KINDER MORGAN

Kinder Morgan Responses to Questions from the Town of Brookline, NH
July 28, 2015

1. **Documentation provided to the Town by Kinder Morgan estimated tax payments to Brookline of $441,472 annually. Given Brookline's current tax rate of $32.85 per thousand of assessed value, annual tax payments of $441,472 equate to an assessed value of the pipeline in Brookline of about $13.44 million. Please provide confirmation that Kinder Morgan's estimated tax payment is based on an assumed tax assessment of approximately $13.44 million for 2.73 miles of pipeline (and no ancillary equipment such as valves or a metering station) in Brookline. Can we speak to the firm that generated these figures for Kinder Morgan if we have further questions?**
   The property tax estimate for Brookline, New Hampshire is based on a projected assessed value of $12,941,495, with a projected 2019 tax rate of 34.07.

   Tennessee contacted the appraisal company (Sansoucy) that values many of the New Hampshire towns. In order to develop an estimated property tax for January 1, 2019, Tennessee used the current pipe schedule cost for 30-inch pipe, compounded at 5% for 4 years, and the tax rate, which was year 2013, was compounded at 1.5% for 5 years.

2. **During Kinder Morgan's presentation in Brookline on June 10th a representative of the company noted that the value of the pipeline depreciates annually, thereby lowering the annual tax payment to the town. If it is still transporting natural gas, its value to Kinder Morgan has not depreciated, so why should the assessed value to the town depreciate? What is Kinder Morgan's fully depreciated value for the proposed pipeline in Brookline and how many years does it take to reach this fully depreciated value?**
   The pipeline depreciation for the Town assessment would be determined by the appraiser that the Town hires to value utility property. If the Town uses the NH Department of Revenue value, the depreciation would be straight line based on the TGP Form 2. Tennessee has sought abatements in the past when we believe the Town market value is significantly above our view of market value.

3. **In areas where pipeline construction would cause adverse visual impact (such as a house now being visible from tree clearing for the pipeline) can the easement width (both temporary and permanent) be reduced and can mature plantings be mandated to restore the temporary easement area?**
   One of the first steps to minimize the construction impact is to determine if the construction workspace area can be reduced. To determine the feasibility of reducing the construction workspace, Tennessee must survey the property. If the construction workspace cannot be reduced, then Tennessee will negotiate with the landowner to obtain the necessary land rights to construct the pipeline. These negotiations will cover any landscaping or restoration impacts.

4. **Do you typically site gas pipelines along the right of way of power lines? What issues have you dealt with when siting gas pipelines along power line rights of way?**
   Pipelines are routinely located adjacent to existing utility corridors (pipelines and power lines) as a way of minimizing new linear disturbances in an area. The primary design issue involved with co-

locating a pipeline with power lines is the possibility of induced current from the power lines onto the pipeline. The induced voltage can require special design requirements, construction techniques, and operating procedures.

5. **Please calculate the potential impact radius, using PHMSA regulations, for a 36-inch and 30-inch gas pipeline operating at 1,460 pounds per square inch.**
   In the extremely rare event of a pipeline failure, any potential impact radius would depend on many factors, including type of incident, pressure in the line, terrain/topography/geology, position on pipe, and other circumstances surrounding the event.

6. **Why did you choose the south side vs. the north side of the power lines in Brookline for the location of the pipeline?**
   In general, the proximity of buildings and homes may influence the decision to locate the pipeline to the north or south of the power line. In addition, the pipeline construction ROW is divided into a working side of the ditch (where the equipment will be located and will travel) and a spoil side of the ditch (where the ditch spoil is placed). Having the spoil side adjacent to the power line will allow the pipe to be located closer to the power line (and further from the houses) and the spoil provides a protective barrier during construction. Because of the configuration of the construction equipment, the south side of the power lines in Brookline would be consistent with a west to east construction direction.