From: Maryann Harper [mailto:mbharper17@gmail.com]
Sent: Monday, December 14, 2015 5:41 PM
To: Monroe, Pamela
Subject: Kinder Morgan's Financial Woes and Safety Issues Intertwined

Dear Ms Monroe

I am enclosing a comment for the **NH SEC DOCKET 2015-08**

The NH SEC is tasked with not only determining if a project can be sited properly but also that the Applicant/Company has the financial, technical and managerial capability to complete and operate the project safely. I include for reference portions of RSA 162 -H

New Hampshire's Site Evaluation Committee
Purpose of RSA 162-H

• Balance the benefits and impacts of site selection on the welfare of the population, private property,location and growth of industry, economic growth, the environment, historic sites, aesthetics, air and water quality, natural resources and **public health and safety.**

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.
• Will not have an unreasonable adverse effect on aesthetics, historic sites, air and water quality, the natural environment, and **public health and safety**.
• Issuance of a certificate will serve the public interest.

Enter Kinder Morgan with dire financial woes that seem in part to be from inflated dividends to shareholders while scrimping on pipeline maintenance/safety. I am enclosing in whole below, two articles that describe not only Kinder Morgan's Financial Woes but also their less than stellar safety record that is being questioned, in part, by the routine starving of pipe maintenance to inflate shareholder dividends.

I am including the links to the actual article for reference but they are include here in their entirety.

http://www.bloomberg.com/news/articles/2015-12-11/kinder-morgan-detractor-says-pipeline-owner-is-falling-knife-

http://chronicle.augusta.com/opinion/opinion-columns/2015-12-13/history-danger-kinder-morgans-pipeline-safety-record-less-stellar

Respectfully submitted,

Maryann B. Harper

Rindge, NH

Kinder Morgan Detractor Says Pipeline Owner Is `Falling Knife'

Joe Carroll jcarrollchgo

December 11, 2015 — 10:14 AM EST Updated on December 11, 2015 — 5:21 PM EST

- Hedgeye says Kinder Morgan's value is less than $10 a share
- Analyst Kevin Kaiser has urged investors to sell for 2 years

The Hedgeye Risk Management stock analyst whose criticism wiped $2 billion off Kinder Morgan Inc.'s value two years ago said shares in the largest North American pipeline operator are still more than 40 percent overvalued.

Kevin Kaiser, an analyst at Stamford, Connecticut-based Hedgeye, said Kinder Morgan's 29 percent plunge so far this month may not have run its course. **The company slashed its dividend by 74 percent this week amid concern that future cash flows may not be sufficient to finance growth and service a $41 billion debt load that exceeds the entire economic output of nations such as Bolivia or Bahrain.**

Kaiser triggered a four-day sell-off in Kinder Morgan shares in September 2013 when he claimed **the Houston-based company wasn't spending enough to maintain thousands of miles of pipelines**. The rout wasn't halted until then-Chief Operating Officer Steve Kean hosted an early-morning conference call to assuage investors' concerns. Kean is now CEO.

Richard Wheatley, a spokesman for Kinder Morgan, declined to comment. The stock fell 2.1 percent to $16.66 in New York Friday, and is down 61 percent this year.

"While some investors will be tempted to catch the KMI falling knife, we continue to strongly advise against it," Kaiser said in a note to clients. "In our view, there is still substantial downside to fair value, which we believe is less than $10/share."

History of danger: Kinder Morgan's pipeline safety record less than stellar

By Ron P. Whittington

Special Correspondent

Sunday, Dec. 13, 2015

As the debate continues over Texas-based Kinder Morgan's proposed Palmetto Pipeline, a 360-mile pipeline that would run from South Carolina to Northeast Florida, **the company may be hard-pressed to win over converts to the plan when it comes to its own safety record.**

According to the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration, which oversees the industry, Kinder Morgan and its subsidiaries' pipelines have been responsible for at least 180 spills, evacuations, explosions and fires, along with some fatalities, in 24 states from 2003 to 2014.

This past April, a Kinder Morgan gas pipeline exploded and burned near Borger, Texas. Fortunately, only one nearby home was evacuated and there were no injuries or serious damage. But in August, two people received minor injuries when a natural gas pipeline operated by Kinder Morgan ruptured in Falfurrias, Texas.

Ironically, the year before a pipeline leak occurred in Belton, S.C. – the proposed starting point for the new Palmetto Plantation project – spilling an estimated 370,000 gallons of gasoline on a farmer's land before the leak was detected.

The owners, Eric M. Lewis and Scott Lewis, have filed a lawsuit against Kinder Morgan. According to attorney Gary Poliakoff, who is representing the Lewises, their property, which had been listed for sale as commercial property before the accident, is now "permanently damaged and devalued" by the environmental impact of the leak.

Some of the more notable of the company's pipeline accidents over the preceding 10 years include:

• April 2004, Solano County, Calif.: An underground Kinder Morgan pipeline ruptured at Suisun Marsh, spilling more than 120,000 gallons of diesel fuel directly into the marsh. **The company failed to notify authorities about the spill for 18 hours – another safety violation for which it was later cited**. Kinder Morgan was fined $5.3 million for the spill and agreed to enhance spill prevention, response and reporting practices. (The company had 44 spills in 31 months, according to an order issued the following year by the PHMSA, which noted Kinder Morgan's "widespread failure to adequately detect and address the effects of outside force damage and corrosion" along its pipeline system.)

• **November 2004, Walnut Creek, Calif.: A Kinder Morgan pipeline was struck by a backhoe, causing a gasoline spill that ignited an explosive fireball that incinerated five workers and severely injured four others. (The California Occupational Safety and Health Administration cited Kinder Morgan for failure to accurately mark or map the pipeline location, and the California Fire Marshal fined the company $500,000 for its role in the "completely preventable" tragedy.)**

• May 2005, Marshall, Texas: A Kinder Morgan Natural Gas Pipeline of America pipeline exploded, sending a giant fireball into the sky and hurling a 160-foot section of pipe onto the grounds of an electric power generating plant. Two people were hurt and 40 evacuated.

• November 2006, Cheyenne, Wyo.: A subcontractor on Kinder Morgan's Rockies Express (REX) pipeline struck an existing pipeline, causing a rupture and explosion. (Two months after the explosion, the Federal Energy Regulatory Commission threatened to shut the project down if REX didn't improve its "poor compliance record" involving construction activity outside the approved work area.)

• July 2007, Canada: The Trans Mountain Pipeline, operated by Kinder Morgan Canada, released more than 66,000 gallons of crude oil – with some flowing into an inlet requiring an $11 million cleanup.

• September 2008, Pasadena, Texas: One person died and another was injured when a Kinder Morgan pipeline exploded and burned for more than 10 hours. The cause of this "significant event" was corrosion. (The Pasadena pipeline experienced at least 18 "significant incidents" from 2004 to 2013.)

• July 2009, Sylvarena, Miss.: A pipeline accident involving Boardwalk Pipeline Partners, Southern Natural Gas and Kinder Morgan caused an explosion that killed one person and injured three.

• November 2010, Natchitoches, La.: A Kinder Morgan/Tennessee Gas Pipeline failed in a semi-rural area two miles from a country club and just south of a residential subdivision, resulting in the Louisiana state police evacuating 100 homes. (The pipeline failure was near where TGP had a previous failure in 1965, which resulted in multiple fatalities.)

• November 2011, Glouster, Ohio: A weld failed on a Kinder Morgan Tennessee Gas Pipeline and the leak exploded, leaving a blast crater 30 feet across and 15 feet deep. Three homes were destroyed by the fire.

• June 2012, Laketon, Texas: A Kinder Morgan Natural Gas Pipeline of America pipe failed and gas ignited, blowing a crater 30 feet in diameter and burning two acres of agricultural land and resulting in other damage.

• June 2013, Washington Parish, La.: A Kinder Morgan Florida Gas Transmission Company pipeline ruptured and exploded before dawn, jolting residents out of their beds. The blast knocked down trees in an area about 200 yards across, and the fire burned those within another 300 yards. No one was seriously hurt, but 55 homes were evacuated.

Two years ago, an analyst with Hedgeye Risk Management may have come up with the reason Kinder Morgan is having so many pipeline accidents, when analyst Kevin Kaiser released a report claiming that Kinder Morgan's "high-level business strategy is to starve its pipelines and related infrastructure of routine maintenance spending in order to maximize distributable cash flow."

The Wall Street Journal asked, “Is Kinder Morgan Scrimping on its Pipelines?” after Kaiser’s report, in which he claimed the company was deferring routine maintenance spending on its pipelines to return more cash to investors.

The company, which operates more than 80,000 miles of total pipelines, disputed Kaiser’s analysis.