



January 23, 2015

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: PennEast Pipeline Company, LLC, Docket No. PF15-1-000

Dear Ms. Bose:

On October 10, 2014, the Director of the Office of Energy Projects issued a letter in the above-referenced docket approving the request of PennEast Pipeline Company, LLC ("PennEast") to commence the Federal Energy Regulatory Commission's ("Commission") Pre-filing Review Process for the proposed PennEast Pipeline Project ("Project"). The Commission Staff, in its Notice of Intent to Prepare an Environmental Impact Statement dated January 13, 2015, established a scoping period to gather input from the public, interested agencies and stakeholders on the Project. In accordance with the Commission's regulations, PennEast will respond to all issues raised during the scoping period within 14 days of the end of the period. As requested by the Commission Staff, however, PennEast hereby responds to comments filed by Ms. Alice Orrichio on January 17, 2015, regarding the types and levels of insurance that PennEast and its subcontractors will have in place in the event of a pipeline incident during the construction or operation of the Project.

Given the stage in the development of the Project, PennEast is still evaluating, and has not yet acquired or required any subcontractor to acquire, insurance related to the construction or operation of the Project. Affiliates of PennEast own and operate major domestic distribution, midstream and transmission pipeline assets and other related infrastructure throughout the Northeast and in other parts of North America. PennEast will have sufficient types and amounts of insurance commensurate with similarly sized companies, with similar types of assets, to appropriately respond to a pipeline incident. Further, PennEast will require its subcontractors to maintain appropriate types and amounts of insurance commensurate with their respective construction responsibilities.

Ms. Orrichio states that PennEast has indicated that it will maintain appropriate insurance and that its insurance will comply with Commission requirements. While the Commission considers whether a pipeline project will be constructed and operated safely and typically requires an applicant to commit to comply with all Department of Transportation safety requirements, the Commission does not have any explicit requirements regarding the types and levels of insurance to be maintained. However, the Commission has considered in prior orders whether an applicant has indicated that it will maintain customary insurance in determining

Ms. Kimberley D. Bose, Secretary

January 23, 2015

Page 2

whether the applicant would safely construct and operate a proposed project.¹ In accordance with these prior orders, PennEast will, and require its subcontractors to, carry insurance, which is commensurate with similarly sized corporations and similar types of assets, to appropriately respond in the event of a pipeline incident.

Should you have any questions regarding the foregoing, please contact me at (610) 406-4322.

Sincerely,

/s/ Anthony C. Cox

Anthony C. Cox

PennEast Pipeline Company, LLC,

By its Project Manager

UGI Energy Services, LLC

cc: Medha Kochhar (FERC)
Kandilarya Barakat (FERC)

¹ *Texas Eastern Transmission, LP, et al.*, 141 FERC ¶ 61,043 at P 117 (2012) (determining that a project will be constructed and operated safely without further requirements based on the applicants' representation that they will "carry insurance, which is commensurate with similarly sized corporations and similar types of assets, to appropriately respond in the event of a pipeline incident" and the other Commission requirements imposed on a project's authorization); see also *Sawgrass Storage, L.L.C.*, 138 FERC ¶ 61,180 at P 23 (2012) (noting that the company "will maintain adequate levels of liability and other insurance to ensure protection in the unlikely event of an incident involving its facilities.").