New England Interstate Gas Pipeline Expansion

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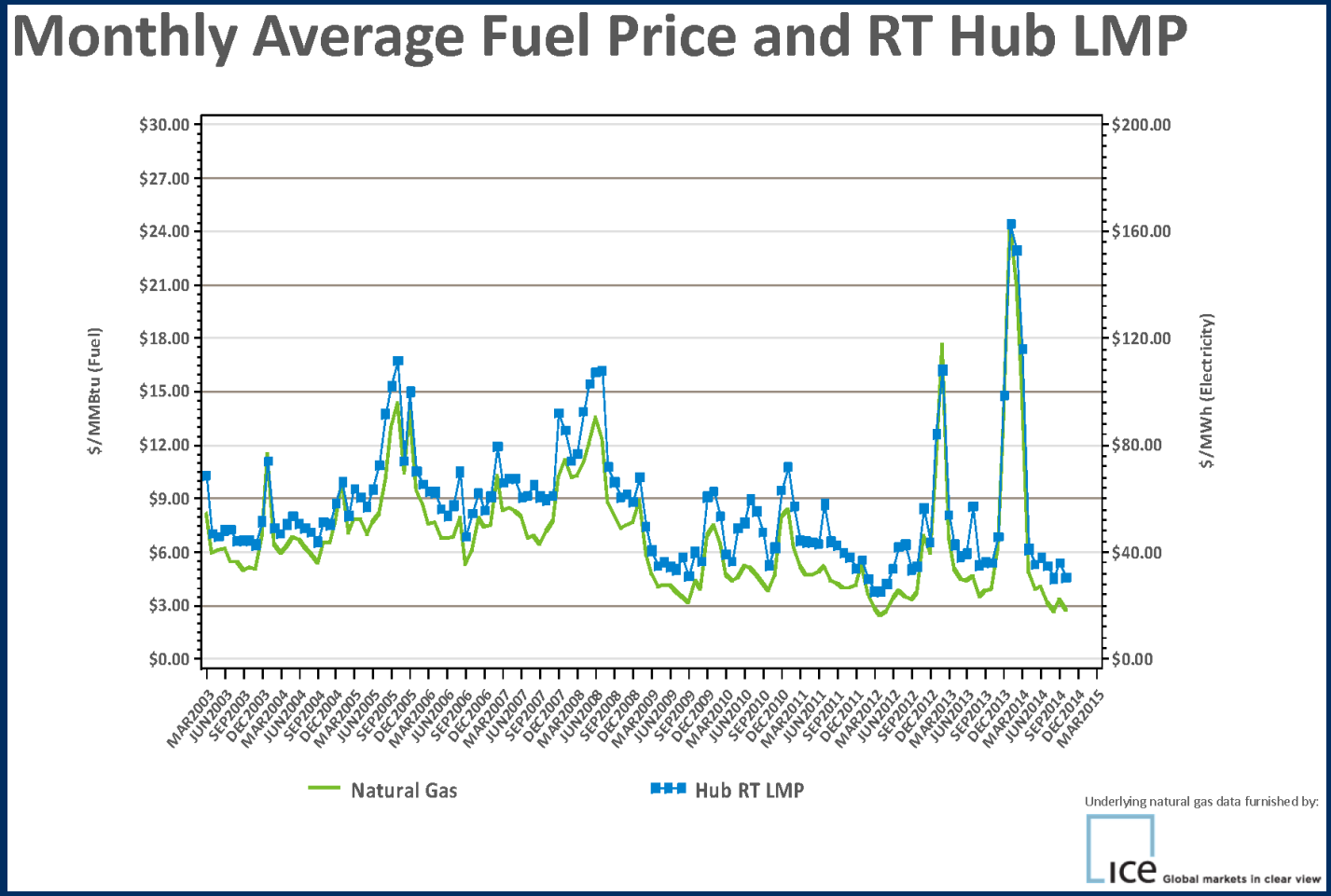
NASUCA Annual Meeting
November 17, 2014

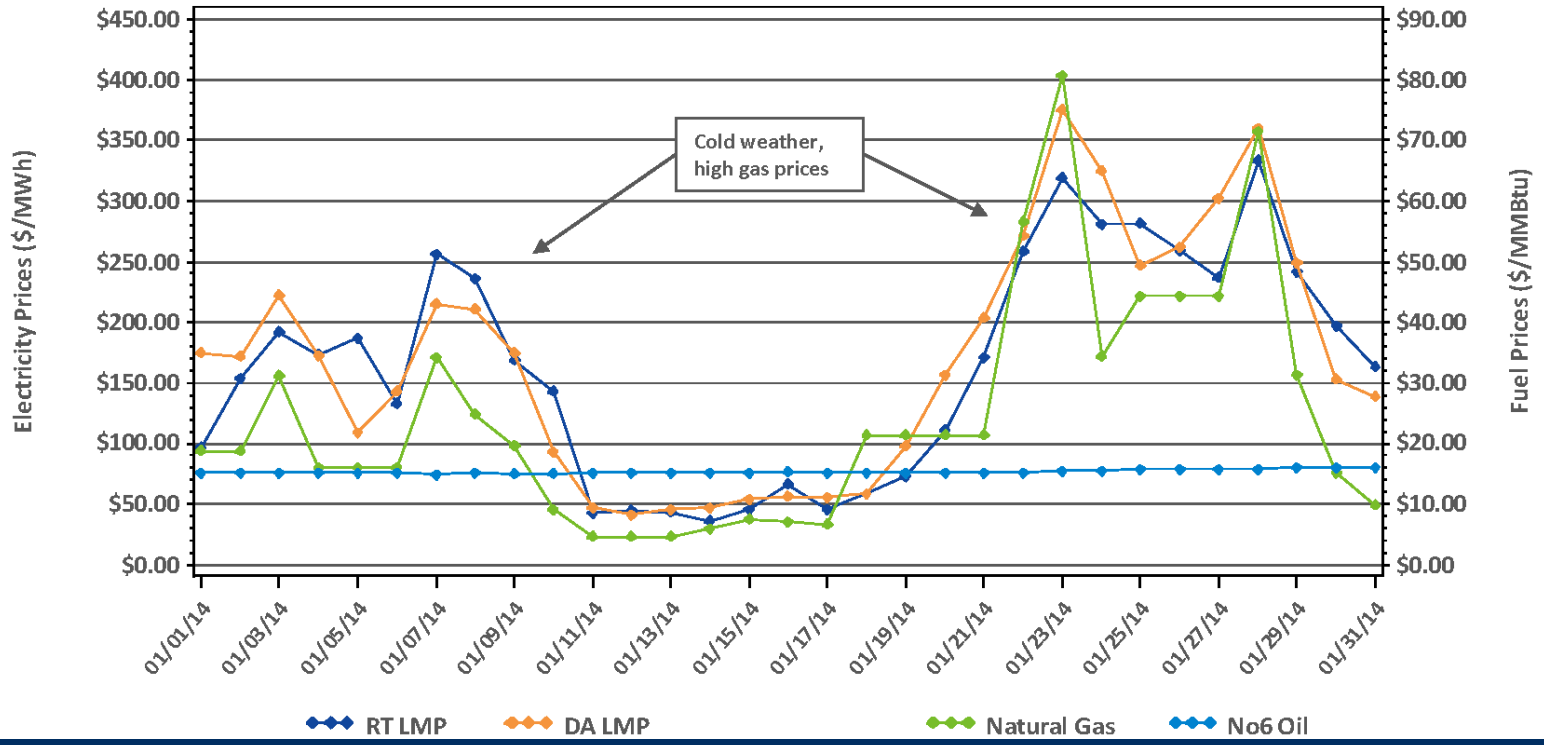
Locational Marginal Prices versus Natural Gas Prices



Source: ISO New England, *Chief Operating Officer Report to NEPOOL* at 77 (November 2014).

Cold as ice… someday you'll pay the price

Daily DA and RT ISO-NE Hub Prices and Input Fuel Prices: January 1-31, 2014

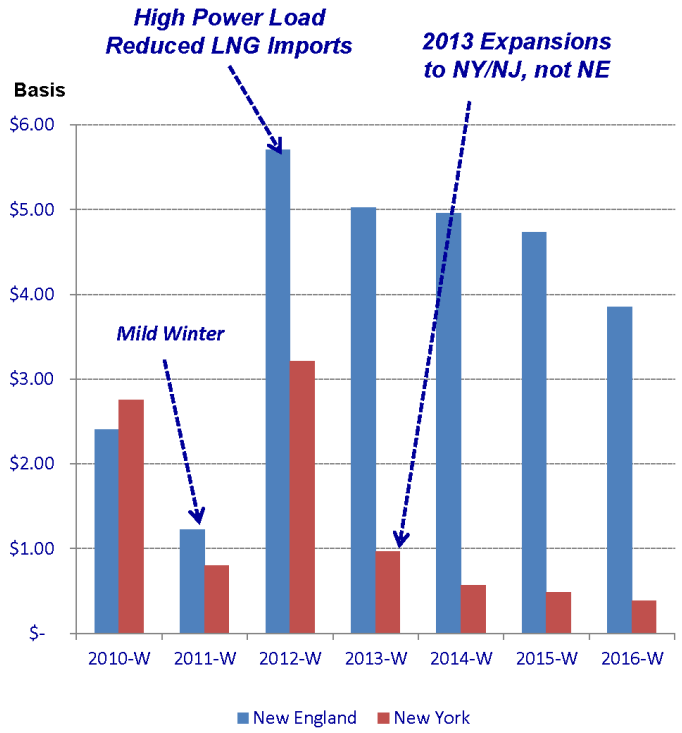


Source: ISO New England, *Chief Operating Officer Report to NEPOOL* at 49 (February 2014).

Kinder Morgan's Pitch

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

Pipeline Expansion - Pricing Impact



New England and New York previously traded at parity

Forward pricing Winters 2013 - 2016

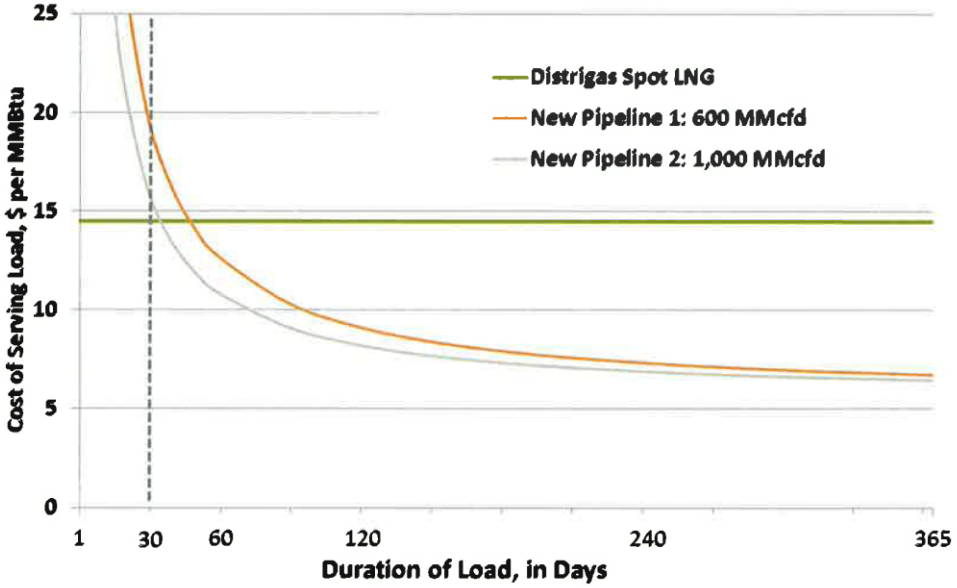
- **New York**: Basis significantly reduced due to pipeline expansions
  - TGP's NEUP Project
  - Spectra's NJ-NY project
  - Transco's NE Supply Link
- **New England**: Basis remains strong and volatility increases

Pipeline expansion will benefit New England; similar to New York

Average settled cash prices for winters 2010 through 2013
Current forward index prices for winters 2013 through 2016

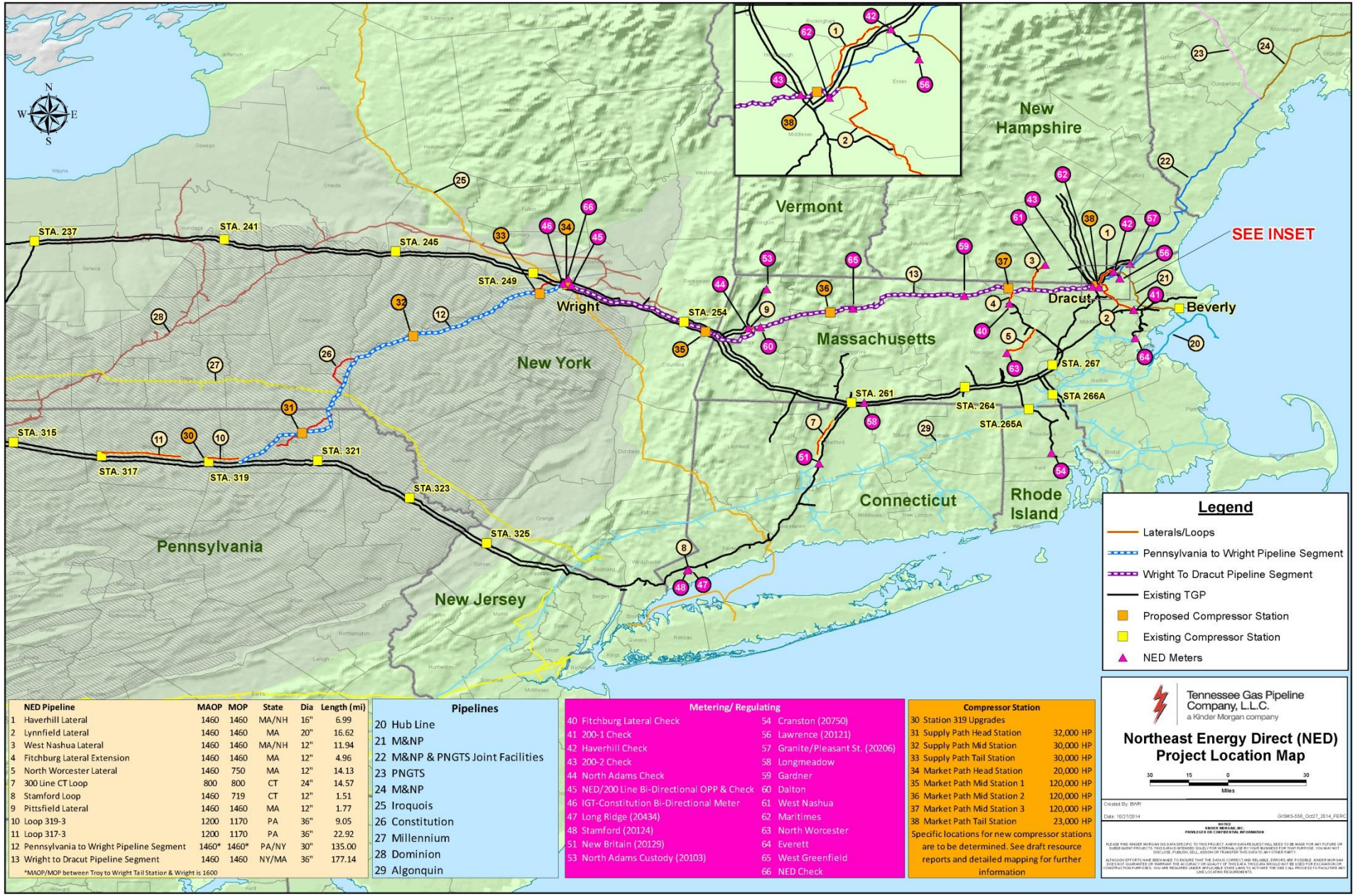
Counterargument
(by a competitor)

Figure 2. Cost per Day of Serving Incremental Gas Load, New Pipeline versus Spot LNG



It is typically more cost effective to increase utilization of an existing asset rather than build new capacity, as the capital cost of existing assets can be treated as a sunk cost and therefore not subject to capital recovery. Given that the duration of the expected supply constraint is approximately 30 days per year, incremental LNG imports at Distrigas appear to be the most cost-effective solution **to meet this portion of New England's gas demand**.

Source: ICF International, *Options for Serving New England Natural Gas Demand (Prepared for GDF Suez Gas North America)* (October 22, 2013)



	NED Pipeline	MAOP	MOP	State	Dia	Length (mi)
1	Haverhill Lateral	1460	1460	MA/NH	16"	6.99
2	Lynnfield Lateral	1460	1460	MA	20"	16.62
3	West Nashua Lateral	1460	1460	MA/NH	12"	11.94
4	Fitchburg Lateral Extension	1460	1460	MA	12"	4.96
5	North Worcester Lateral	1460	750	MA	12"	14.13
7	300 Line CT Loop	800	800	CT	24"	14.57
8	Stamford Loop	1460	719	CT	12"	1.51
9	Pittsfield Lateral	1460	1460	MA	12"	1.77
10	Loop 319-3	1200	1170	PA	36"	9.05
11	Loop 317-3	1200	1170	PA	36"	22.92
12	Pennsylvania to Wright Pipeline Segment	1460*	1460*	PA/NY	30"	135.00
13	Wright to Dracut Pipeline Segment	1460	1460	NY/MA	36"	177.14

*MAOP/MOP between Troy to Wright Tail Station & Wright is 1600

Pipelines

20 Hub Line
21 M&NP
22 M&NP & PNGTS Joint Facilities
23 PNGTS
24 M&NP
25 Iroquois
26 Constitution
27 Millennium
28 Dominion
29 Algonquin

Metering/ Regulating

40 Fitchburg Lateral Check
41 200-1 Check
42 Haverhill Check
43 200-2 Check
44 North Adams Check
45 NED/200 Line Bi-Directional OPP & Check
46 IGT-Constitution Bi-Directional Meter
47 Long Ridge (20434)
48 Stamford (20124)
51 New Britain (20129)
53 North Adams Custody (20103)
54 Cranston (20750)
56 Lawrence (20121)
57 Granite/Pleasant St. (20206)
58 Longmeadow
59 Gardner
60 Dalton
61 West Nashua
62 Maritimes
63 North Worcester
64 Everett
65 West Greenfield
66 NED Check

Compressor Station

30 Station 319 Upgrades
31 Supply Path Head Station 32,000 HP
32 Supply Path Mid Station 30,000 HP
33 Supply Path Tail Station 30,000 HP
34 Market Path Head Station 20,000 HP
35 Market Path Mid Station 1 120,000 HP
36 Market Path Mid Station 2 120,000 HP
37 Market Path Mid Station 3 120,000 HP
38 Market Path Tail Station 23,000 HP

Specific locations for new compressor stations are to be determined. See draft resource reports and detailed mapping for further information

Created By: BWR
Date: 10/27/2014
GISMS-556_Oct27_2014_FERC

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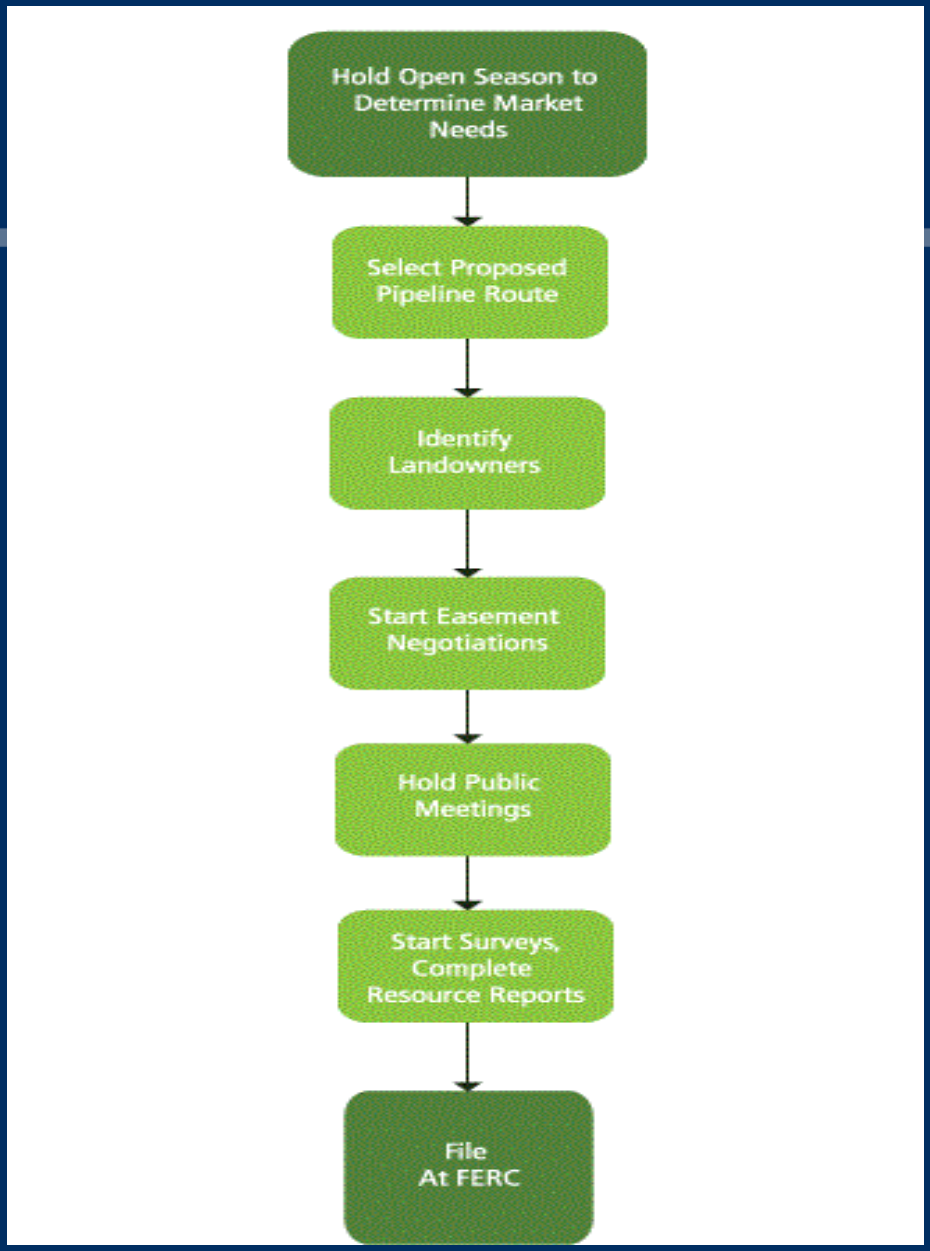
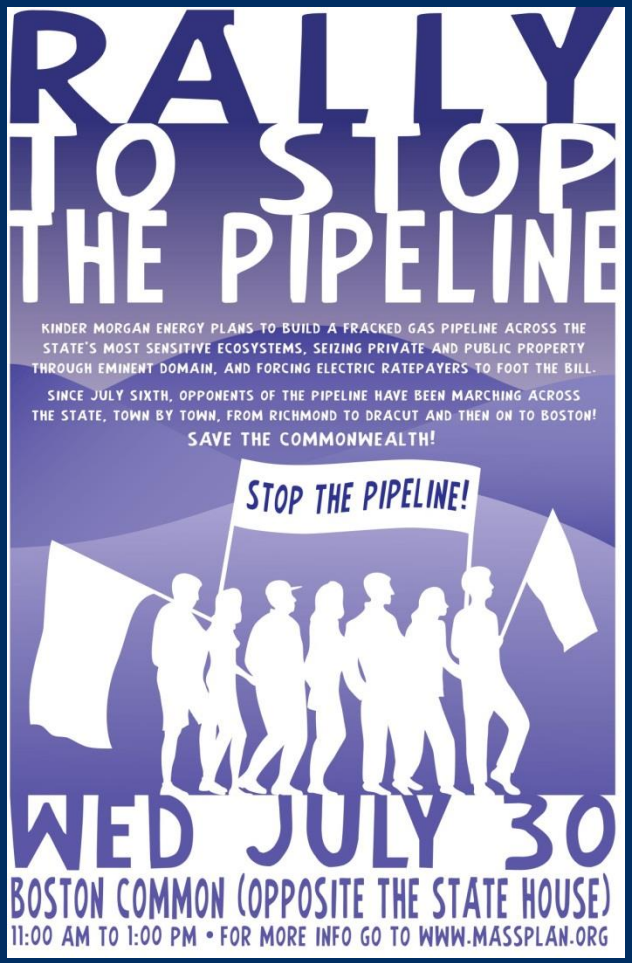
Source: *Tennessee Gas Pipeline Company, LLC*, Draft Environmental Resource Reports 1 and 10 and Updated Stakeholder Mailing List, Attachment 1a, FERC Docket No. PF14-22-000 (filed Nov. 5, 2014)

PROCESSES FOR NATURAL GAS CERTIFICATES

Applicant's Planning Process

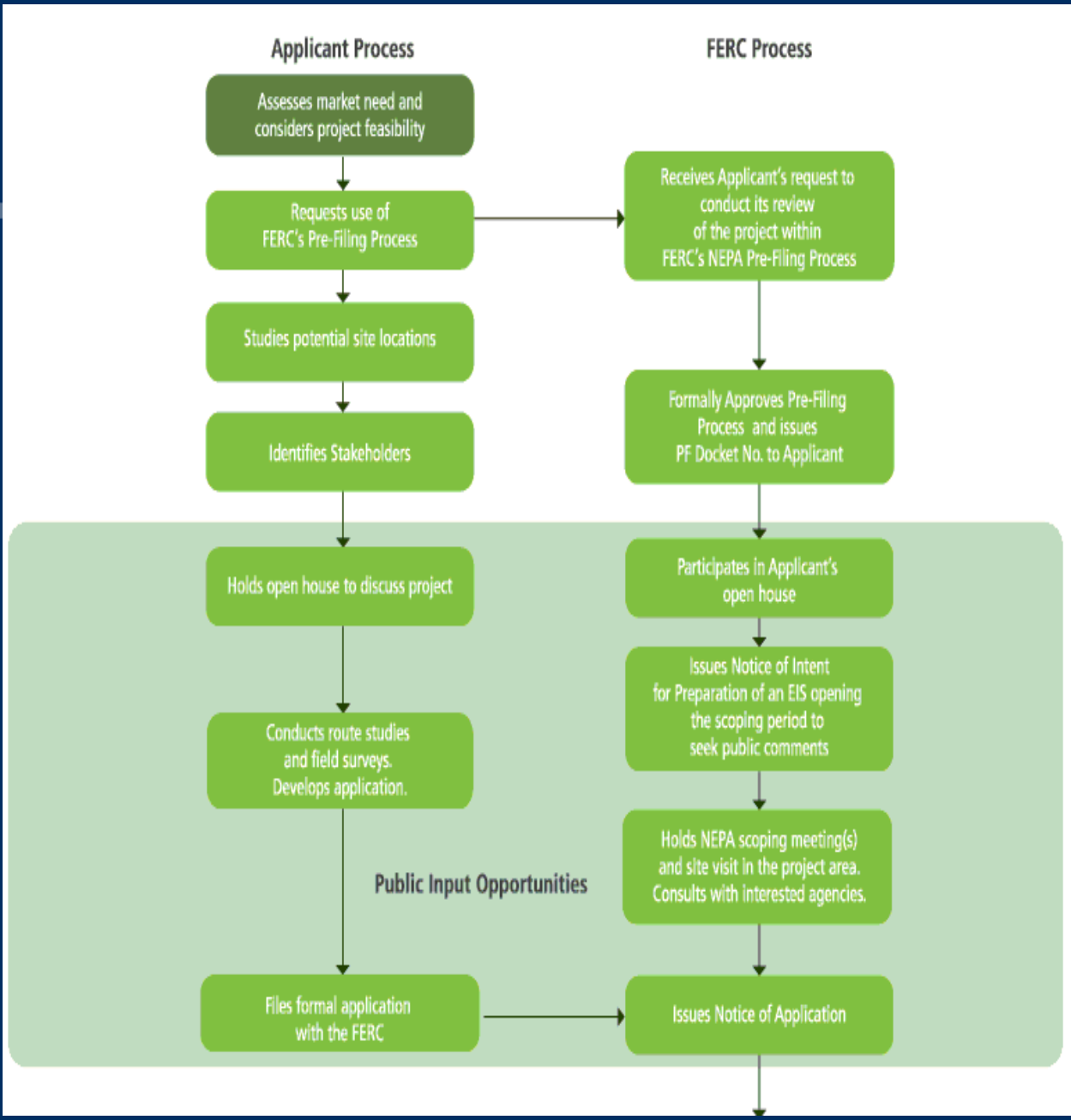


The Consequences of Inadequate Public Outreach



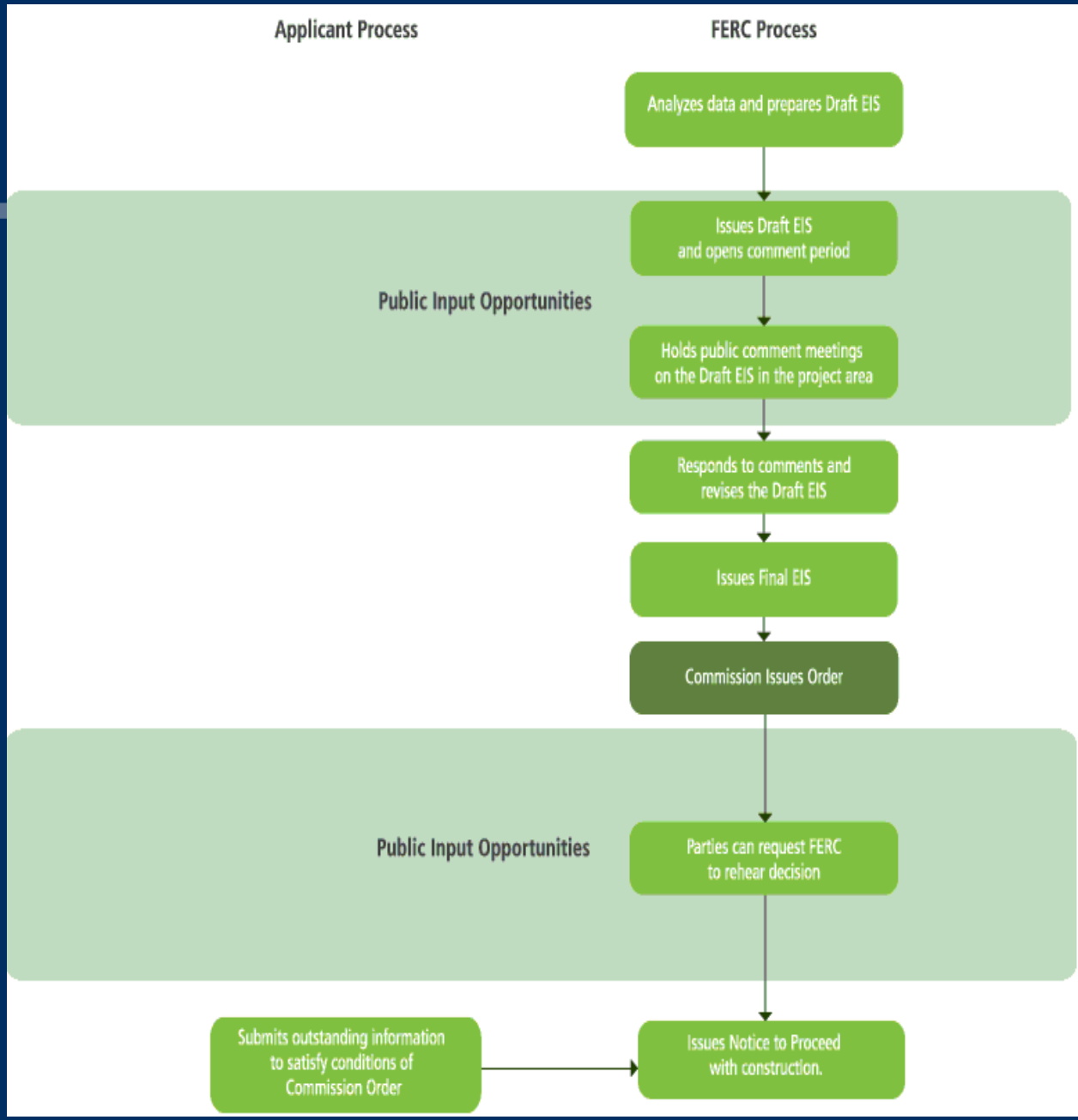
PROCESSES FOR NATURAL GAS CERTIFICATES

EIS Pre-Filing Environmental Review Process



PROCESSES FOR NATURAL GAS CERTIFICATES

EIS Pre-Filing Environmental Review Process (cont'd)



Questions?