Empirical Study of Two Market Areas." Right of Way (1994)
- Wilde, Louis, Christopher Loos, and Jack Williamson. "Pipelines and Property Values: An Eclectic Review of the Literature." Journal of Real Estate Literature 20.2 (2012)

Tennessee Gas Pipeline (TGP) already has existing pipelines through 10 towns in New Hampshire and has no evidence of depreciated home values along the pipeline.

Typical payment to property owners for easement or taking of land?

Our goal is to reach amicable, mutually beneficial agreements with landowners. Compensation for the permanent right-of-way and related construction impacts is negotiated privately with each property owner. Through the negotiation process, the parties will be able to address the compensation, terms and conditions for the right of way across their property. TGP will complete a market analysis of property values in the area and will use that analysis as a basis to determine compensation for each property owner.

Increased costs in towns and homeowners' insurances?

We have not observed insurance increases to homeowners as a result of our pipeline facilities located throughout the country.

Will the pipeline be 100 percent buried?

The Northeast Energy Direct (NED) project will be designed and constructed in accordance with the requirements of the United States Department of Transportation (USDOT) regulations as set forth in Title 49, Part 192 of the Code of Federal Regulations. Such design and construction includes burial of the pipeline except for those pipeline facilities that must be aboveground for proper operation of such facilities. Examples include mainline valves/cross-over piping and inline inspection ("pig") facilities, etc. Aboveground facilities will be fenced and locked to prevent access by third parties.

Total construction and cleanup/reclamation time in Rindge?

The construction duration in Rindge, including clean-up, is not yet determined, since several factors will dictate such, including anticipated receipt of environmental permits, landowner agreements and integration with the construction schedule for the entirety of the pipeline through New Hampshire.

Since this is the "Granite State," what methods of burial are used?

The typical pipeline trench excavation/burial methods include:

- For those areas with a soil subsurface, excavation will be performed by a standard backhoe.
- For those areas with a shallow bedrock subsurface, excavation is typically performed by mechanical means, such as ripping and/or blasting, depending on the thickness of the rock layer and hardness of the rock.
- For those areas with a thick bedrock subsurface, excavation typically performed by blasting with potential minimal use of mechanical means, such as ripping, to "finish grade" the trench.

The final construction method across the entirety of New Hampshire will be based on a comprehensive geotechnical analysis to be performed by TGP in the coming months to characterize the subsurface conditions along the pipeline route. Methods to be used would also be subject to review and approval by the FERC.

Typical amount of homeowner damages/complaints/lawsuits per mile in pipeline projects? (Cracked foundations, broken windows dry/polluted wells.)

This is a very uncommon occurrence. Through TGP's survey process, it will gather information related to water wells, septic systems and homes that are within 200 feet of the project. As requested by the

landowner, TGP will conduct well inspection for yield and quality for wells within 200 feet of the project and will also inspect the foundations of homes within 200 feet of the project. Copies of the reports will be made available to the landowners.

Is Kinder Morgan bonded for these damages?

[Would avoid blanket statements about liability.] We also employ reputable, bonded construction contractors that employ individuals who are certified under DOT regulations for welding, X-rays and other functions. We follow high standards in our construction practices, in accordance with applicable laws, and expect our contractors to do so, also.

How much total and how much per complainant? (Are there limits?)

We cannot speculate, as issues can vary. Suffice it to say that we will work closely with landowners to resolve complaints in short order, both during and after construction.

What is the blast radius of a 36" pipeline, in case of a catastrophic failure?

The impact area varies by pipeline and the maximum allowable operating pressure.

The project falls within the oversight of the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA). More information is available at the following website

<http://www.phmsa.dot.gov/>.

Who pays the hourly wages of our emergency personnel for training?

- TGP does conduct annual meetings with first responders, local officials and contractors in all counties, cities and towns where it operates, and will continue this process in any locality where a pipeline is installed as part of the project. TGP's local employees who operate the pipeline attend these meetings to answer questions and provide additional information related to emergency response, safety and local contact information. These employees serve on the Local Emergency Planning Committee and regularly attend meetings within the counties where they live. As the project is constructed, placed in service and operated as part of TGP's system, TGP will continue all of these activities in counties where its facilities are located and will begin those activities in counties where new facilities are added.

The meetings held in communities along TGP's system provide first responders with information about responding to a natural gas incident. In addition, we conduct mock emergency drills with local responders and hold open houses at our facilities to better familiarize first responders with our equipment and facilities. TGP's personnel have access to pipeline emergency training materials and, if requested, can provide workshops or training for first responders.

How many LDC's (Local gas Distribution Companies) have signed contracts on this project?

In New Hampshire, Liberty Utilities has signed on as a Local Distribution Company. Under the agreement, Liberty Utilities will buy up to 115,000 dekatherms per day of natural gas – enough gas to heat 65,000 New Hampshire homes on the coldest day of the winter. Liberty has 87,000 customers in New Hampshire.

In addition, TGP has executed precedent agreements for a total of 367,263 dekatherms per day with other local distribution companies in Massachusetts and Connecticut, including The Berkshire Gas Company, Columbia Gas of Massachusetts, Connecticut Natural Gas Corporation, Southern Connecticut Gas Corporation, Westfield Gas and Electric and others. TGP is continuing to negotiate with other LDCs and electric generators, and expects to sign precedent agreements with other shippers in the coming months. TGP is also participating in a proceeding before the Maine Public Utilities Commission in which Maine is evaluating pipeline proposals to construct more pipeline capacity to serve New England.

How many MMcf/d in contracted agreements have been signed?

To date, TGP has executed precedent agreements for [approximately 500,000 dekatherms per day] [versus 482,263 dekatherms per day] of firm transportation service.

What is the capacity threshold in MMcf/d to make this viable? (700 MMcf/d?)

The project is scalable, up to as much as 2.2 billion cubic feet per day, and we have said that the project's capacity could range between 800 million cubic feet and the 2.2 Bcf/d.

TGP has been actively developing the NED Project for over a year. Based on the current executed precedent agreements (described above) with key New England LDCs and encouraging discussions with other potential firm shippers, TGP is confident that, in the near term, it will continue to develop the NED Project.

Background:

TGP initiated the pre-filing environmental review process at the Federal Energy Regulatory Commission (FERC) in September 2014. Starting the FERC pre-filing process is a significant milestone for the NED Project. During the pre-filing process, TGP has been actively engaged with FERC staff and other stakeholders to develop the environmental reports that will form the basis of its FERC application for a certificate of public convenience, which TGP is planning to file in September 2015. As it does with every development project, TGP will evaluate a number of factors in determining whether to continue moving

forward. For the NED Project, these factors include: the economics of the commercial deals negotiated; the continued commitment of the project shippers as demonstrated by the acquisition of approvals from their respective regulators; serious interest from other potential shippers such as electric generators in New England; the progression of other state and regional initiatives to secure incremental natural gas transportation capacity for New England; as well as refinement of routing alternatives and ultimate cost estimates for the design facilities; the necessary permitting and construction of the final facilities design.

TGP expects to continue developing the project so long as it has binding commitments for sufficient volumes for TGP to economically justify the commitment of capital that will be required to permit and construct the project.

TGP has served New England's gas supply needs for over 60 years and will continue to partner with utilities and other end users in the region to meet New England's energy needs. The executed precedent agreements by New Hampshire and other New England local distribution companies, along with numerous studies by energy experts, show that the region must have significant new natural gas transportation capacity to meet the growing demand for natural gas and reduce energy costs for the region's residential, commercial and industrial consumers. TGP, and its parent corporation Kinder Morgan, have the expertise and the capital capacity to develop and construct the project if the regional customers are willing to commit to capacity.

What is the expected contract length with LDCs?

In its Open Season for the NED Project, TGP solicited interest in long-term, 20-year contracts for firm transportation service. TGP expects that the NED Project will cost \$3-5 billion to construct. In order to justify this significant capital investment and ensure cost recovery under transportation rates that are competitive in the market, TGP requires long-term contracts. Long-term contracts also help to demonstrate to the Federal Energy Regulatory Commission, who is charged with issuing a certificate authorizing construction of the project, or denying it, that the project is required by the public convenience and necessity.

How may this contract length conflict with LDC's obligation to purchase at lowest cost?

The long-term contracts for firm transportation service on TGP will not conflict with the LDC obligations to purchase gas at the lowest cost. The LDCs' transportation contracts with TGP will not be to purchase natural gas. The purchasing practices of the LDCs are regulated by state utility commission, like the New Hampshire Public Utilities Commission. These state commissions determine the appropriate term for the gas supply contracts held by the LDCs. The 20-year transportation contract on TGP will ensure that the LDCs have a way to transport gas on a pipeline system that offers diverse access to abundant and low-cost natural gas supplies.

How is Liberty Utilities and Algonquin Power and Utilities Corporation linked to this project? (since Bill Walker will attend our meeting!)

As discussed above. Liberty Utilities, a subsidiary of Algonquin Power and Utilities Corporation (Algonquin), is a key shipper on the NED Project. In addition, Algonquin has partnered with Kinder Morgan, Inc., TGP's parent company, to undertake the development, construction and ownership of the NED pipeline from Wright, New York to Dracut, Massachusetts. Algonquin will initially have a 2.5 percent interest in the pipeline with an opportunity to increase its participation up to 10 percent.

Are we guaranteed to have no compression station in Rindge?

The project, as currently designed, does not include plans to build a compression station in Rindge.

What will be the pipeline distance from power poles in the right of way?

Conversations with EverSource (Public Service of New Hampshire) about their corridor and existing infrastructure in that corridor have just begun. As those discussions develop, we will be sure to keep you apprised of any new developments.

What about the pipeline in utility corridors? Will it be buried directly underneath lines, which may not be legally possible?

We are continuing to have discussions with utility companies on how pipeline might be installed within a corridor, or in close proximity, but not directly underneath high-voltage power lines.

What is the width of tree clearance beyond the existing tree line?

We will be able to determine the area of tree clearing after we have had the opportunity to complete our field surveys and continue our discussion with PSNH.

Can a list of cities/towns with recently completed natural gas pipelines be provided?

In New Hampshire, the TGP system traverses 10 towns.

- Hillsborough County: Hudson, Manchester, Pelham
- Merrimack County: Allenstown, Concord, Hooksett, Pembroke

- Rockingham County: Londonderry, Salem, Windham

Would a representative from Spectra Energy also be welcome to attend our meeting?

That decision is up to the Town of Rindge. Spectra Energy's existing Algonquin Gas Transmission and Maritimes and Northeast Pipelines don't currently cross through Rindge or Cheshire County.

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