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CP07-208-000
CP08-6-000

KINDER MORGAN
ENERGY PARTNERS, L.P.

OFFICE OF
EXTERNAL AFFAIRS
2008 MAR 24 A 10: 12
FEDERAL ENERGY
REGULATORY COMMISSION

Scott E. Parker
President

March 20, 2008

Joseph T. Kelliher
Chairman
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20426

Dear Mr. Chairman:

The Kinder Morgan pipeline companies have, as you are aware, made a commitment to invest billions of dollars in developing much needed natural gas pipeline infrastructure to connect new natural gas producing regions to our manufacturing and population centers in the eastern half of the United States. Over the past several years, Kinder Morgan, with its partners, has commenced deliveries from the Rockies Express Pipeline – West. This project is the first major new pipeline to take natural gas from the Rockies directly to upper Midwest markets. At a cost of approximately $2.4 billion dollars (inclusive of the acquisition and completion of the Entrega Pipeline), it is today delivering over one billion cubic feet per day into Midwest pipelines.

Pending before the Commission are two other major projects being developed by Kinder Morgan and its partners. The first is known as Rockies Express – East. This project will commence at the terminus of Rockies Express – West in Missouri and complete the transportation system through to Clarington, Ohio. Once completed in June, 2009, the Rockies Express system will be capable of delivering 1.8 billion cubic feet per day. The cost of Rockies Express – East is now expected to be approximately $2.5 billion. It is also anticipated that over 4,500 construction-related jobs will be created by this project. These jobs are scheduled to commence in June, 2008 continuing through June, 2009. These jobs will be located in some of the most economically depressed communities in Illinois, Indiana and Ohio.

The second project is the Midcontinent Express Pipeline. Midcontinent Express is designed to unlock increasing production from the various shale basins such as the Barnett in Texas as well as other shale production areas throughout Oklahoma. The Midcontinent Express project will be capable of delivering, initially, up to 1.4 billion cubic feet per day at an estimated cost of $1.3 billion. This project is expected to create over 2,000 construction-related jobs during the second half of 2008 into 2009.

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In addition to the direct labor costs related to the employment, there is of course the multiplier effect of such major infrastructure projects. These benefits include the expenditure of millions of dollars in local communities during construction and later operation as well as dramatic increases in state and local tax base. Many of the areas traversed of course are rural agricultural communities where the per capita income is often below their respective state average values.

Developing projects of this scale is a logistical challenge given the regulatory requirements, material supply coordination and, most of all, securing experienced contractors and labor force. Pipeline developers such as Kinder Morgan must execute supply, contractor and other agreements well in advance of receipt of regulatory approvals.

Kinder Morgan appreciates all of the efforts of the Commission and its staff to meet the commercial and contractual schedules of the projects. Kinder Morgan understands that there are many demands for the Commission's time and attention. However, we believe that these projects, together with other major gas pipeline projects pending agency review, provide the natural gas pipeline industry and the Commission a truly historic opportunity to dramatically increase domestic, secure natural gas supplies while creating thousands of quality jobs during a downturn in the economy.

Working together the natural gas pipeline industry and the Commission can create jobs and contribute to the security of our Nation's energy supplies. In order to accomplish these goals, it is essential that the Commission act on the merits of each certificate in time to meet complicated construction schedules. In the case of Rockies Express – East, to avoid extended delays and increased costs, Commission action by **May 1, 2008 is required.** In the case of Midcontinent Express, Commission action by **July 17th, 2008,** will permit deployment to, and construction on, the right of way commencing in August, 2008.

Sincerely,

Scott Parker
President
Kinder Morgan Gas Pipeline Group

Cc: Members of the Commission
All Parties in Docket No. CP07-208-000 and Docket No.CP08-6-000