

From: [Fore, Allen](#)
Sent: Saturday, September 27, 2014 12:28 AM
To: [Peter Cunningham](#)
Subject: RE: Spectra Pipeline proposal

Peter, thanks for your email regarding Tennessee Gas Pipeline's Northeast Energy Direct Project ("NED Project") and how it compares to Spectra's recently-announced idea for the Access Northeast project to serve New England.

In response to your question, first let me note that it is impossible to assess the impact that the Spectra project would have on the communities, landowners and environments where the facilities would be located because Spectra has not announced any details of the Project, such as what facilities will be installed, what size pipeline will be removed and what size pipeline will be installed, where these facilities will be located, and what their specific construction and land-use requirements would be. We do know that Spectra's existing Algonquin system is located in some of the most densely populated and developed parts of Connecticut and Massachusetts. In other projects, Spectra has proposed replacing portions of its lower-pressure 26-inch pipeline (this size pipe typically operates around 600-800 psig) and replacing this line with new high-pressure (1,440 psig) 42-inch pipeline. If the new Spectra proposal would install these new facilities in densely populated and developed parts of New England, it is not necessarily true that such a project would have significantly less impacts than constructing new greenfield pipeline facilities in less-populated and less-developed rural areas, particularly where those new facilities may be co-located with existing transmission corridors or along highways. Ultimately, until Spectra proposes specific pipeline facilities, shows where these facilities will be installed, what land will be required, what resources will be impacted and starts to conduct the public outreach efforts that Tennessee has been conducting for the NED Project for over six months and 35 public meetings, it is impossible to provide a meaningful comparison with any other project.

Tennessee's existing system is located in many of the same densely-populated and developed parts of Connecticut and Massachusetts as Spectra's Algonquin system. When Tennessee evaluated the market need in New England and the facilities that would be required to provide the transformative infrastructure that New England needs to reduce high energy costs and enhance electric reliability, it conducted extensive evaluation of options to (1) loop the pipeline along its 200 line pipeline corridor in southern Massachusetts, or (2) construct a new pipeline along a route across northern Massachusetts, utilizing existing transmission corridors where feasible. Based on an evaluation that includes environmental and landowner impacts, quickest time-to-market gas delivery, constructability, and many other factors, Tennessee has proposed a northern route for our project. For reference, the preferred route for the NED Project has the opportunity to co-locate approximately 280 miles, or 67% of the 417 miles of total pipeline facilities (mainline and lateral) with existing corridors. We continue to conduct further refinements to our proposed route, based on input from various stakeholders and regulatory agencies.

Ultimately, any new pipeline infrastructure for New England will face challenges in the permitting process and many of these challenges will exist regardless of whether the project is greenfield, pipeline replacement or looping. For example, both the TGP NED Project and the Spectra project will place their pipes underground, and thus require a certain amount of unavoidable disturbance. No pipeline is permitted to place unique resources or species at risk; all pipeline projects, whether working replacing or working next to existing facilities are required to obtain permits from numerous federal, state and local authorities to ensure that the environment is protected and that environmental impacts are appropriately mitigated. All pipelines are subject to, for example, US Army Corps of Engineers review and review under the National Environmental Policy Act, which requires the preparation of an extensive and detailed environmental impact report.

In contrast, to the recently-announced Spectra Project that has no proposed route or facilities, and no identified customers, Tennessee has made significant progress in the development process for the NED Project and recently initiated the pre-filing process at the Federal Energy Regulatory Commission. The FERC pre-filing process will give TGP the opportunity to engage with FERC staff and interested

stakeholders to refine the proposed route and draft the Environmental Report that will accompany its FERC certificate application, which TGP expects to file in September 2015. Tennessee has also reached commercial agreement with several local distribution companies in Connecticut, Massachusetts and New Hampshire for 500,000 Dth/d of transportation service. From the Spectra announcement, it does not appear that Spectra has made any progress in securing the customer commitments that will be required to demonstrate the market support that will be needed in order for the FERC to approve the project.

Finally, Tennessee believes that the NED Project is the only proposed pipeline project that can provide the transformative solution that New England needs to reduce energy costs and enhance electric reliability. Only the NED Project will provide New England with direct access to low-cost gas supplies in the "scale" necessary to significantly lower energy costs. The NED Project will also enable the electric generation facilities that are served by TGP and even those electric generation facilities that are currently served by Algonquin and Maritimes to access low-cost gas supplies and enable New England to sustain its electric grid, and reduce emissions. Further, the NED Project provides the following benefits:

- Expands its system in Massachusetts by 1.2 - 2.2 Bcf/d to Dracut, MA. Numerous studies have indicated that this is the level of capacity that will be needed to significantly reduce the cost of gas in New England, and provide relief to consumers of gas and electricity alike.
- Disturbs significantly fewer stakeholders and results in lower cost to consumers than it would have if Tennessee were to expand only along its 200 Line system corridor.
- Provides service to a number of markets along the proposed route to Dracut and incremental service to TGP 200 Line customers by expanding Tennessee's current network in the region via forward and backhaul in Massachusetts, New Hampshire, Rhode Island and Connecticut.
- Provides economic service to several geographic areas in northern Massachusetts and southern New Hampshire that are not currently served by an interstate pipeline and are not economically viable for competing projects,
- Provides deliveries to M&NP Joint Facilities, with the anticipated reversal of the primary flow direction of the Joint Facilities, which will enable the Project to access more New England customers in New Hampshire, State of Maine, and the Atlantic Canada region,
- Provides large volumes to serve Algonquin Gas Transmission system customers via deliveries through M&NP and Algonquin HubLine. These deliveries will help offset the declining Canadian imports.

Please let me know if you have any further questions, and we look forward to continuing to work with you and the Town of Groton.

Regards,

Allen

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