

Hopewell Township Questions - Set II

40. Which specific energy intensive industries does PennEast think the pipeline would attract track to the Hopewell Valley?

PennEast has not marketed directly to energy-intensive industries other than natural gas-fired electricity generators. Generally, natural gas service is marketed to industries by local distribution companies, such as Elizabethtown Gas.

41. Will PennEast Pipeline avoid high quality streams, especially “category 1 streams” going through Hopewell Township?

PennEast carefully evaluates impacts to all environmentally sensitive areas including high quality streams and waterbodies. While we first make every attempt to avoid such areas, it may not be possible in all cases. In those cases where we cannot avoid high quality streams, we evaluate construction methods to minimize disturbance utilizing best management practices and mitigate any impacts in accordance with strict regulations.

42. Will there be an arbiter to ensure right-of-way surface restoration is restored to its original use and condition?

Third party inspectors assigned by FERC will oversee construction and restoration on a scheduled basis and will ensure that properties are properly restored in accordance with best management practices and permit conditions enforced by the appropriate regulatory agencies.

43. Will PennEast sell the right-of-ways to others; others who might want to run a parallel pipeline or power line?

PennEast has no authority to grant the use of private property via additional rights-of-ways to other entities nor does it have any plans to do so.

44. If PennEast is building the pipeline to greater standards than required, is that to potentially transport more gas in the future?

The more stringent standards to which PennEast will voluntarily construct the pipeline are solely to enhance safety and will not increase the capacity of the pipeline.

45. When will PennEast preform an environmental impact statement(s)?

PennEast will submit Environmental Resource Reports to the Federal Energy Regulatory Commission (FERC) in July 2015. FERC will be preparing an Environmental Impact Statement (EIS) for the project using a third-party independent contractor.

46. When will PennEast release the environmental impact statement? Will you put it on the website, send to municipalities?

FERC will post the EIS on its website.

47. Will the environmental impact statement take into consideration environmental impacts of natural gas production?

The proposed PennEast project does not include any natural gas production. FERC will determine if they believe an assessment of production is warranted in the EIS.

48. Instead of spending \$1 billion on a pipeline has PennEast considered spending that money on windmills?

No. PennEast is confident the energy it delivers is more economical, safer, and environmentally beneficial when considered as a whole versus any other form of energy. The alternatives analysis that is part of the FERC filing and the EIS will address alternative energy sources.

49. How is PennEast crossing surface water bodies in NJ that are protected by "category one buffers?"

The Department of Environmental Protection (DEP) has specific guidelines which we will follow when it comes to protecting riparian buffers. Those buffers will be replanted when crossed or will be avoided using trenchless construction (horizontal directional drilling).

50. What is a compressor station?

A compressor station is a facility along a natural gas pipeline that increases the pressure of the natural gas to facilitate its movement across large distances. It is akin to a pumping station for a water distribution system

51. How many compressor stations are planned for New Jersey?

None.

52. How much land is disturbed on either side of the pipeline during construction?

Generally, the disturbed area during construction is 100 feet in width, which includes 50 feet of the permanent right-of-way where the pipeline is located and 50 feet for temporary workspace for construction activities. The temporary workspace area reverts to the full use and enjoyment of the landowner. In some areas, the temporary workspace may need to be expanded to accommodate additional setup for certain construction activities such as road, waterbody or wetland crossings, side slopes, etc.

53. Is there a compressor station planned for Blackwell Road?

No.

54. Will any compressor stations be located near Hopewell Township?

No.

55. How many landowners in Hopewell Township have been contacted for survey permission?

There are 80 tracts of land within the 400 foot study corridor in Hopewell. At least one set of certified letters have been sent to each of the landowners. In addition, follow-up calls and outreach has occurred.

56. How many landowners in New Jersey have been contacted for survey permission?

There are 351 tracts of land within the 400 foot study corridor in New Jersey.

57. How many of the landowners contacted have agreed to grant PennEast survey permission?

PennEast continues to make progress securing survey permission from property owners in the survey corridor. The corridor is subject to shifting as a result of information gathered through property owner engagement and field survey, which causes the number to change regularly.

58. How many landowners in Hopewell Township have already told PennEast they do not want the pipeline on their property?

Some property owners in Hopewell have chosen to deny access to survey their properties. An important element to the overall success of routing a pipeline like PennEast is maintaining an open dialogue with property owners, which begins with field surveys. This dialogue will ensure that the pipeline is not routed through culturally or environmentally sensitive areas.

59. What are the revenue benefits to the municipality, now and in the future? Are there any tax benefits?

The municipality will receive property tax payments from the pipeline. However, the annual amount of property taxes is currently being evaluated by the municipal tax assessor who can provide further details.

60. Will property owners continue to have to pay property taxes on the land occupied by the right-of-way?

Property owners will continue to own the land and will continue to be responsible for paying property taxes on their land after the pipeline is installed.

61. Can PennEast explain how you connect to local distribution lines along the route?

PennEast will be an open access interstate transmission pipeline. Therefore, it will make available, at the request of interested parties, access to its pipeline and the supplies therein. All parties, including local distribution companies, interested in interconnecting with PennEast must be qualified to operate their respective facilities and execute an interconnection agreement where costs and facility design are arranged.

Interconnecting parties must also make arrangements to procure natural gas supplies from existing PennEast customers or contract for capacity on PennEast to transport their own supplies.

62. Will the transmission line connect to other customers aside from utilities, such as different townships?

See response to question 61.

63. How will PennEast specifically mitigate the climate impact of the project?

Natural Gas is the cleanest burning fossil fuel and offers many benefits that result in lower levels of emissions of greenhouse gases and other pollutants, particularly as it relates to electric power generation. Environmental benefits are also realized when homes or industries convert from oil to natural gas.

64. How does the project reduce New Jersey's dependence on fossil fuels?

The number of homes and businesses that continue to convert from oil to natural gas, as well as electricity generators converting from coal and vehicles converting from gasoline and diesel fuel are all significant in reducing overall carbon and other emissions. Natural gas is the cleanest of all fossil fuels and it is produced in the United States. The project will support other measures in the New Jersey Energy Master Plan to reduce the state's dependence on internationally imported fossil fuels.

65. Who are the people, users, or communities that are seeking that the pipeline be built?

Natural gas demand in America has increased by 7 trillion cubic feet since 1990. The emergence of various shale plays in the United States has resulted in an acceleration of that demand, and that is manifested locally by the thousands of homes and business owners in Pennsylvania and New Jersey which are converting to natural gas every year. In addition, coal-fired electricity generators are converting to natural gas and their demands continue to increase. In order to fulfill the growing demand of the millions of power and natural gas customers, and to mitigate or avoid the pipeline congestion and resulting high costs experienced in the mid-Atlantic region during cold weather conditions,

local distribution companies and electricity generators in Pennsylvania and New Jersey are requesting this pipeline.

66. Who are the end users of the natural gas flowing through the pipeline? Do the end users include customers in Hopewell Township?

Homeowners, business owners and power generators are the end users, including any customers in Hopewell Township served by Elizabethtown Gas.

67. Who is PennEast buying natural gas from?

PennEast will not purchase the gas moved through the pipeline. Much like Federal Express does not purchase the packages it delivers, PennEast moves gas owned by its shippers.

68. What is the lifespan of a shale gas well? How much natural gas is the Marcellus Shale forecast to hold? With the growth of pipelines, how long will Marcellus Shale natural gas last?

Industrial shale gas wells are expected to last over 40 years, though every shale play is different. The Marcellus and other formations above and below the Marcellus have only recently started development and it will take decades to drill all projected wells there. The Energy Information Association estimates there are 2,203 trillion cubic feet (Tcf) of technically recoverable gas in the United States which is projected to last 92 years based on an annual consumption of 24 Tcf per year.

69. With existing and other proposed natural gas pipelines, why do we need the PennEast Pipeline?

Capacity on existing pipelines is insufficient for demand that has been steadily increasing over the past several years. During times of peak demand, this translates into extraordinarily high energy prices. The only way to solve the problem is to increase capacity. Development has encroached on existing pipelines to the point that installing a new pipeline alongside an existing pipeline is impossible in many instances. When feasible, Penn East will co-locate the pipeline near existing right of ways.

70. Why couldn't PennEast plan its pipeline alongside other proposed pipelines?

See response to Question 69.

71. Comparing a 30" pipe to a 36" pipe, are there any differences in size of the right-of-way required, land disturbed, compression stations required, or any other concerns we should be aware of?

One benefit of a 36" pipeline is that fewer compressor stations will be required. With the 30' pipeline design, two or possibly three compressor stations would have been required along the route. The current plan is for one compressor station along the northern part of the pipeline route. There is little or no difference in the design parameters of a larger pipeline.

72. Can PennEast share with us the list of property owners that were sent survey letters?

Out of privacy concerns for property owners, we do not publicly share the list of property owners we have contacted.

73. Why doesn't PennEast know why accidents happen, so PennEast can prevent those accidents on the PennEast Pipeline?

PennEast and its partners constantly monitor incidents throughout the industry to ensure we are utilizing best practices to prevent future incidents. We also participate in various industry organizations to stay abreast of latest developments with respect to design, construction, operation and maintenance practices that further reduce the risk of incidents. While incidents unfortunately do infrequently occur, it is worthwhile noting that while natural gas demand has increased significantly, serious pipeline incidents have decreased by 90 percent over the past three decades alone. This trend is primarily the result of significant efforts by pipeline companies to upgrade and modernize their infrastructure, as well as safety improvements in pipeline manufacturing, construction and post-construction monitoring and maintenance.

74. It looks like PennEast is going near the Mt. Airy pumping station, right on 202, why didn't you look at coming right up the middle of 202, and then right up 31 so you are not disturbing any private land?

To the extent that the New Jersey Department of Transportation would even consider allowing PennEast to construct a pipeline in the road right-of way and to close those roads during construction, that alignment would not provide a delivery point that is consistent with many customer needs.

75. Why can't PennEast locate near the Transco pipeline?

See response to Questions 69.

76. Does the pipeline have to run through forests, farmlands, preserved areas, wetlands, and rivers?

PennEast conducts the pipeline routing process by examining known areas of concern including environmentally and culturally sensitive areas, homes, structures and population centers, areas conducive to safe construction and operation of the pipeline and other factors that information is considered. While balancing the objectives for what the project is designed to accomplish, namely, delivering supplies and reducing pipeline congestion in key areas identified by PennEast's customers.

77. Can PennEast put the pipeline under streets?

While it is possible from an engineering standpoint to put the pipeline under streets in a congested or populated area, we prefer to avoid such areas whenever possible.

78. Will PennEast increase its transparency, and in particular share how PennEast arrived at your current route and how and when you're making changes?

Route changes will be communicated in FERC monthly reports submitted as part of the pre-file process. PennEast has been and will continue to be fully transparent with the process it is going through to develop the route of the pipeline.

79. Who and what is FERC, and who is their leadership?

The Federal Energy Regulatory Commission is an independent agency that regulates the interstate transmission of electricity, natural gas, and oil. FERC also reviews proposals to build liquefied natural gas (LNG) terminals and interstate natural gas pipelines as well as licensing hydropower projects. FERC is composed of up to five commissioners who are appointed by the President of the United States with the advice and consent of the Senate. Commissioners serve five-year terms, and have an equal vote on regulatory matters. For more information about FERC, visit www.ferc.gov.