



## Route Report Proposed MGT Eastern Extension Project

### Hello!

Welcome to another issue of MGT's Route Report on our proposed Eastern Extension Project.

### Project Scope

- Length: 30.9 miles
- Pipe size: 16-inch
- Capacity: 120,000 dekatherms/day
- Customer: Piedmont Natural Gas
- Interconnects:
  - Columbia Gulf
  - East Tennessee

### Project Updates

- FERC continues development of Environmental Assessment
- 40% of necessary easements acquired
- Continued Project design and planning

### Safety

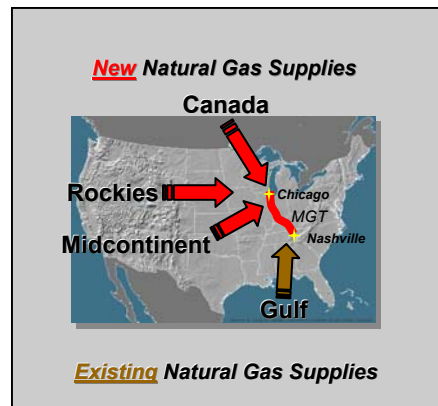
- **Pipelines are the safest means to transport natural gas**
- **Designed, built and operated to strict safety standards of U.S. Department of Transportation**
- **Close coordination with local emergency responders**
- **Community awareness programs such as One Call programs. Don't forget to call before you dig!**

Source: Interstate Natural Gas Association of America (INGAA)

### Setting the Record Straight . . .

You've probably read and heard a lot about our project this summer. Some of the information has been misleading. Please consider the following thoughts:

#### Project Need



**Why is this project even necessary—can't existing pipelines supply all the natural gas that Nashville needs?**

*Piedmont Natural Gas Company requested and contracted with MGT to build this project because Piedmont needs an additional source and quantity of natural gas to meet the growing*

### Project Need (con't.)

*demands of the Nashville area through its subsidiary Nashville Gas Company. Existing pipelines in the Nashville area only supply natural gas from the Gulf of Mexico region leaving Nashville and surrounding areas vulnerable to supply disruption. Hurricanes Katrina and Rita inflicted heavy damage to those supplies. MGT's project will allow the Nashville area to access natural gas from new supply areas, namely Canada, the Rockies and the Midcontinent.*

### Katrina's and Rita's Effect on Natural Gas Supply in the Gulf

- 205 platforms and rigs damaged or destroyed.
- 70 percent of Gulf natural gas supplies shut-in; 90 percent of Gulf oil supply shut-in for weeks after the storm.
- Damage to many on-shore gas processing plants, refineries and infrastructure.

*-Houston Chronicle, 10/4/05*

### Supply Diversity Needed . . .

*"We agree that more needs to be done to diversify our supplies of natural gas. Katrina and Rita have clearly demonstrated the high degree of our reliance as a nation on the Gulf region to supply our energy needs. Other regions of the country can and should be a part of our overall energy resource development." -Testimony on behalf of Interstate Natural Gas Association of America before the United States Committee on Energy and Natural Resources, October 6, 2005.*



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### **Project Need**

**Don't experts and even other natural gas companies say there is enough capacity in the current grid of existing pipelines to move gas from Portland to Hartsville?**

*The suggestion made by some individuals to move gas from Portland to Hartsville via other companies' pipelines cannot work because those existing pipelines do not have sufficient available firm capacity. Only Columbia Gulf Transmission Company claimed it has sufficient available capacity on its existing pipeline system to meet Piedmont's needs. However, it was referring to its pipelines bringing natural gas from the Gulf region; its existing system can't move gas from Portland to Hartsville.*

### **Project Benefits**

**Are there any benefits to local communities?**

*80 percent of the natural gas transported by this project will serve residential, commercial and industrial customers of Nashville Gas Company including those in Sumner and Trousdale counties. In addition, MGT will make annual tax payments to both counties.*

### **Right-of-Way Acquisition**

*Our experience is that most property owners agree to participate in a pipeline project like this one by signing an easement. When the Federal Energy Regulatory Commission (FERC) determines that a project is a benefit to the public, it issues a certificate of "public convenience and necessity". The Natural Gas Act authorizes the holder of a certificate of public convenience and necessity to exercise the right of eminent domain to acquire the right-of-way*

*necessary to construct and operate the pipeline. A court procedure determines the amount of compensation to be paid for the easements. In order to meet Piedmont's request for additional gas volumes for the next heating season, MGT will be required to file any necessary eminent domain actions soon after the issuance of the certificate.*

### **More Information?**

**MGT:** Jim Ehlers, Project Supervisor, Right-of-Way, toll free at (877) 450-3206 or log on to: [www.mgt.nborder.com](http://www.mgt.nborder.com)

**FERC:** Toll Free 1-866-208-3372

Office of External Affairs  
888 First Street, NE  
Washington, DC 20426

FERC's website: [www.ferc.gov](http://www.ferc.gov)

#### **Libraries:**

- Elmer Hinton Memorial Library  
301 Portland Blvd.  
Portland, TN 37148
- Edward W. Carmack  
Public Library  
658 Hartsville Pike  
Gallatin, TN 37066
- Fred A. Vaught  
Memorial Library  
211 White Oak Street  
Hartsville, TN 37074

### **Landowner Rights**

**If I have a pipeline on my property will the use and development of my property be restricted?**

*Many uses such as farming or grazing livestock can continue as usual following restoration of the right-of-way. Although there will be some restrictions on the permanent 50 foot-wide right-of-way, development of the overall prop-*

*erty is certainly possible. In fact, a number of development areas in or around Nashville include pipeline easements similar to that needed for our project. For site-specific issues, please contact Jim Ehlers at 877 450-3206.*

### **Easement Facts**

**By having the pipeline easement, does MGT have the right to lease or sell the right-of-way for other uses such as cell phone towers, high voltage power lines, etc.?**

*No. This easement is only for installation and operation of a single natural gas pipeline. No other uses are allowed.*

### **Environmental Protection**

**Will construction and operation of this pipeline damage springs, streams and/or water supplies?**

*Because of sensitive features like karst terrain and springs in the area, MGT hired independent geology experts to conduct special studies and identify protective measures. When the project is approved, FERC will include these measures in the Certificate and other agencies will include them in necessary permits. Qualified inspectors will be used throughout construction to make sure all environmental requirements are met.*

### **Next Steps**

- **FERC Environmental Assessment and Project Decision**
- **Continued Easement Acquisition**
- **Continued Design and Planning**