



Frequently Asked Questions About PennEast Pipeline Project

Who is PennEast Pipeline Company, LLC?

AGL Resources, NJR Pipeline Company, South Jersey Industries, PSEG Power LLC and UGI Energy Services (UGIES) are the member companies that form the PennEast Pipeline Company. Combined, the member companies have safely and reliably delivered energy to Pennsylvania and New Jersey customers for more than 400 years.

Do you have any upcoming projects in my area?

PennEast is proposing the PennEast Pipeline to bring low-cost Marcellus gas to natural gas customers in Pennsylvania and New Jersey. The pipeline will originate in Luzerne County in northeast Pennsylvania and terminate at Transco's Trenton-Woodbury interconnection east of Lambertville, New Jersey.

How do communities benefit from new pipelines?

New pipelines are critical to providing families and businesses greater access to affordable, cleaner-burning natural gas.

During pipeline construction, numerous jobs are created for construction crews. These crews have a spillover economic affect on local restaurants, hotels and retailers.

Reduction of natural gas prices will reduce the cost of gas and electric rates and also reduce price volatility in times of high demand, such as what was experienced in January 2014. It will also help to maintain gas and electric reliability, both of which were in peril in January 2014.

Natural gas pipelines are essential to deliver natural gas to new electricity generation facilities. As coal-fired power plants retire or convert to natural gas, communities will enjoy environmental benefits of cleaner-burning natural gas derived electricity.

The increasing demand for gas-fired electric generation, as well as from the residential, commercial and industrial sectors, has driven the need for additional pipeline infrastructure.

Long-term, local communities benefit from taxes paid during the ongoing operation of the pipeline. But more importantly, natural gas pipelines play a major economic development role as energy intensive industries and facilities look to site their operations near affordable and reliable energy sources.



Why can't you be more specific about the route, and how will the project impact my community?

PennEast is in the earliest stages of a lengthy, multi-step project. We still are gathering information to determine the best route. This initial phase should take at least three more months.

One of the first steps in developing a route is identifying where the route will generally begin and end. We use a variety of resources to gather information that will help determine a potential route with the least environmental impact. Resources include conducting aerial inspections and "desktop analysis," which involves gathering data from Geographical Information System (GIS) databases and conducting internet research.

All of the information gathered during this initial phase helps our construction engineers and consultants define proposed routes. Because there are so many environmental and socio-economic factors that must be considered (public water supplies, wetlands, protected and preserved areas, threatened and endangered species, etc.), it is necessary for our technical staff to conduct environmental and archeological field surveys on public and private properties. PennEast consultants have just initiated the survey work and are only now talking with landowners to obtain permission to survey.

When most of the field survey work is done, and after we receive more information from individual landowners, regulators and other stakeholders, we will have a better idea where and how we can construct a pipeline and other supporting equipment in a safe manner that minimizes the impact to the community and environment.

We are communicating directly with the affected landowners along the proposed route and we are providing specific information about their property. We understand that the community also has questions, and we will provide general information as the project progresses and we learn more details.

Due to the complexity and length of the proposed project, PennEast voluntarily has chosen to follow the pre-filing phase of the FERC process, which facilitates additional interaction with the various stakeholders before a preferred route is selected and formally submitted to FERC.

Since we are in the very first stage of a multi-year process, we cannot answer all of the questions at this time. The best way to receive factual information about the project is to visit the project website at www.penneastpipeline.com. The website is updated on a regular basis and many of your questions are addressed in the FAQ tab. If you have additional questions, send an electronic message to answers@penneastpipeline.com or call us toll-free at 1-844-347-7119. We will attempt to respond within 24 hours, Monday through Friday and 48 hours on weekends and holidays.



Open houses tentatively will be scheduled for early November. The open houses are not meetings. They are designed to provide attendees an opportunity to visit different stations to talk with experts in the fields of pipeline safety, environment, construction, operations, and land. Attendees may choose to visit whichever station is of most interest and talk with the respective project leads. PennEast will announce the dates and locations in newspaper advertisements, on the project website and in fliers at area libraries.

Additionally, the Federal Energy Regulatory Commission will hold formal public meetings throughout the review process. Scoping meetings provide interested parties an opportunity to voice their support, share their concern and ask questions. FERC will host the scoping meetings along the proposed route, notify landowners about the meetings and publicize them in area newspapers. Another source of general information is FERC's publication titled, [An Interstate Natural Gas Facility on My Land? What Do I Need To Know?](#)



PERMITTING & SITING

Who decides if a pipeline project gets built?

Interstate natural gas pipelines, such as the PennEast project, are regulated by the Federal Energy Regulatory Commission (FERC). As such, FERC requires operators to obtain a federal Certificate of Public Convenience and Necessity, in addition to various state and local permits, before any pipeline facilities can be built.

I've been approached about surveying my property. What will be the next steps?

PennEast first evaluates several different pipeline routes. Then, in order to determine which route will be best suited for construction and least impactful to the environment, all prospective routes are surveyed. PennEast's land agents talk to landowners about accessing and surveying their property if it is along one of the proposed pipeline routes. If a property is selected for the final route, PennEast asks the property owner to enter into a right-of-way (ROW) agreement, which essentially gives PennEast permission to use part of a property to construct its pipeline.

What is a right-of-way agreement?

A right-of-way agreement allows for the use of a portion of land for locating a pipeline. Landowners are offered financial compensation in exchange for granting a permanent easement. A contract for a right-of-way is a standard easement agreement, but can be tailored if necessary to meet a landowner's unique concerns.



What factors does PennEast consider in selecting a pipeline route?

PennEast's team of engineers and consultants balance the most direct pipeline route with numerous environmental, structural, conservation and land use factors. Routes are designed to minimize any impacts to the environment and communities along the way. When possible, PennEast uses existing ROWs in order to minimize impacts. However, there are some restrictions to co-locating infrastructure.

What is an easement?

An easement is a limited right to use land for specific purposes. PennEast compensates landowners for the right to construct, operate and maintain an underground pipeline (and, in limited cases, aboveground equipment related to the pipeline).

Will the ROW agreement specifically mention and/or show "exactly" where the easement will be located on the designated property before construction begins thereby giving the property owner the chance to make any changes if necessary?

Property exhibits will be generated for each landowner. Landowners are encouraged to request changes to the route very early during the negotiation process. Requests to adjust the location of the pipeline will be carefully considered when PennEast representatives receive reasonable evidence that the proposed route could affect existing uses or future plans. Once a final route is approved by FERC, fewer options are available to the PennEast and the landowner.

When will we know the exact proposed route of the pipeline?

Once the Federal Energy Regulatory Commission accepts the pre-filing application, PennEast will have 60 days to clearly define the project route. All landowners affected by the project will receive specific notice in accordance with FERC's regulations. This will most likely be in January 2015.

Does PennEast invoke eminent domain?

Federal government approved transmission pipeline projects do carry the option to invoke eminent domain. However, PennEast will make every reasonable effort to reach a fair agreement with landowners when compensating them for use of their property.

If eminent domain is used, will I lose my home?

Eminent domain is only used to access property to survey land and construct infrastructure, such as pipelines. Property owners will not lose their home or the ability to use their property.



I told the land agent that I do not want to grant survey permission and I don't want the pipeline on my property. Why are they still calling me and coming to my house?

The location, construction and operation of an interstate pipeline are reviewed by the Federal Energy Regulatory Commission (FERC). If the project is approved and an easement agreement has not been reached, access to and compensation for use of your land is set by the court. During that process, PennEast must demonstrate that every effort was made to reach an amicable agreement with the property owner.



PIPELINE CONSTRUCTION

How deep are pipelines buried?

The Pipeline and Hazardous Materials Safety Administration, within the U.S. Department of Transportation, regulates natural gas pipeline safety, including depth. In normal soil conditions, the minimum required is 30-36 inches between the top of the pipeline and the land surface. Additional cover is provided at road and waterbody crossings, while less cover (a minimum of 18 inches) is required in consolidated rock. In special cases, the pipeline could be buried deeper (48 – 60 inches) where agricultural practices or other issues warrant additional cover.

How will you ensure the minimum depth restriction is met?

PennEast will have inspection staff monitoring the construction work. These inspectors along with as-built data will ensure the pipeline is installed at the required depth or greater. If a pipeline is installed that does not meet the minimum depth requirement, adjustments will be made prior to the construction contractor demobilizing from the project. Additionally, depth restrictions will be incorporated in ROW Agreements.

Should the pipeline route travel through difficult conditions such as shallow soil and bedrock, how do you plan on addressing it?

Bedrock will be hammered when possible and blasted only where it is required to maintain production, and only when absolutely necessary. Regardless of soil condition, the minimum depth requirement must be met.

Can this pipeline be partially built above ground for any reason?

The pipeline itself is not above-grade outside of facility locations. The pipeline will have what is considered to be above-ground appurtenances such as valves, test stations (for cathodic protection) and meter stations spaced along the line. All these areas will be fenced in a small area. These appurtenant above-ground facilities are required for the safe and reliable operation of the pipeline. As the project progresses, these locations will be finalized and identified through the review process.



What if I do not like the look of above ground pipe vents and shut off valves and prefer to maintain the rural, natural look of my land?

PennEast has successfully accommodated similar requests with private landowners and stakeholders on other projects. We will make every effort to do the same with landowners along the PennEast route

When construction is active, how much land will be taken up?

The digging of the trench and installation of one section of line involves a work area that will vary in size depending on local factors, such as terrain, geology, waterways and existing structures but can generally vary from 90 to 125 feet wide along the pipeline route. More than one section may be under construction at one time. Field crews stay within the agreed-to study corridor, staking out the layout of the line. Equipment is needed at times to shape the pipe to fit the route. Sections of the pipe are welded together on site. Once the pipe is laid in the ground, it is covered with soil and the surface area is restored to original conditions in accordance with regulatory requirements.

When does construction begin?

Pending Federal Energy Regulatory Commission (FERC) approval, and once all necessary ROW agreements and state permits are obtained, pipeline construction begins. In most cases, site preparation will not take place during the winter or during critical migratory and nesting seasons.

How long does construction take?

Once PennEast obtains all necessary permits and approvals from various state and federal agencies, physical construction of pipelines can take up to a year. Construction is subject to many variables including availability of material, labor, weather and length of the pipeline.

Who will be installing the pipeline?

Outside contractors will be chosen through bidding process in which PennEast will assess each contractor's history and commitment to safety and compliance. After the contracts have been awarded, independent inspectors employed by PennEast, as well as government inspectors, will be on site throughout the construction process to ensure compliance with permits, regulations, industry best practices.



If I farm, how can we guarantee that the construction company will properly restore the soil for future farming?

Proper restoration is required and monitored through the FERC process. After construction, the ROW will be regraded, seeded, and temporary erosion control devices will be installed, per state laws, regulations and best management practices. When the ROW is prepared for construction, any topsoil that is present is stripped off the top and stock piled on the edge of the ROW. Once a pipeline is buried and construction is completed, the top soil will be returned to the ROW and restored to the original grade. Farming activities can resume as they did before construction.

What if I have specific requests regarding restoration?

These requests should be discussed with PennEast representatives early in the process. Each request will be considered and documented in the ROW Agreement.

Whose responsibility is it to maintain the ROW soil and vegetation?

For the portions of the ROW that are not farmed, PennEast will perform routine maintenance on the ROW such as mowing and tree clearing. Areas that wash, subside or are damaged due to natural causes will be maintained and repairs will be performed by PennEast. In areas where landowners use ATVs to traverse the pipeline ROW or cause erosion by other means, it will be the responsibility of the landowner.

Is land used for pipelines unusable for recreation, business or residential use?

Soon after pipeline construction is completed, PennEast's environmental team restores vegetation in the area. Land can be used just as it was before a pipeline was installed as long as no permanent structures are built or trees are planted on the right-of-way.

What construction techniques will you use to ensure that there is no degradation of the streams mandatory buffers?

All stream crossings for the pipeline must be approved by each state's Department of Environmental Protection. PennEast will use normal pipeline construction procedures with the appropriate environmental controls in place.

Will you avoid building in areas that are considered critical natural resources areas?

PennEast will attempt to avoid environmentally sensitive areas. As we conduct surveys and complete our analysis, we will likely make several adjustments to the proposed route in an effort to minimize impacts. This may not be possible in all cases.



If a property owner grants right-of-way access, does that preclude them from entering into any other land agreement, for example, with a drilling company?

The property owner has every right to pursue other uses of its property as long as such uses remain outside of the permanent right-of-way. Drilling, for example, could take place as long as it is outside of the right-of-way; drilling a horizontal well under a pipeline should not be an issue. Drilling companies often look for properties in close proximity to a transmission or gathering pipeline as a means of providing an outlet for their gas.

Once a property owner has agreed and signed a Right Of Way (ROW) to PennEast, can it be used for other pipelines or uses in the future?

No. ROW Agreements will specify that this is a single line easement. There are no current plans to convert this line for purposes other than natural gas transportation. ROW Agreements will specify that the easement is for a natural gas pipeline only.

After the PennEast contract expires in 15 years, is it possible for another company or utility to purchase the pipeline and ROW and use it for their purposes?

Yes, PennEast may be sold just as any other company has the potential to be sold. However, the protections negotiated in the ROW Agreements will run with the land and be unaffected by any change in pipeline ownership.

Does pipeline construction involve tearing down buildings or structures? PennEast pursues all other options and routes before contemplating routes that intersect buildings or structures.



PIPELINE OPERATIONS

What will be the operating psi (*pounds per square inch*) of this pipeline?

As currently contemplated, the maximum allowable operating pressure is approximately 1480 pounds per square inch.

Will the natural gas in this pipeline be in a gaseous form, or be in a liquid form or be both simultaneously?

The natural gas will remain in a gaseous form.

What are the safety issues between these different forms of gas?

The PennEast pipeline will only transport natural gas in a gaseous form; however, liquid products are transferred through pipelines in the same way and have the same safety features.



PIPELINE SAFETY

How does transportation of natural gas by pipeline compare to other modes of transportation?

Pipelines are the safest, most environmentally-friendly and efficient mode of transporting natural gas, according to the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA). In fact, data shows that while natural gas demand has increased, serious pipeline incidents have decreased by 90 percent over the past three decades alone, primarily as a result of significant efforts by pipeline companies to upgrade and modernize their infrastructure. When safety is measured by volume of gas transported, transportation of natural gas by pipeline is much safer than transporting gas by rail or truck.

What safety measures are required?

Safety is PennEast's top priority, adopting design features and operating practices that meet or exceed stringent industry and regulatory standards. US Department of Transportation's (DOT) regulations require pipelines to have safety controls based on the "class" of the locations through which the pipeline runs. These classes are numbered from 1 for most rural to 4 for most urban, using a scale that accounts for the number of homes and population density in proximity to the pipeline.

Most rural areas are likely a Class 1 designation, which means that shut-off valves would be placed every 10 miles. Areas with increasingly dense populations require valve placements at more frequent intervals. Class 2 designations must have valves placed every 7.5 miles; Class 3 designations require that valves be placed every 4 miles and Class 4 designations, which include most towns and cities, require that valves be placed every 2.5 miles. In an emergency, gas can be shut off using these valves.

The PennEast Pipeline will be built, at a minimum, to Class 2 specifications. This includes greater wall thickness than Class 1 pipelines. The PennEast Pipeline will be specially coated internally and externally to prevent corrosion, and, prior to placing in service, PennEast will conduct an X-ray of all welds and a water pressure test at pressures which exceed the maximum allowable operating pressure (MAOP) to ensure all welds can stand up to designed operating pressures.

What level of stress can Class 2 pipeline steel handle vs. a Class 1?

Class 1 is approximately 2,555 psig w/ a 0.72 Design Factor ("DF") = 1,480 psig

Class 2 is approximately 2,466 psig w/ a 0.60 DF = 1,480 psig



What is the level of stress for a Class 3 or a Class 4 vs. Class 1?

Class 3 is approximately 2,960 psig w/ a 0.50 DF = 1,480 psig

Class 4 is approximately 3,700 psig w/ a 0.40 DF = 1,480 psig

In the event of a natural disaster, is your pipeline steel able to handle the stress of earthquakes of 2.0 or greater?

A geo-hazard study will be conducted during the engineering phase. The results of that site-specific study will allow us to design the pipeline in accordance with existing pipeline construction specifications and industry best practices.

In areas that historically have higher risks of natural disaster activity, are you willing to use the highest strength grade steel in pipeline construction?

The current planned grade of steel is X70. Utilizing a stiffer grade steel does not grant as much flexibility of the steel as the current planned grade. The flexibility of steel is important in during an earthquake.

How does PennEast ensure pipelines operate safely?

Safety is PennEast's highest priority when designing pipelines. PennEast adopts design features and operating practices that meet or exceed stringent industry and regulatory standards. PennEast will regularly walk the PennEast Pipeline, conduct leak surveys and send sensor equipment through the line to make sure integrity has not been compromised.

PennEast will continuously monitor (24/7) how much gas is put into the PennEast Pipeline with how much is ultimately delivered to the end user. This is done in real-time through our gas control center. Should any unusual data surface, PennEast will work quickly to address the issue and protect the community. PennEast is also required to perform leak surveys annually and an internal inspection of the line every seven years.

Additionally, the pipeline will be clearly marked at all road crossings, creeks, property lines, and fence lines to minimize the potential for third-party damage.

PennEast will be a member of the 1-Call system (Dial 811) that requires anyone performing excavations to call 3 days prior so that the line can be located and marked in the area of the excavation.



For more information about pipeline safety, please visit the following websites:

- <http://www.naruc.org/Publications/Compendium%20NAPSR%20Second%20Edition100313.pdf>
- <http://www.aga.org/our-issues/safety/SafetyInformationResourceCenter/Pages/default.aspx>
- <http://www.ingaa.org/Topics/Safety.aspx>
- <http://phmsa.dot.gov/pipeline>



ADDITIONAL FREQUENTLY ASKED QUESTIONS

If a pipeline runs from Pennsylvania into a neighboring state, does that open the door for hydraulic fracturing in an adjacent state?

No. First, pipeline construction does not require hydraulic fracturing (a technique used in the natural gas production process to release shale gas). Further, a pipeline that originates in Pennsylvania has no affect on an adjacent state's laws and regulations pertaining to natural gas extraction.

How can I learn more?

The Federal Energy Regulatory Commission, <http://www.ferc.gov>, evaluates whether interstate natural gas pipeline projects should be approved. The U.S. Department of Transportation's Office of Pipeline Safety, <http://phmsa.dot.gov/pipeline>, enforces regulations of the nation's 2.6 million mile pipeline transportation system. If you have questions about the PennEast Transmission project, please email us at answers@pennEastpipeline.com, call us at 844-347-7119 or visit us online at www.pennEastpipeline.com.