



The PennEast Pipeline Project

Delaware Township, New Jersey
September 29, 2014



About the PennEast Pipeline Project

- AGL Resources; NJR Pipeline Company; PSEG Power; South Jersey Industries; and UGI Energy Services (UGIES) comprise PennEast Pipeline Company, LLC.
- Approximately 100-mile, 30-inch pipeline from PA to NJ
- Nearly \$1 billion investment
 - Delaware Township (approximately six miles) \$5.2 million in property taxes in five years
- Deliver up to 1 Bcf of gas per day
 - Enough gas to serve more than 4.7 million homes
- Will create approximately 2,000 jobs during construction

The proposed PennEast Pipeline project will bring low-cost natural gas to customers in New Jersey and Pennsylvania.

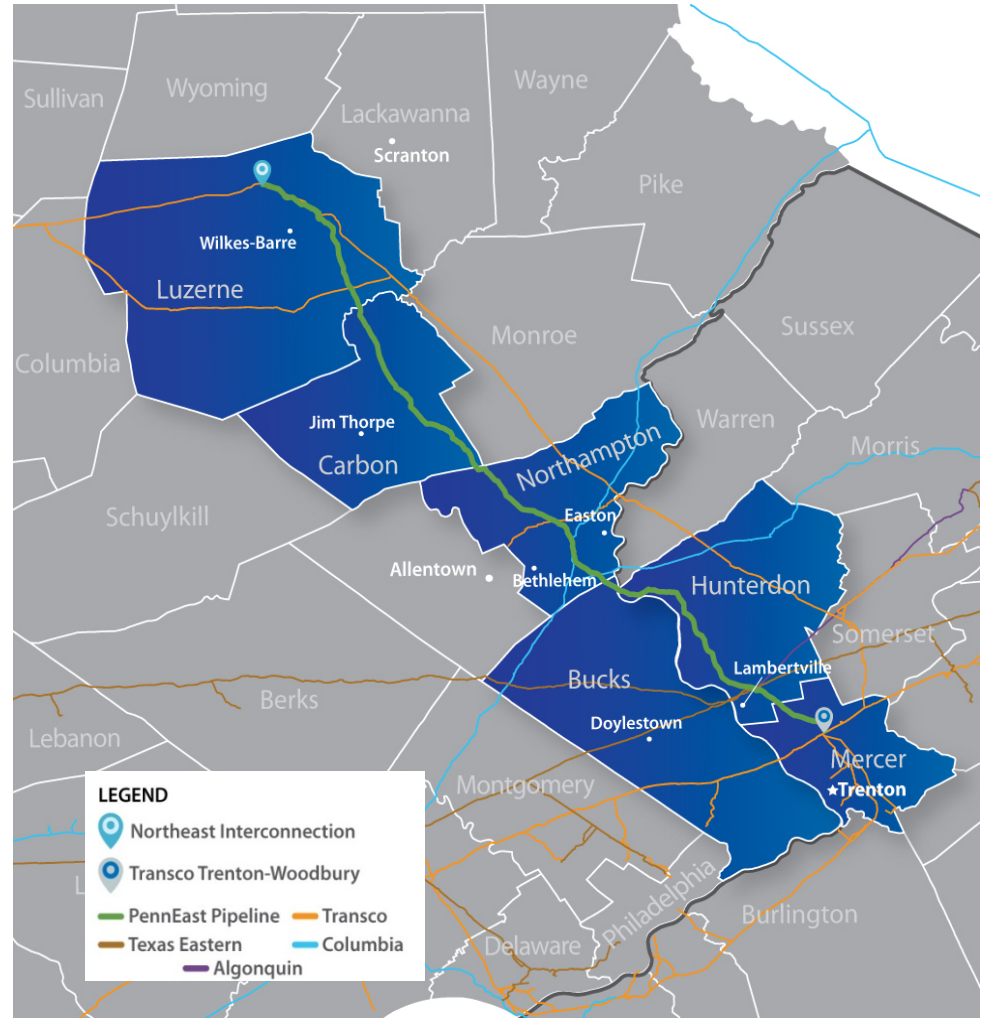
Need for New Infrastructure

- Locally produced, abundant supply of affordable natural gas to serve New Jersey and Pennsylvania
 - Infrastructure has not kept pace with increased demand for natural gas for home heating, industrial uses and electricity generation
 - Significant majority of pipeline capacity will be used by local distribution companies (LDCs) and power generators, not exported overseas
- New Jersey Energy Master Plan supports the use of natural gas
- State's economy benefits from infrastructure investments
- U.S. manufacturers are leveraging affordable natural gas to regain global competitiveness and reduce operating costs

New Jersey homes and businesses increasingly are turning to natural gas for their energy needs.

Proposed Route

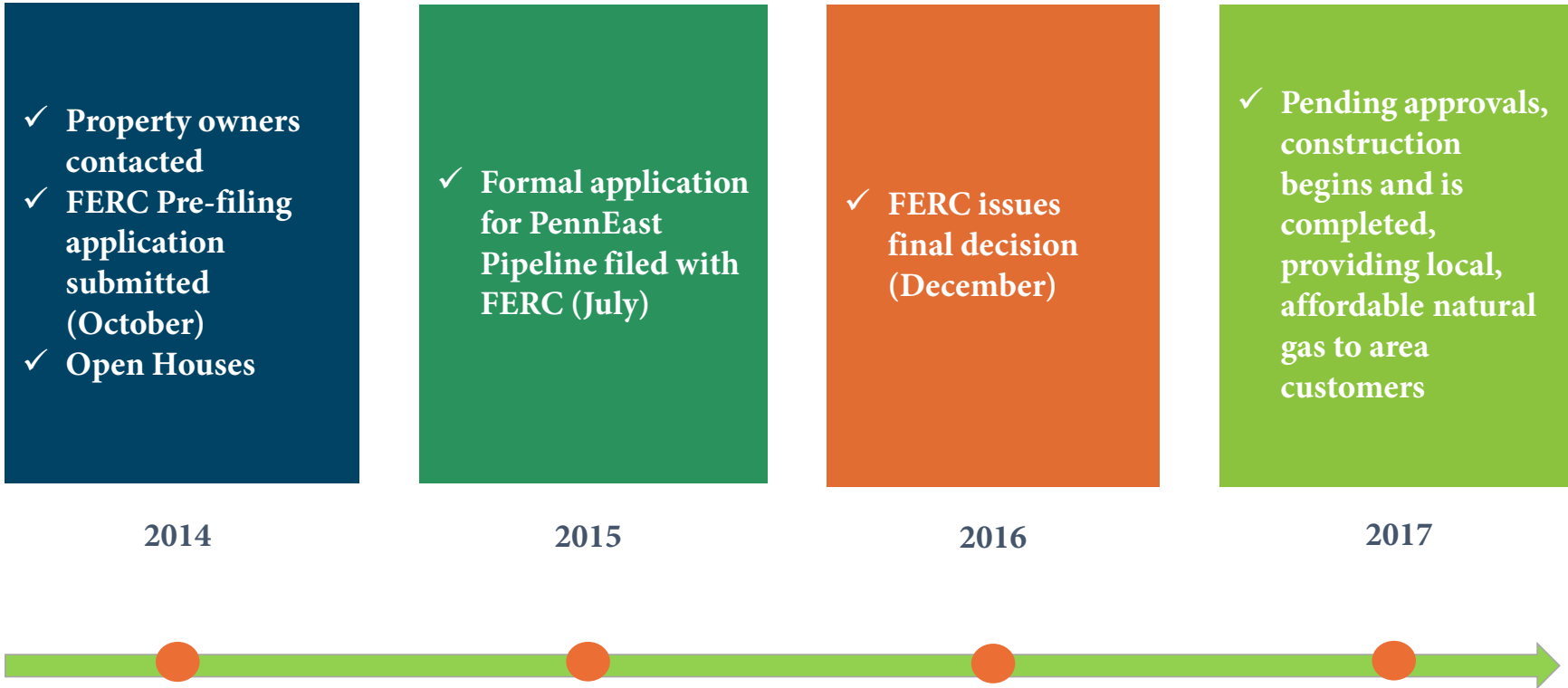
- From Luzerne County in northeastern Pennsylvania to the Transco Trenton-Woodbury interconnection in New Jersey
- Four delivery points in New Jersey
- Meet or exceed state and federal safety standards
- Minimize impact to the environment and communities, which includes avoiding densely populated areas



Federal Energy Regulatory Commission (FERC)

- **Interstate natural gas pipelines are approved and regulated by FERC**
 - **Pre-filing Process** – Gives landowners, officials and others time to review a project before a Certificate Application is filed
 - **Open Houses** – Hosted by PennEast to provide opportunity for landowners and others to talk one-on-one with project experts, ask questions and voice support or concern
 - **Public Scoping Meetings** – Hosted by FERC to provide community additional opportunity for input
 - **Certificate Application Filing** – The formal project application with FERC
 - Permit applications for other federal, state and local agencies
 - **Environmental Impact Statement (EIS)** – FERC will engage a third-party contractor for this in-depth environmental analysis
 - **FERC Resource:** “An Interstate Natural Gas Facility on My Land? What Do I Need to Know?”

Project Timeline



First Steps

- **Process** – Early stages of a multi-step, intensive process
- **Routes** – PennEast first evaluates several different pipeline routes
- **Surveys** – Conducted to determine which route will be least impactful to the environment and the local communities and best suited for construction
- **Land Agents** – Will talk with landowners about accessing and surveying property if it is along the proposed pipeline route
- **Right-of-Way (ROW) Agreements** – If a property is selected for the final route, PennEast will ask the landowner to enter into a ROW agreement, which grants permission for PennEast to construct the pipeline on a specified portion of the property

Construction and Restoration

- Construction will begin only after obtaining FERC approval
- Site preparation typically cannot take place during critical migratory and breeding seasons and also can be affected by weather and material availability
- Field crews will stay within the agreed-upon ROW
- Construction expected to last approximately seven months
- Land can be used as it was prior to construction, including farming activities, with the exception of building permanent structures or planting trees atop the ROW
 - Work with landowners on site restoration plans
 - ROW will be re-graded, seeded and temporary erosion control devices installed
 - Topsoil is removed, preserved and restored to the original grade

Pipeline Safety

- Less than .01 percent of all transportation accidents in the United States are related to natural gas pipelines, according to the National Transportation Safety Board (NTSB)
- For the last 20 years, third-party damage remains the primary cause of serious incidents involving natural gas pipelines, according to the American Gas Association:
 - Common Ground Alliance (CGA) seeks to improve safety and reduce damages to underground infrastructure
 - Roughly a 40 percent reduction in excavation damages since its 2004 inception
 - Primarily as a result of significant efforts by pipeline companies to work with regulators, excavators and members of the public

Pipeline Safety

- **There are many required measures for safe pipeline operations, but PennEast’s commitment to safety will be demonstrated from the start of the Project throughout operation of the Pipeline:**
 - Adopting design features and operating practices that meet or exceed stringent regulatory and industry standards
 - Use of thicker pipe than required
 - The latest technology in corrosion control, including a fusion-bonded epoxy that provides increased durability
 - Placement of shutoff valves a minimum of every 10 miles
 - Use of X-ray during construction to ensure joints are welded properly
 - Conducting an integrity test of the entire line prior to placing it into service
 - Monitoring gas pressures along the pipeline 24/7 in “real-time”
 - Conducting annual leak surveys and walking surveys of the entire line

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