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Sent: Thursday, March 05, 2015 12:48 PM
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Cc: Wendi Devlin
Subject: FW: KINDER MORGAN CONFIRMS ANCHOR SHIPPERS FOR NORTHEAST ENERGY DIRECT PROJECT

From: NEDINFO [mailto:NEDINFO@kindermorgan.com]
Sent: Thursday, March 05, 2015 11:20 AM
To: NEDINFO
Subject: KINDER MORGAN CONFIRMS ANCHOR SHIPPERS FOR NORTHEAST ENERGY DIRECT PROJECT

KINDER MORGAN CONFIRMS ANCHOR SHIPPERS FOR NORTHEAST ENERGY DIRECT PROJECT

Kinder Morgan, Inc. (NYSE: KMI) today announced that its subsidiary, Tennessee Gas Pipeline Company (TGP), has finalized its anchor shippers for the market path component of the proposed Northeast Energy Direct Project (NED) following the formal close of the anchor shipper period in February. Collectively, the anchor shippers have executed agreements to transport approximately 500,000 dekatherms per day (Dth/d) of incremental natural gas supplies sourced from the prolific Marcellus Shale region to meet New England's growing consumer and industrial gas needs, as well as helping to bolster electric reliability. NED's market path component, from Wright, New York, to Dracut, Massachusetts, and beyond, is scalable to 1.2 billion cubic feet per day (Bcf/d), or ultimately 2.2 Bcf/d. A project in-service date of November 2018 is planned.

Anchor shippers that have executed binding precedent agreements include: National Grid, 186,963 Dth/d; Liberty Utilities, 115,000 Dth/d; Columbia Gas of Massachusetts, 114,300 Dth/d; and Connecticut Natural Gas Corporation, Southern Connecticut Gas Corporation, The Berkshire Gas Company, The City of Westfield Gas & Electric Light Department and others. TGP is continuing to negotiate with potential shippers on the NED Project, including electric distribution companies (EDCs) and others, and expects to announce additional commitments at a later date.

"We are pleased that a broad range of New England market participants have declared, through binding contractual commitments, the clear need for an expansion of TGP to provide a transformative solution to reduce energy costs and enhance gas and electric reliability in New England," said KMI East Region Natural Gas Pipelines President Kimberly S. Watson. "Together with our shippers, we have worked hard to develop a regional solution that is a win-win for New England. Securing anchor shippers provides an important foundation for the successful development of the NED Project."

Through these commitments to the NED Project, the regional gas utilities in New England are expanding long-standing relationships with Kinder Morgan to serve their growing markets. TGP has provided safe and reliable interstate gas pipeline gas to the New England region for over 60 years and is committed to working with its partners and customers to meet the regional energy needs and challenges, and also taking advantage of the opportunities available through increased access to growing and robust natural gas production.

Kinder Morgan remains keenly aware of the effect that pipeline constraints have on electric prices and reliability in the region and has been actively involved in working to develop a regional solution. According to ISO New England, New Englanders paid an additional $3 billion in electricity costs in the winter of 2013/2014 due to natural gas capacity shortages.
Building on the project's success being announced today, discussions and efforts are progressing well with gas and electric utilities to work together with Kinder Morgan and other key stakeholders, including regulators and government officials, to address regional issues. Some of these efforts involve a model where EDCs may sign up for pipeline capacity to add gas capacity for power generation in the region. These potential contracts are not yet reflected in the commitments that have been made for the NED Project.

The NED Project brings abundant, low-cost and critically needed incremental regional natural gas supplies to the heart of New England, bypassing infrastructure bottlenecks that result in high energy costs to residents in the region, and it stands to reduce the environmental impacts of burning fuel oil and coal. It provides the potential for gas service to markets where it is unavailable today and for the expansion of local gas service and increased supply options to other pipelines in the region. The project has the ability to provide the necessary volumes needed for EDCs throughout New England.
TGP has over 5,000 megawatts of natural gas-fired generation assets attached to its system, and supplies over 1 Bcf/d of natural gas critical to other intra-regional systems, such as Algonquin Gas Transmission. The NED Project expands TGP's role as supplier to such systems. By designing the NED Project's market path to be approximately 90 percent co-located along existing utility corridors, it significantly minimizes the project's environmental impacts.

"It is universally recognized that New England needs at least 2 Bcf/d of pipeline capacity to transport additional natural gas supplies to allow local gas companies to continue to serve their customers, to help New England's natural gas-fired power generation fleet to supply energy reliably and economically, and to help support economic development and jobs within the region," said Watson. "We applaud the efforts of the electric distribution companies and their proposed EDC model in solving the region's energy challenges. We also commend the Baker-Polito Administration for directing the opening of a docket for options to expand natural gas capacity in Massachusetts and for the administration's coordination with other leaders of New England states to work together towards comprehensive energy solutions for the region. By leveraging off its unique access to low-cost natural gas supplies in northeast Pennsylvania, the NED Project will make gas supply and capacity available to new and existing markets in New England. Kinder Morgan is providing the transformative energy solution that the New England region needs."

Kinder Morgan, Inc. (NYSE: KMI) is the largest energy infrastructure company in North America. It owns an interest in or operates approximately 80,000 miles of pipelines and 180 terminals. The company's pipelines transport natural gas, gasoline, crude oil, CO_2 and other products, and its terminals store petroleum products and chemicals, and handle bulk materials like coal and petroleum coke. Kinder Morgan is the largest midstream and third largest energy company in North America with an enterprise value of approximately $130 billion. For more information please visit www.kindermorgan.com.