

Holland Township Questions and Answers for Proposed PennEast Pipeline

1. **Once a property owner has agreed and signed a Right Of Way (ROW) to PennEast (*for an easement for the proposed pipeline*), can PennEast:**
 - A. **Use it for other pipelines in the future?** No. ROW Agreements will specify that this is a single line easement.
 - B. **Use it for other utility purposes in the future?** 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.
 - C. **In the future, sell the ROW including the pipeline to another company or utility that may use it for their purposes after the PennEast contract expires in 15 years?** 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.

2. **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’ desire to relocate the pipeline will be considered through a process, but a change will not be guaranteed that without reasonable cause or evidence of existing plans that is affected by the current route. Once a final route is approved by FERC, there is little that PennEast can do to modify the route.

3. **Your website mentions that all soil will be returned, re-graded, and vegetation will be restored after the pipeline is installed. Will you put this and anything the property owner wants done to restore their property to its original state “in writing” in the ROW agreement that you sign for each property owner?** Yes. Proper restoration is required and monitored through the FERC process. Specific requests regarding restoration should be discussed with PennEast representatives early in the process. Each request will be considered and documented in the ROW Agreement.

4. **Pipeline installation**
 - A. **Does PennEast use their own crews to install the pipeline or do you use outside contractors?** Outside contractors will be used for this project.
 - B. **If outside contractors are used, how will you make sure they don’t cut corners in order to increase their profit margin on their accepted bid?** Multiple contractors will be allowed to bid on the project and PennEast will assess each contractor’s history and commitment to safety and compliance as part of the bid review process. 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.

5. On your website you say that the minimum depth of the pipeline will be 30" to 36".

A. How will you ensure that this will be the case? 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.

B. Will you rework any area that is found to be less than this depth? Yes. Adjustments will be made prior to the construction contractor demobilizing from the project.

C. Will you put that in writing to Holland Township or to any property owner who requests it? Yes. The depth restriction will be incorporated in ROW Agreements and legally enforceable.

6. Much of Holland Township has shallow soil on top of bedrock, especially the wooded and steeply sloped parts of town.

A. If you encounter such conditions, will you have to blast in order to bury the pipe at sufficient depth? Yes. Bedrock will be hammered when possible and blasted only where it is required to maintain production. We have no desire to employ this technique unless it is absolutely necessary.

B. Will you bury the pipe less than the minimum depth of 30"? No. 36 feet minimum depth will be set by PennEast as the required depth regardless of soil conditions.

7. Above grade pipelines

A. 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.

B. If so, what are those reasons? These appurtenant above-ground facilities are required for the safe and reliable operation of the pipeline. Valves and meter stations could be placed in the Holland Township area. As the project progresses, these locations will be finalized and identified through the review process.

8. Almost all of the streams in Holland Township are classified by the NJ DEP as Category 1 (C-1), the cleanest water in the State. All of these streams have a mandatory 300 foot buffer on both sides (the width of a football field) that cannot be intruded upon. It would be impossible to find a route in Holland Township that won't cross several of these streams and their buffers. What construction techniques will you use to ensure that there is no degradation of the streams and associated buffers? All stream crossings for the pipeline must be approved by each

state's Departments of Environmental Protection. PennEast will use normal pipeline construction procedures with the appropriate environmental controls in place.

9. Your website mentions that this proposed pipeline will be built at a "minimum" as a Class 2 pipeline even though it is designated a Class 1.

A. Will any part of this pipeline in Holland Township be built as a Class 1 pipeline? All Class 1 and Class 2 areas will have Class 2 pipe installed. Mainline valves will be spaced according to the appropriate class.

B. If so, will you be willing to forego that and make sure in Holland Township it is all Class 2? Class 2 pipe or greater will be installed in the Holland Area.

10. If you build the pipeline as Class 2--which has thicker steel than a Class 1

A. Can you use the designated Class 1 shut-off valve and pipe venting locations? Yes.

B. As residents of a rural area, we like our rural look and shut-off valves and above ground pipe vents are not "naturally" found in rural areas. The less the disturbance to our natural, rural look the better. PennEast has successfully accommodated similar requests with private landowners and other stakeholders on other projects. We will make every effort to do the same in Holland Township.

11. Pipeline Pump/Compressor Stations

A. Will there be a Pumping or Compressor Station(s) or any other station located anywhere in Holland Township? No.

B. If so, where? As currently contemplated, all compression for the pipeline will be sited at upstream locations.

12. Holland Township is in the process of conforming to the Highlands Council's regional Master Plan. In November of last year we adopted the Highlands Environmental Resources Inventory as part of our Holland Master Plan.

A. Will you avoid building in areas the Highlands Council identifies as 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.

B. When will we know the exact proposed route of the pipeline so we can begin comparing that route to GIS data on environmental resources? Once the pre-filing review of the project is commenced with the Federal Energy Regulatory Commission ("FERC"), we will have 60 days to clearly define the project route. This will most likely be in January 2015.

- C. How will your company work with the Highlands Council?** PennEast will contact Council representatives early in the pre-file phase and make reasonable efforts to fully understand and address the issues related to their goals and objectives.

13. Operations of the pipeline

- A. 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.
- B. What safety issues are there with this level of operating psi?** PennEast is committed to designing, constructing and operating the pipeline that meet or exceed stringent regulatory and industry standards such as using thicker pipe than required; using the latest technology in corrosion control, including a fusion-bonded epoxy that provides increased durability; placing shutoff valves a minimum of every 10 miles; using x-ray during construction to ensure joints are welded properly; and conducting an integrity test of the entire pipeline prior to placing it into service.

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>

14. Product information

- A. 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.
- B. 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.

15. You mention on your website that PennEast will conduct safety inspections and leak surveys on a routine basis. What will be the routine time frame for these inspections and leak surveys?

PennEast will monitor gas pressure along the pipeline 24/7 in real-time through our gas control center. PennEast is also required to perform leak surveys annually and an internal inspection of the line every seven years.

16. Once a pipeline is deemed completed, inspected, and is operational

A. 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 or subside due to natural causes will be maintained 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.

B. Will PennEast come back and repair any damages that occur in the ROW from natural disasters, erosion, or something that happens beyond the property owner's ability to prevent? Yes. PennEast is responsible for maintaining the ROW at all times while the pipeline remains in operation.

17. Specified Minimum Yield Strength (SMYS)

A. 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

B. 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

C. What grade of steel will this pipe be (X60, X65, X70, or X80)? It is currently planned to utilize X70 Grade carbon steel.

18. Pipeline coating

A. Will this pipe be anticorrosion coated both outside and inside? The pipe is currently planned to be both externally and internally coated. The external coating is for corrosion while the internal coating is mainly for efficiency due to lower friction.

B. If Holland Township finds it is not, will you put in writing to Holland Township that you will remove it before final completion of the pipeline in Holland Township? The coating of the pipeline will be inspected prior to installation so any coating issues will be identified far in advance of final completion.

19. In this area, Holland Township, we have had seismic activity in the past. In fact, Holland Township is the only western area in the State of New Jersey that has recorded seismic activity. According to the USGS (United States Geological Society) website we have had 4 earthquakes in Holland Township that have been equal to or greater than 2.0 magnitude over

the past 10 years. When you look back further, we have had 12 earthquakes in the past 35 years. Of those 4 in the past 10 years, 1 was a magnitude 3.8 with an epicenter located almost directly across the street from where we are right now (Whispering Pines Hall).

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.

20. Given our past seismic activity and assuredly our future seismic activity, would you be willing to use the highest strength grade steel to build this pipeline through Holland Township? 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.

21. Pipeline routing

A. When will we be given a detailed map of PennEast’s proposed route in Holland Township — and indeed, the complete route through New Jersey, along with the two alternate routes that PennEast is required to submit as part of its application to FERC?

As stated, the project route will be clearly defined within 60 days after PennEast commences the pre-filing review of the project with FERC. All landowners affected by the project will receive specific notice in accordance with FERC’s regulations.

B. In the case of the proposed & alternate routes in Holland Township, those maps should indicate the Blocks and Lots of all affected properties. This information will be made available by FERC and affected landowners will be notified.

22. We know that construction of the pipeline will involve a great deal of noise, pollution, odors, and ecological damage to our community.

A. What benefits, if any, can PennEast identify for our community that might serve to offset these major disruptions to our quality of life in Holland Township?

PennEast will comply with all Federal, State and local permits regarding pipeline construction, so the amount of “noise, pollution, odors, and ecological damage” will be strictly limited. These temporary disruptions during the construction phase will be offset by the following long-term benefits:

- Environmental: Conversion and coal plant retirements reduce air emissions.
- Economic: 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. PennEast will commission an economic study to better define additional benefits for Holland Township and New Jersey.