From: Maryann Harper [mailto:mbharper17@gmail.com]
Sent: Thursday, December 03, 2015 12:30 PM
To: Monroe, Pamela
Subject: Billionaire Kinder's Pipeline Giant Drops Under Junk Threat

SEC DOCKET 2015-08

Dear Ms Monroe:

In January of 2015, I attended an overview of the NH SEC Review Process presented by Attorney Michael Iacopino. I am grateful for the insight into the process that he provided. According to his presentation (I have included the wording here verbatim for reference) it is a function of the NH SEC to ascertain that the company proposing the energy project is financially sound - IE: has the capability to complete the project as proposed.

SEC Findings Re: Proposed Site and Facility
RSA 162-H:16, IV (a)-(c)
• Applicant has adequate financial, technical, and managerial capability to assure construction and operation of the facility in continuing compliance with the terms and conditions of the certificate.

In light of recent financial news about Kinder Morgan - the parent company operating as Tennessee Gas Pipeline Co LLC - I am requesting that this comment which includes in whole here an article from Bloomberg News of 12.2.2015 be filed on the Docket: SEC 2015-08. I have also included the link for verification of same: http://www.bloomberg.com/news/articles/2015-12-02/billionaire-kinder-s-pipeline-giant-plunges-as-junk-status-looms

Respectfully submitted,

Maryann B. Harper

Rindge, NH

Billionaire Kinder's Pipeline Giant Drops Under Junk Threat

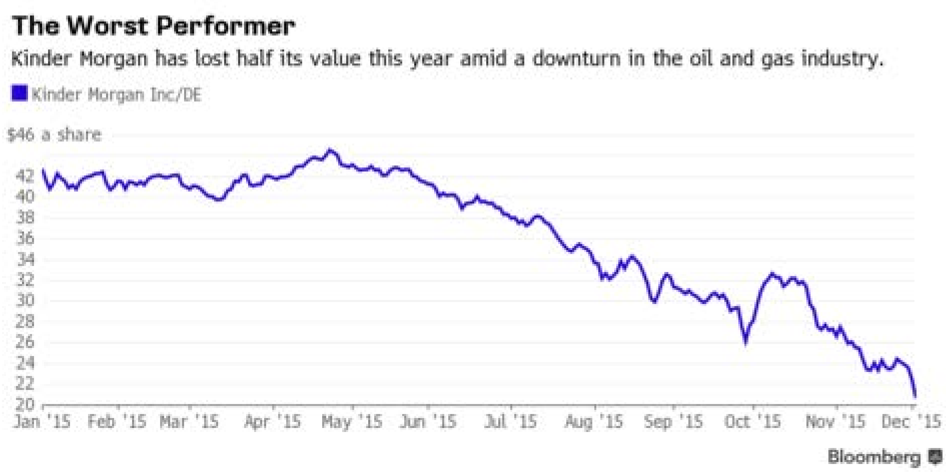
Joe Carroll
Jim Polson
December 2, 2015 — 5:07 PM EST Updated on December 3, 2015 — 9:14 AM EST

- Moody's lowered outlook to negative after debt-bloating deal
- Chairman Rich Kinder added half million shares to his holdings

Billionaire Rich Kinder owned about 11 percent of Kinder Morgan Inc. valued at more than $10 billion in June when he stepped down as chief executive of the company he co-founded.

Now his stake is worth about $5 billion less, and the company that has his name on the door has become the worst-performing pipeline stock in the S&P 500.

Kinder, who remains as board chairman, thought he was giving a boost to his oil and gas shipping empire last year when he consolidated his collection of companies to form the largest pipeline operator in North America. Instead, Kinder Morgan has lost half its value this year as growth-hungry investors sour on what they see as a slow-moving, debt-laden behemoth that will have difficulty expanding during an industry downturn that's dragging down most energy companies.



With assets stretching from Canada's Pacific Coast to the U.S.-Mexico border, Kinder Morgan owns enough pipelines to circle the Earth three times. Its $40 billion-plus debt burden exceeds the economic output of entire nations, including Bolivia and Bahrain.

Kinder Morgan shares extended losses to a record low for a second day Wednesday after Moody's Investors Service lowered its outlook to negative and said Kinder Morgan's debt is flirting with junk status. The prospect intensified concerns that the company won't be able to deliver on profit and dividend growth amid the worst energy market collapse in a generation.

Payout Disappointment

Kinder Morgan shocked investors in late October when, for the first time in at least 13 years, management backed away from a promise to lift dividends. The company said its plan for a 10 percent annual increase for the next four years might be too ambitious.

Then Kinder Morgan this week agreed to more than double its stake in a junk-rated pipeline operator that Moody's said will pile another $1.5 billion in debt on Kinder Morgan's $40.7 billion in obligations.

“Investor anxiety” is taking its toll on Kinder Morgan, Shneur Gershuni, an analyst at UBS, said in a note to clients on Wednesday. The Moody’s announcement fueled concerns that the company “sits perilously close” to getting labeled as junk.

For years, pipeline operators such as Kinder Morgan were the darlings of yield-hungry portfolio managers because they had ample access to equity and debt markets to finance the acquisitions and new pipe construction needed to fatten dividends, said Christopher Sighinolfi, a New York-based analyst for Jefferies LLC. Kinder Morgan’s indicated gross yield is 9.9 percent.

Index Crash

Those financing options have slammed shut as the collapse in crude and natural gas markets dried up cash flow and deterred lenders. As a result, so-called midstream companies -- their pipelines bridge the gaps between oilfields and refineries -- have been punished: the Alerian MLP Index of 50 pipeline and other energy infrastructure owners plunged 37 percent this year, on track for its worst annual decline since 2008.

“Kinder Morgan is arguably the bellwether for a midstream sector that has persuaded investors to value the equity solely on dividend yield and dividend growth,” Sighinolfi said. “That was a successful strategy for years." But the companies were too reliant on debt and new equity issues to finance growth, and that’s made them more vulnerable as stock prices have fallen, he said.

Near Default

Kinder Morgan tumbled 12 percent in two days after announcing plans Monday to raise its stake to 50 percent from 20 percent in Natural Gas Pipeline Co. of America LLC. The day after the announcement, Moody’s Senior Vice President Terry Marshall described Natural Gas Pipeline’s capital structure as "untenable," and said Kinder Morgan will have to inject cash to prevent a default.

Kinder Morgan fell 7.9 percent to $20.66 Wednesday in New York, the lowest closing price since the company made its public debut in 2011. The stock has lost 51 percent its value this year, the worst performance of any pipeline operator in the Standard & Poor’s 500 Index.

Its 4.3 percent bonds due to mature in June 2025 fell 2.5 percent to 81.032 cents on the dollar to yield 7.08 percent, according to Trace, the bond-price reporting system of the Financial Industry Regulatory Authority. The bonds traded as high as 105.47 cents on the dollar as recently as February.

Kinder, 71, has remained bullish on his namesake company, even as he’s watched the value of his holdings shrink. Kinder is the largest shareholder in the company he co-founded in the 1990s, with 245 million shares at the time he handed the chief executive reins to long-time protege Steve Kean in June. The 50 percent plunge in the stock occurred even as Kinder added half a million shares to his portfolio. Kinder didn’t respond to a request for an interview conveyed through spokesman Dave Conover.

Company Consolidation

In 2014, Kinder orchestrated the biggest energy-industry takeover of the year with the $44 billion consolidation of a splintered empire of partnerships under the Kinder Morgan umbrella. The union that vaulted Kinder Morgan to the No. 1 spot among North American pipeline operators was intended to lower borrowing costs and strengthen the company's ability to swallow smaller rivals.

Kinder and Kean are unlikely to allow financial metrics to deteriorate to the point where Moody's or any other credit-rating firms would feel compelled to hit them with a downgrade, Phil Adams, senior investment grade analyst at Gimme Credit, said in a note to clients on Wednesday.

Historically, the company "has been steadfast in protecting investment grade ratings to ensure adequate access to growth capital," Adams said.