Hopewell Township Questions (Part I – Engineering/Construction)

1. **What is the piping being designed on?**

   The pipeline will be designed to Title 49 CFR Part 192 regulations and other applicable codes such as ASME B31.8. The pipe is milled to API 5L specifications.

2. **What is the pipe strength? The yield?**

   The pipeline will be X70 grade carbon steel, which has a yield strength of 70,000 psig.

3. **What type of material?**

   The pipeline material will be carbon steel.

4. **What is the design pressure?**

   The maximum allowable operating pressure of the pipeline will be 1480 psig.

5. **What is the corrosion allowance?**

   While there is no standard for corrosion allowance when designing the pipeline material, the pipeline is designed and installed with certain features to combat the act of corrosion, including a special coating on the external surfaces of the pipeline and an active external corrosion prevention system called cathodic protection. Through periodic monitoring operations, we will have the ability to measure and track the thickness of the pipeline to ensure corrosion is not affecting the installed facilities. Further, the designed wall thickness will have additional tolerance to ensure even minor corrosion is not a problem. Given the combination of today's pipeline design requirements, coating material, cathodic protection systems, and monitoring activities, corrosion will not be a safety issue.

6. **What is the pipe coating?**

   The pipeline will be coated with a Fusion Bonded Epoxy (FBE) coating, which is a polymer designed to protect the carbon steel from corrosive elements. Upon installation of the pipeline, a test is conducted to ensure the coating integrity is maintained prior to the pipeline going into service.

7. **How many routes have been altered due to opposition from community groups?**

   The development of a pipeline route is an iterative process. PennEast began this process by examining known areas of concern including environmentally and culturally sensitive areas, homes and other structures, areas conducive to safe construction and operation of the pipeline, etc., while balancing the given objectives for what the project is designed to accomplish, delivering supplies to key areas identified by our customers. During the development period, we will work with local landowners and communities impacted by the project to attempt to address their concerns. An important element to the success of routing a project like PennEast is maintaining a dialogue with property owners, which begins with field surveys. Maintaining a dialogue with our project team is extremely important to ensure that the pipeline is not routed through culturally or environmentally sensitive areas.

8. **What are you going to do to restore impacted areas and also compensate homeowners for loss of property value due to the easement?**

   We restore properties to their original condition wherever possible. To the extent we cross areas with trees, we must keep the permanent easement clear in order to perform monitoring and surveillance as required by best management practices and regulations. Farmland and crops are able to be replanted upon final restoration. Methods of restoration will vary according to the type of land the pipeline is traversing. The Federal Energy Regulatory Commission (FERC) approved Best Management Practices (BMPs) will be used during the restoration process in consultation with property owners.

   There are millions of miles of pipelines throughout the country and, thus, there are a considerable number of properties with pipelines. There is no credible study or evidence to suggest a correlation exists between property values (positive or negative) and proximity to a pipeline. We compensate landowners fairly given readily available data on local property values and considering the potential use of the affected areas. Again, an early and ongoing dialogue with property owners will allow PennEast to route the pipeline in mutually acceptable areas to minimize impacts to properties. This process has been successfully employed for decades.

9. **You are going to hook up at point B, is there any other place away from a populated area that you could hook up into that pipeline and avoid this mess?**

   When choosing a connection point, multiple items are considered, including pressures, volumes, and location, along with the existing infrastructure and its ability to handle the need. In locations where alternativetie-in points are available along the interconnecting pipeline, the overall impact of revising the pipeline route and tie-in location must also be considered. Once these impacts have been considered, the appropriate final tie-in locations are chosen

10. **What is the average compensation that is being provided to landowner for a right of way?**

    At this time, PennEast has not begun the easement acquisition process; however, individual land values are being researched. With properties on the proposed pipeline varying from forested to suburban areas, this will bring a wide range of compensation to the project, but we will fairly compensate impacted property owners.

    Compensation will be based on local market values. In addition, to the extent that we impact areas during construction, such as farmland and crops, we provide extra compensation to the property owner for these temporary impacts.

11. **How will the proposed pipeline cross the Delaware River?**

    The Delaware River will be crossed utilizing the Horizontal Directional Drilling (HDD) method, which eliminates disturbance of land immediately adjacent to the river to avoid any direct impact to the water quality.

12. **Has any pipeline projects at this current stage been denied by FERC?**

    At this stage, PennEast has successfully demonstrated the need for this project as evidenced through the binding interest expressed by the entities who have subscribed to its capacity during the open season. FERC evaluates the purpose and design of all projects to ensure they fulfill a required need while minimizing impacts. The status and outcome of all projects reviewed by FERC can be found on FERC's website at www.ferc.gov .

13. The A & B points that you need to connect, why were they selected and if you are going to file that information with FERC in 30 days or 90 days you ought to have it available for us tonight.

The purpose of the meeting was to inform officials of the coming pipeline and give as much information as was possible at the time. As mentioned in the answer to question 9 above, the interconnecting points are still in the process of being reviewed. Even after being filed with FERC, their process allows for additional changes as more information is gained about the project and the potential sites. The routing process is iterative and considers many factors that will result in changes being incorporated for several months. Currently active routes can be found on FERC's website by searching docket number PF15-1-000.

14. Regarding restoration, will the subsurface hydrology be restored and if so, how?

In areas where there are prevalent subsurface hydrology issues, a triple ditch method will be used. An example of triple ditch is where there is a top soil layer, sub soil layer, and a gravel/rock or glacial till layer evident in the trench. This process is monitored and inspected during construction helping keep the underground hydrology in place.

At locations where underground hydrology features cross the pipeline, trench plugs can be used to keep the water flowing across the pipeline.

15. I am wondering whether you have done a feasibility study, what type of criteria you used for evaluating your options and where that feasibility study is so we can review it.

Yes, an initial feasibility study was performed. The initial feasibility study considers known environmentally and culturally sensitive areas, structures, constructability, materials, land acquisition. We establish the initial route in a way that minimizes impacts based on the results of the initial feasibility study. As surveys are completed, further route changes are considered due to physical, environmental and other factors requiring the feasibility study to be updated and reevaluated. It is important we have an opportunity to identify sensitive areas via field surveys at this early stage in order to minimize negative impacts. As part of our FERC pre-filing, the results of these initial studies will be made available to the public.

16. What other alternatives are available to reach your goal which might be moving gas from one point to another?

Pipelines are the safest, most environmentally-friendly and efficient means of transporting energy, 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. We believe this is especially true today, based on improvements in pipeline manufacturing, construction and post-construction monitoring and maintenance practices.

Hopewell Township Questions (Part II – Environmental)

17. What impact will it have on the flow on the river and the condition downstream?

We are proposing the Delaware River be crossed using a horizontal directional drill (HDD). Engineering and geotechnical studies are ongoing to identify the placement and depth of the HDD. These studies will identify an appropriate geologic substrate for the drill. At this time it is projected that the HDD entry and exit points will be greater than 500 feet from the banks of the River. Appropriate erosion and sediment controls will be established around the perimeter of the drill sites in accordance with Federal, State and County permit requirements. There will be no impacts to the flow of the river or condition of the downstream waters.

18. What are you going to do to guarantee the safety of our drinking water and our wells, not just at construction but if there is a leak or pipeline breach?

Construction of natural gas pipelines occur at depths that do not impact drinking water resources or wells. The majority of the pipeline will be installed 3 to 6 feet below ground level, whereas drinking water resources are typically much deeper. However, in accordance with FERC requirements, PennEast will identify public and private groundwater supply wells or springs within 150 feet of the proposed construction work area. In the unlikely event of a leak or breach in the pipeline, the natural gas will rise to the ground surface and dissipate in the air. There are no liquids in the pipeline that would be released to the groundwater.

19. What do we get to drink during those day and weeks that you are repairing the pipeline?

Please see Response 18

20. How can you restore a wetland?

Wetlands will be constructed and restored in accordance with FERC, US Army Corps of Engineer, and Pennsylvania and New Jersey state regulatory requirements and permit conditions. A copy of the 2013 FERC Wetland and Waterbody Construction and Mitigation Procedures is attached for your review.

21. How can you make a public park look good with a pipeline going through it?

PennEast will work closely with the applicable agencies with jurisdiction over public open space, parks, and game lands on potential alignments, construction timing and mitigation & restoration requirements. Interstate pipeline projects have been safely constructed through a wide variety of open space and parks. Ground contouring to restore topography, specific seed and flower mixes, shrub and tree plantings, addition of nature and bike trails, and windrowing of rocks to create habitat are just a few of the different measures that have been implemented.

22. What measures will be taken to restore wells?

Please see Response 18

Hopewell Township Questions (Part III – Business Development)

23. How much of this will eventually be exported?

Without equivocation, international exporting of natural gas via PennEast has never been discussed with any of our partners or customers. None of PennEast's delivery points include international export terminals. While we do not control what our customers ultimately do with their supplies, demand for natural gas proximate to PennEast's delivery points is expected to consume all gas moved through PennEast.

The overwhelming majority of the capacity on the project is subscribed by entities that serve over 5 million natural gas and electricity customers in New Jersey and Pennsylvania. The direct access to abundant natural gas supplies being produced in Pennsylvania will provide the region with abundant, lower cost and environmentally friendly natural gas. Homeowners, businesses, power generators and other industry need access to low cost energy to save costs, remain competitive, and retain or employ more individuals. The average UGI utility residential customer in Pennsylvania has saved over $700 per year since 2008 due to the abundant, low cost supplies reaching its markets. While New Jersey and southeastern Pennsylvania customers have also realized some benefits of lower costs of natural gas over the past few years, they are still subject to significant price spikes during peak usage periods both in their natural gas and electric bills. This was evidenced during this past winter when a market price in the NJ area peaked near ~$140 per Dth, while the price in the producing area at the starting point of PennEast remained near the $5 level. The differential in natural gas prices was primarily due to existing pipeline constraints in the New Jersey and southeastern Pennsylvania market areas.

The high gas prices also had a negative effect on electric prices, resulting in some consumer electric bills that were two to three times higher than their typical January and February bills.

24. I'm trying to understand the economic benefits of this pipeline, what is it going to deliver to the township? We are clear Pennsylvania gets the revenue from all the fracking operations, downstream users the benefit of low gas, what do we get?

Local natural gas utilities along the project will have increased opportunities to provide natural gas service to consumers who were previously unable to realize the benefits of natural gas services due to lack of infrastructure. Particularly in Hopewell Township, Elizabethtown Gas will have access to supply new extensions of its distribution system from PennEastThereby enabling homeowners and businesses throughout the region currently consuming higher costs sources of energy to benefit from the newly created access to lower cost and environmentally friendly natural gas. Finally, the natural gas moved through PennEast to markets in New Jersey will help to keep natural gas prices low, particularly in times of high demand. This will have a dampening effect on electricity prices, as well, as much of New Jersey's electricity is produced from natural gas. Lower energy costs will help New Jersey businesses to maintain and/or improve their competitive position. Stronger businesses lead to employment retention/gains which should help to keep personal taxes lower. In addition, PennEast will prioritize the use of qualified local suppliers and union labor to construct the project, providing a direct economic stimulus to the local area.

25. How many of these pipelines have you been involved with in different places?

The owners of PennEast have operated thousands of miles of pipelines in Pennsylvania, New Jersey and elsewhere for many, many decades.

26. How many other pipelines has PennEast built?

PennEast is a partnership formed specifically to build and operate this pipeline by entities with extensive experience operating natural gas facilities.

27. I'd be interested to know whether Elizabethtown Gas engages in the resale of gas to other companies or is this gas just for customers.

Elizabethtown Gas is a long established natural gas distribution company in New Jersey. It sells and delivers gas to 276,000 industrial, commercial and residential retail customers.

28. With the efficiencies that you hope to gain by providing a pipeline, what type of commitment is going to be made by PennEast or anybody that is part of the conglomerate for the advantage of clean energy?

PennEast believes renewables can play a role in the overall energy mix evidenced by the fact that many of the PennEast partners have made significant investments in renewable energy and energy conservation projects. However, when one considers the permanent impact to land, replicating the equivalent energy of PennEast via solar power generation based on the National Renewable Energy Laboratory 2013 report, we estimate that solar generation would impact approximately 346 square miles of land compared to the approximately 1 square mile of land impacted by PennEast.

29. So I ask the people behind me and the people in front of me to think for one moment if all the money that PennEast is sinking into this pipeline went to clean renewable energy what would that mean?

Please see response to Question 28.

30. How does a private company get the right of eminent domain?

This authority is provided for interstate pipeline companies under the provisions of Federal law. If FERC determines that an energy project is required for the convenience and necessity of the public, they will issue a certificate that approves the siting of it. If, after receiving a FERC certificate, PennEast is unable to acquire the property rights it needs by direct negotiation with landowners, it may exercise this right.

31. Why does PennEast get that right?

PennEast will only acquire the right of eminent domain if FERC certificates the project and PennEast will only exercise that right if it is unable to obtain the property rights needed for the project through private negotiation. We make every reasonable effort to reach an agreement with landowners before this is contemplated or exercised.

32. When they come to get permission for signing the survey permission, what are their tactics that they use?

All land agents have been trained and instructed to be courteous and professional in all of their interactions with property owners. PennEast does not condone the use of threats or intimidation of any property owners and any claim that such methods are being employed by any of its land agents will be dealt with swiftly and appropriately. The process begins by sending out certified letters to all potential property owners within a 400 foot wide survey corridor as well as to potential abutting property owners up to 1,000 feet on either side of the survey corridor. Following the letters, land agents will make attempts to telephone property owners and discuss the project or set up an in-person meeting to discuss the project. If they are not able to reach the property owner by telephone, land agents will attempt to introduce themselves in person and will carry appropriate identification. If no one is at home, they will leave contact information at the door. The land agents have received training on the project and have a draft Survey Permission Form for land owners to review describing the survey process and, based on discussions with the property owner, may ask them to sign the Survey Permission Form.

33. What happens if every owner in Hopewell Township contacted by PennEast says no thanks?

Our experience is that due to our ongoing efforts to work cooperatively with impacted property owners and due to the importance of the project, we believe a scenario where all property owners would choose not to work with PennEast to be unlikely and unfortunate. PennEast is committed to the project and to the extent property owners choose not to cooperate, they will lose an important opportunity to participate in the routing of the project. For example, it is common that upon receiving cooperation from a property owner to conduct field surveys, we will discover certain issues that we will proactively seek to avoid. This opportunity will be missed as we move further into development and must finalize routing for permit submittals and ultimately, request FERC approval.

34. If everybody in Hopewell Township votes no, does referendum get listened to?

FERC will consider all comments issued as part of their evaluation process and the results of the third party Environmental Impact Study (EIS).

35. How much money have you invested into up until this point?

PennEast will invest approximately $1 billion to develop the project. For various commercial, legal and competitive reasons, it is not appropriate to share our current investment position. The majority of the cost to develop a pipeline project is associated with materials and labor. That being said, a significant economic impact will be realized by local communities due to the development and operation of the project.

36. What were your motivations for incorporating in DE when there is no physical presence in DE?

Like many other existing businesses in New Jersey and Pennsylvania who are incorporated in Delaware, PennEast will represent a significant economic impact to the local communities where its employees and facilities are physically located.

37. 0.16 billion cubic feet committed to somebody else, who and will it go oversees? Is there a possibility it will go oversees?

See response to Question 23, Part III.

38. How many other pipelines are in the planning stages in this area, through NJ?

There are a number of interstate and LDC pipeline projects planned or underway in NJ. Some of these projects are operation and maintenance projects that are part of Integrity Management Programs, and others are expansion projects with laterals to specific industrial or utility clients, or upgrades to systems to move additional volumes of gas to customers or to enhance reliability. With that said, PennEast is unique in its design and no other project will provide the benefits associated with this project.

Hopewell Township Questions (Part IV – Safety)

39. What is your safety record?

Although PennEast Pipeline, LLC is a newly formed entity and therefore, does not have a safety record, per se, its partners have a long history of providing natural gas safely. 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 a number of safety measures that must be designed and built into the applicable facilities. These include, but are not limited to, design of pipeline material, testing procedures to ensure the pipeline can more than adequately operate within the designated operating pressure limits, corrosion and cathodic protection system design, valve spacing, testing and qualification of employees, ongoing monitoring and inspection of the pipeline facilities, internal inspection of the pipeline, welding procedures and testing, including X-ray of 100% of the welds on the pipeline, pipeline depth, public awareness programs, odorization requirements, and ongoing integrity management programs. 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 (24/7/365) how much gas is transported through the system, the operating pressures and temperatures throughout the system, and other critical operating data, done in real-time through our gas control center. Should any unusual data surface, PennEast will immediately dispatch field personnel to address the issue and protect the community.

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 national 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.

As mentioned in a prior response, pipelines are the safest, most environmentally-friendly and efficient mode of transporting energy, according to the U.S. Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA).