



Frequently Asked Transmission Pipeline Questions

Who is PennEast, LLC?

PennEast was formed by the partnership of AGL Resources, NJR Pipeline Company, South Jersey Industries and UGI Energy Services (UGIES). Combined, these partners have been safely and reliably delivering energy to Pennsylvania and New Jersey customers for over 370 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. In the short-term during pipeline construction, numerous jobs are created for construction crews. These crews have a spillover economic affect on local restaurants, hotels and retailers. Long-term, local communities benefit from property taxes paid during the ongoing operation of the pipeline. But more importantly, pipelines play a major economic development tool as energy intensive industries and facilities look to site their operations - and jobs and tax base - near natural gas pipelines.



PERMITTING & SITING

Who decides if a pipeline project gets built?

Interstate natural gas pipelines 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).

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.



When construction is active, how much land will be impacted?

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.

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

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.

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.

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.

Does pipeline construction involve tearing down buildings or structures?

PennEast pursues all other options and routes before contemplating routes that intersect buildings or structures.

**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 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.

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. Should any unusual data surface, PennEast will work quickly to address the issue and protect the community.





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 effect 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.