

From: Maryann Harper [<mailto:mbharper17@gmail.com>]
Sent: Thursday, December 03, 2015 4:54 PM
To: Monroe, Pamela
Subject: Kinder Morgan's Next Stop: Junk Bond Status

SEC DOCKET 2015-08

Dear Ms Monroe:

This comment will serve as a follow up to my previous comments that included Bloomberg News and Seeking Alpha's assessment of Kinder Morgan's financial status. I would like to add as additional information the article from Barron's.

As reference I again include the following information -

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 Barron's of 12.1.2015 be filed on the Docket: SEC 2015-08. I have also included the link for verification of same: <http://blogs.barrons.com/incomeinvesting/2015/12/01/kinder-morgans-next-stop-junk-bond-status/>

Respectfully submitted,

Maryann B. Harper

Rindge, NH

Kinder Morgan's Next Stop: Junk Bond Status

By Amey Stone

December 1, 2015, 1:51 P.M. ET

The debt of pipeline giant **Kinder Morgan (KMI)** has already been trading at yields above 6%, comparable with many junk bonds. But its credit ratings have been investment grade — despite accumulation of debt that few (if any) investment grade companies hold.

But on Tuesday, following Kinder's Monday announcement that it's buying a bigger stake in struggling **Natural Gas Pipeline, Moody's Investors Service** changed its outlook to "negative" from "stable." If Moody's moves its rating from Baa3 to Ba1, KMI will officially be in junk territory.

Moody's credit analyst **Terry Marshall** explained:

The negative outlook reflects Kinder Morgan's increased business risk profile and additional pressure on its already high leverage that will result from its agreement to increase ownership in NGPL, a distressed company. NGPL is facing potential default on its pending interest payments, suggesting that KMI will need to provide cash injections, which will likely be debt funded initially.

Kinder Morgan's stock was down 4% at \$22.70 as of 1:30 p.m. ET on Tuesday. The equity has a 9% yield.

Tristan Richardson, analyst with SunTrust Robinson Humphrey, estimates that NGPL is about 10-times levered. He writes in a Tuesday report:

Given the leverage situation, NGPL will require some sort of infusion and/or recapitalization in the near term. The options to Kinder include additional equity to recap NGPL which the company already has indicated is costly, or debt to recap NGPL... In the case Kinder borrows to recap NGPL, the company exacerbates its largest capital overhang (namely its high leverage). Our projections and \$38 price target (based on target yield of 5.7%) for KMI are unchanged; however, we expect the call on capital is likely to increase with the transaction.

The shares have fallen 45% in the past six months. *Barron's* **Andrew Bary** estimated in late October, when they stock was at \$27, that [Kinder could fall another 20% or more](#)