



CenterPoint Energy
P.O. Box 21734
Shreveport, LA 71151
318.429.2700

April 10, 2013

Subject: Project Notification – Central Arkansas Pipeline Enhancement Project
CenterPoint Energy Gas Transmission Company, LLC
FERC Docket No. PF13-10-000

Dear Landowner:

CenterPoint Energy Gas Transmission Company, LLC (CEGT) is proposing the Central Arkansas Pipeline Enhancement Project (Project) to provide for the continued safe, reliable, and efficient transportation of natural gas to the central Arkansas cities and towns of Conway, Mayflower, Maumelle, North Little Rock, and Little Rock. CEGT identified an opportunity to enhance its pipeline system in Central Arkansas and initiated a collaborative effort with the local gas distribution company, its affiliate, CenterPoint Energy Resources Corporation d/b/a Arkansas Gas (CERC). CEGT and CERC currently own and operate multiple, existing pipelines in this region, but the region has experienced substantial residential and commercial development since the original pipeline facilities were constructed. The Project provides CEGT and CERC with the opportunity to install new facilities to better serve their current customers, while also laying the groundwork for additional capacity to meet future growth, as needed. As part of the Project, CEGT will retire from service some existing pipeline assets, while also realigning ownership of some other existing pipeline infrastructure to CERC. Such realignment and repurposing of existing pipeline infrastructure will provide for cost savings and more efficient delivery of natural gas in the Project area, all of which should benefit end use customers.

FERC Pre-Filing Process

The Project facilities will be a part of CEGT's existing interstate natural gas transmission system. As such, the Project will be regulated by the Federal Energy Regulatory Commission (FERC), which is the federal agency charged with determining whether proposed interstate pipeline projects are in the public convenience and necessity. As the lead federal agency for the Project, the FERC will conduct an environmental analysis in compliance with the requirements of the National Environmental Policy Act (NEPA) and the FERC regulations for implementing NEPA (18 CFR 380). In association with the planning process for the Project, CEGT is utilizing the FERC's Pre-Filing Process, which provides all stakeholders (including federal, state and local agencies, landowners, and local citizens) the opportunity for early cooperation and involvement in evaluating a project prior to the filing of a formal application with the FERC. This process is also intended to provide a mechanism for identifying and resolving stakeholder issues prior to submittal of the FERC application. Comments and resource concerns identified during the Pre-Filing Process will be addressed in CEGT's Project application to the FERC. Additional information regarding the FERC Pre-Filing and approval process can be found at www.ferc.gov.

Communicating With You About the Project

In accordance with the FERC's regulations, you have been identified as a landowner potentially affected by the Central Arkansas Pipeline Enhancement Project. **More specifically, you have been identified as the owner of property interest whose property is traversed by or abuts existing rights-of-way or facility sites where ownership of the pipeline asset is proposed to be transferred in association with the Project activity.**

CEGT understands that landowners along its pipeline system are neighbors and is fully committed to establishing and maintaining positive long-term relationships with all landowners. As such, CEGT is committed to open and honest communications with all affected landowners and stakeholders regarding the Project. It is CEGT's goal to develop a safe and reliable Project that balances and mitigates impacts to individual landowners, environmental effects, and constructability requirements, while meeting customer

needs and creating economic development opportunities for communities. We have briefed federal, state, and local officials regarding the proposed Project. CEGT will also be meeting with individual affected landowners and others to identify any initial concerns and seek their input regarding the proposed Project. CEGT will work with all affected landowners to answer any questions that you may have related to the Project.

To provide additional information about the Project, CEGT is implementing a public outreach plan to identify stakeholders such as landowners, government officials, resource agencies and environmental groups, and involve them early in the planning stage of the Project. In addition to informational mailings and notifications (such as this correspondence), CEGT will hold an Open House Meeting, which has been scheduled as follows, so that interested stakeholders can learn more about the Project:

Open House Meeting
Tuesday, May 21, 2013, 5:00 to 7:00 PM
Brewer-Hegeman Conference Center
University of Central Arkansas
201 Donaghey Avenue
Conway, AR 72035-5003
Phone: (501) 852-2699

Representatives from CEGT, as well as the FERC, will be in attendance at the Open House Meeting and be available to provide more specific information about the proposed Project and answer questions from landowners, community residents, elected officials, and the general public. You are invited to attend that meeting.

CEGT has also developed a publicly available website that provides additional information about the Project, such as Project news, updates, and answers to frequently asked questions (FAQs). That website address is: www.centerpointenergy.com/services/pipelines/centralarkansaspipelineenhancement.

In addition, CEGT has established a toll-free telephone number and Project e-mail address where additional questions or comments from the public may be directed. That telephone number is 888-641-TEAM (8326), and the e-mail address is PIPECentralArkansasEnhancement@centerpointenergy.com.

Project Description

CEGT is proposing the installation of approximately 28 miles of 12-inch-diameter natural gas pipeline and ancillary facilities in Pulaski and Faulkner Counties, Arkansas. The proposed pipeline, to be named Line BT-39, will be constructed primarily on new alignment, and will provide replacement transmission service for a portion of two existing CEGT natural gas pipelines (Lines B and BT-14). To provide natural gas deliveries to its distribution affiliate, CEGT will also construct metering and appurtenances at seven new or modified locations along or near the Line BT-39 pipeline route and tie-in points to the existing Line BT-14 pipeline. Natural gas delivery to two of the planned meter stations from Line BT-39 will necessitate construction of two, 4-inch-diameter lateral pipelines, Lines BT-40 and BT-41, which will be approximately 230 and 1,400 feet in length, respectively.

Ownership of an approximately 12.4-mile-long segment of the existing Line BT-14 pipeline through the City of Conway would be transferred to CEGT's distribution affiliate for continued non-transmission gas service, and an approximately 21-mile-long segment of the existing Line B pipeline, extending from Conway to North Little Rock, would be retired from service. Other minor ancillary facilities and small diameter pipelines within the City of Conway (i.e., Lines BM-1, Line BT-19, and a portion of Line BM-21) would also be retired from service in association with the proposed Project. Refer to the enclosed Project overview map for a depiction of the existing and proposed pipeline facilities associated with the Project.

Where pipeline is proposed to be retired from service in association with the Project, it is CEGT's goal to minimize the impact to local residents and affected landowners by retiring the existing pipeline assets in place, thereby minimizing the need for excavation and disturbance of existing land use and land cover. Existing aboveground facilities along the pipeline segment/s to be retired will be removed. Additionally, it

may be necessary to excavate and expose small sections of retired pipeline at some locations, such as improved public road and railway crossings, to facilitate grouting (i.e., injection of flowable cement) and capping of the pipeline. In general, retiring the existing pipeline facilities will result in minimal ground disturbance, and all such ground disturbing activities will be confined to CEGT's existing and maintained pipeline rights-of-way or facility sites.

Conducting Surveys and Seeking To Acquire Easements

On-the-ground surveys have and will be performed during the design phase of the Project, and we are grateful for your permission and cooperation throughout this process. In order to provide the necessary engineering and environmental data to design the proposed facilities and accurately respond to anticipated questions about the Project, we began conducting field work and collecting data during the Fall of 2012. This field work may have included conducting survey activities on or near your property.

We will also be seeking to acquire easements from landowners along the proposed pipeline routes for the pipeline right-of-way, work areas, and access roads. These easements may be temporary to provide for construction workspace or permanent to provide for permanent pipeline rights-of-way, or a combination of the two. In some cases, we may also acquire a fee interest from landowners at selected locations for construction of aboveground facilities.

If a temporary easement for construction workspace is acquired, we will need to take precautions for a short period of time to keep activity on the property from interfering with construction work. If a permanent easement for the pipeline's right-of-way is needed, we will need to maintain a clear right-of-way and have access to our pipeline at all times.

Pipeline Safety

The natural gas transported in CEGT's pipelines provides environmental benefits to our communities by providing a clean burning fuel for the products and services that we use daily such as electricity generation, plastics, gas heating and many others. Pipelines are the safest mode of transportation for natural gas. U. S. Department of Transportation statistics confirm the safety record of the natural gas pipeline industry. CEGT is committed to the safe and reliable operations, and we design, construct, test, operate and maintain our natural gas pipeline facilities to meet or exceed the requirements of federal pipeline safety regulations.

As a continuing part of our commitment to safety, we have enclosed our pipeline safety brochure entitled "A Message For You About Pipeline Safety." Please read and share this information with your family, friends and neighbors. We would also like to remind you that 811 is the national "Call Before You Dig!" number, and dialing 811 will connect you with the One Call Center responsible for your area. Please remember to always call this number prior to any type of excavation activity. It is a free service, and it is the law. In case of a pipeline emergency, call CEGT at 1-800-474-1954.

Project Timeline

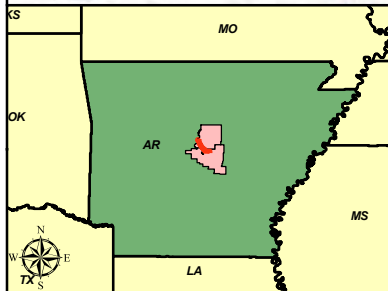
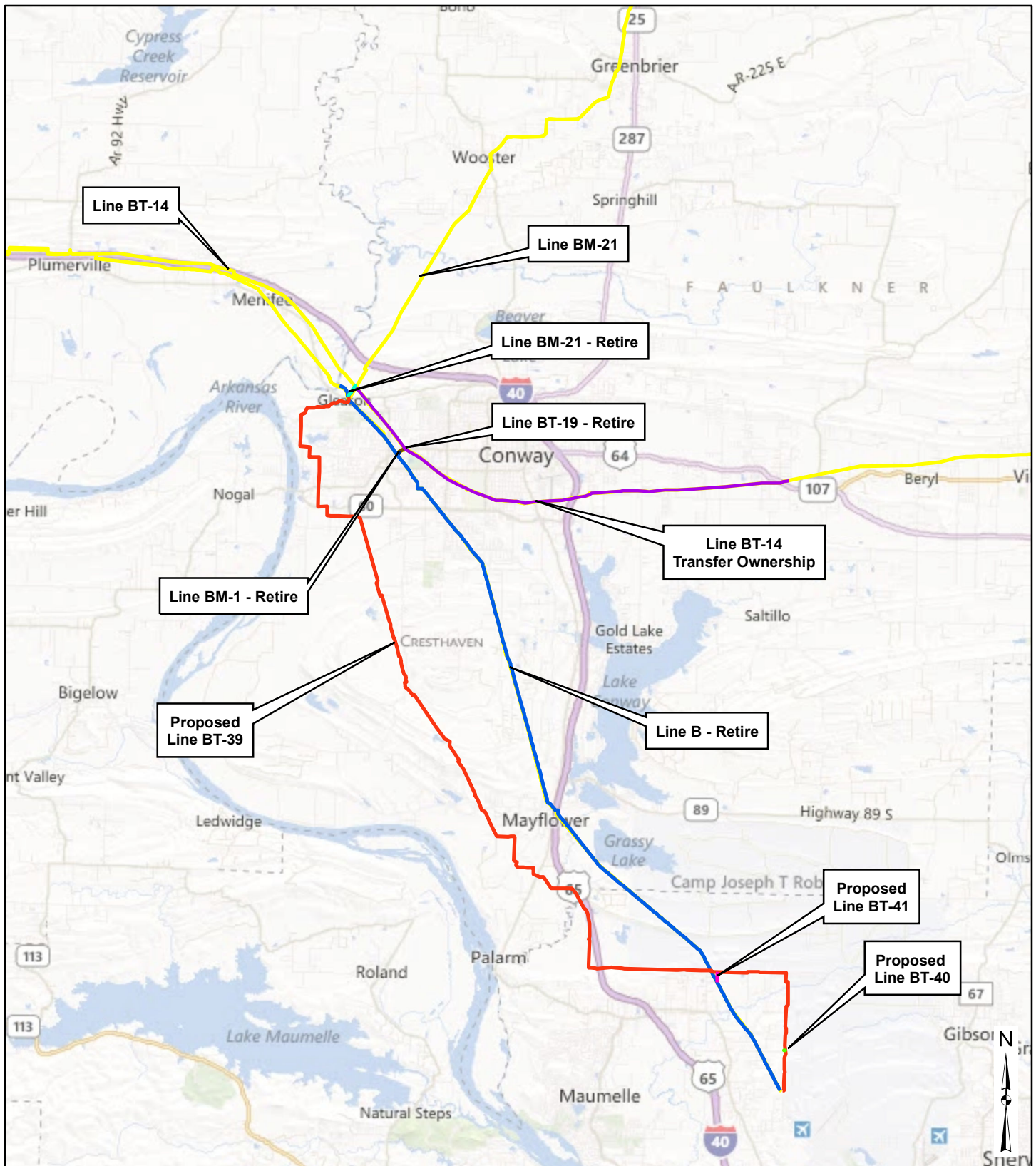
CEGT recently initiated the FERC Pre-Filing Process in late March 2013. It is anticipated that the FERC will conduct their environmental review and certification process throughout the year. We expect to begin construction in March of 2014, and to place the pipeline in service by October 2014.

We at CEGT are proud of the work that we do to ensure harmony between our natural gas pipeline facilities and the environment. Thank you in advance for your support and cooperation in the construction of these facilities and our efforts to provide a safe, reliable, and environmentally friendly fuel through implementation of the Central Arkansas Pipeline Enhancement Project.

Respectfully,



Erik Dilts
Environmental Projects Manager



Drawn On:
April 9, 2013

Overall Project Location Map

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Central Arkansas Pipeline Enhancement Project

Faulkner and Pulaski Counties, Arkansas

0 2.5 5 10 Miles

Prepared
For:



AK Environmental, LLC
5020 Ritter Road
Suite 206
Mechanicsburg, PA 17055

Legend

- Proposed Line BT-39
- Proposed Line BT-40
- Proposed Line BT-41
- Existing Line BM-21 - Retire
- Existing Line BT-14 - Transfer Ownership
- Existing Line B - Retire
- Existing Line BM-1 - Retire
- Existing Line BT-19 - Retire
- Other Existing CEGT Pipelines