

CONSTITUTION PIPELINE COMPANY UPDATE



CONSTITUTION PIPELINE

www.constitutionpipeline.com

December 2014

Constitution Pipeline Receives FERC Approval to Construct Project

After an extensive review, the Federal Energy Regulatory Commission (FERC) has approved a proposal to construct the 124-mile Constitution Pipeline connecting abundant natural gas supply in northeastern Pennsylvania with markets in New York and New England.

Constitution Pipeline Company is providing this newsletter to parties who may be affected or have an interest in the project.

Assuming timely receipt of all remaining necessary regulatory approvals, Constitution Pipeline would begin construction as early as the first-quarter next year in order to help meet growing natural gas demand in the northeast by the winter of 2015 or 2016.

In New York and New England, insufficient natural gas pipeline infrastructure last winter had the effect of exposing consumers to high natural gas prices and, as a result, significantly higher electric-power costs. The Constitution Pipeline is designed to enhance New York's natural gas supply options via an interconnect with the existing Iroquois Pipeline. Additionally, the Constitution Pipeline will provide New England markets with abundant, low-cost, cleaner energy via an interconnect with the existing Tennessee Gas Pipeline.

FERC on Oct. 24 published its final environmental review of the proposed 124-mile Constitution Pipeline. The Environmental Impact Statement (EIS) assessed the potential environmental effects of the construction and operation of the project in accordance



with the requirements of the National Environmental Policy Act. The EIS concluded that environmental impacts would be reduced to "less than significant levels" with the implementation of proposed mitigation measures by the company and FERC.

The FERC served in a coordinating role with relevant federal and state agencies in developing its final EIS. The U.S. Environmental Protection Agency, the U.S. Army Corps of Engineers, the Federal Highway Administration, and the New York State Department of Agriculture and Markets participated as cooperating agencies in the preparation of the EIS.

The Constitution Pipeline is designed to transport enough natural gas each day to serve approximately 3 million homes in the U.S. Northeast. The project involves the construction and operation of 124 miles of 30-inch-diameter pipeline from natural gas supply areas in northeast Pennsylvania and connecting with existing transmission pipelines in Schoharie County, N.Y. Earlier this year, Constitution Pipeline and Leatherstocking Gas Company, LLC announced plans to install four delivery

taps along Constitution's proposed route to facilitate local natural gas service to homes and businesses in southern New York and northern Pennsylvania.

Since April 2012 the company has been involved in the FERC pre-filing process, soliciting input from citizens, governmental entities and numerous other interested parties to identify and address issues with potential facility locations. The proposal approved by FERC reflects adjustments to more than half of the original pipeline alignment introduced nearly three years ago – most a direct result of stakeholder input.

"This FERC approval is a milestone and the culmination of a tremendous collaborative effort. We are very grateful for all of those who participated in this process. We also sincerely appreciate the cooperation we have received from property owners, permitting agencies and other interested parties whose assistance has helped bring us where we are today," said Project Manager Matt Swift.

"As we enter the construction phase of this project, we are committed to working with affected communities and property owners to ensure these new facilities are constructed in a prompt, safe and environmentally sensitive manner," added Swift.

If your property is affected by construction, you can expect to be contacted by a Constitution Pipeline land representative prior to construction to share more details about the construction process. Constitution land representatives are available before, during and after construction to answer any questions you may have.

Frequently Asked Questions about the Constitution Pipeline Project

How long will pipe construction last?

We estimate about 10 months, although the majority of work in any one area would typically be completed in six to eight weeks. Tree clearing could begin as early as February 2015.

What are your typical construction work hours?

Standard construction operating hours are 7 a.m. to 7 p.m., Monday through Saturday, but may vary to be in compliance with local ordinances. This daily schedule allows optimal use of daylight hours and offers safer construction conditions during peak construction season.

How do you plan to control dust during construction?

The contractor will use water trucks to keep the construction travel lane sprinkled wherever dust becomes a problem.

Could local communities receive natural gas service from this pipeline?

The pipeline would be considered an “open access pipeline,” meaning that local municipalities or public utilities could potentially tap the line in the future to provide residential, commercial and industrial natural gas service.

An example of a local gas service provider with whom Constitution Pipeline Company is currently working is Leatherstocking Gas Company. Constitution and Leatherstocking have signed an agreement to work in good faith to pursue agreements for the design, construction and operation of delivery interconnects along Constitution’s proposed pipeline route.

Leatherstocking’s vision is the development of natural gas local distribution systems within Broome, Chenango, Delaware, and Madison Counties in New York State and Susquehanna County in Pennsylvania in locations currently without natural gas service.

What is a right-of-way agreement?

A right-of-way agreement allows for the use of a portion of your land for locating our pipeline. Landowners are offered financial compensation in exchange for granting a permanent easement to Constitution Pipeline Company. 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 is an easement?

An easement is a limited right to use the land for specific purposes. Constitution Pipeline Company will compensate the landowner for the right to construct, operate and maintain an underground pipeline (and, in limited cases, aboveground equipment related to the pipeline such as valves, and cathodic protection sites).

What size will the easement be?

The amount of land required for the easement will vary on each tract of land depending on a number of factors. A Constitution Pipeline land agent will discuss the land requirements with the landowner during the easement negotiations. Typically, a 50-foot wide easement is required for operation and maintenance of the pipeline. The total width of the construction workspace will vary depending on such factors as slope, soil conditions and regulatory requirements. Generally, approximately 85 to 125 feet of workspace will be required to construct



Pipeline stacks at a staging area in Albany County, NY.

the pipeline. All temporary workspace will revert to the landowner upon completion of construction, with no restrictions.

Can I still use my land?

It is important to note that an easement does not transfer title of the land; it merely grants the right to use the land for the specific purposes stated in the easement agreement. After construction of the pipeline, most uses of the surface of the land will be permitted, including farming activities such as crop production or raising livestock. Two notable exceptions include planting trees within the easement or placing a permanent structure within the easement, both of which are prohibited.

How will the pipeline affect land drainage?

The right-of-way will be graded after construction to allow normal water drainage. All drainages will be returned to their original patterns. The right-of-way may be terraced, seeded, mulched or otherwise stabilized to prevent erosion.

Constitution Pipeline Announces Latest Recipients of Community Grants

Total Reaches \$1.6 Million Awarded in Project Area

Constitution Pipeline Company in December announced the recipients of the fifth cycle of its Constitution Pipeline Community Grant program, awarding 27 grants totaling more than \$300,000 to benefit local communities within the counties traversed by the proposed pipeline project.

The company already awarded more than \$637,000 in grants earlier this year, bringing the total announced awards since December 2012 to more than \$1,600,000.



Check presentation for the Wright Fire District.

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An advisory committee consisting of community leaders and company representatives helped determine which projects would receive funding and how the dollars would be distributed. Grants were awarded based on overall community need and merit of the proposal. Examples of eligible projects included emergency/first responder support, youth or senior services, education programs, assistance in the enrichment of wildlife habitat and promotion of environmental education.

“We are very pleased with the opportunity to assist in funding this innovative, diverse collection of community projects,” said Matt Swift, Constitution Pipeline project manager. “Constitution Pipeline is committed to

being a good neighbor by putting safety, environmental stewardship and community support at the heart of our operations.”

Constitution Pipeline distributes grant awards twice per year, with the next funding cycle’s deadline scheduled for April 1, 2015. Grant applications can be completed online at www.constitutionpipeline.com.

The mission of the Constitution Pipeline Community Grant Program is to identify and help fund noteworthy projects that directly benefit the surrounding communities. Each eligible organization may request up to \$25,000 per funding cycle. Applications must be for projects within counties in close proximity to the proposed Constitution Pipeline. Priority will be given to projects within towns traversed by the pipeline route.

5th Cycle Grant Recipients: Summary by County

- **Broome County:** six grants for a total of \$71,600
- **Chenango County:** three grants for a total of \$25,000
- **Delaware County:** five grants for a total of \$75,525
- **Otsego County:** one grant for a total of \$6,400
- **Schoharie County:** six grants for a total of \$75,000
- **Susquehanna County:** six grants for a total of \$50,600

2014 5th Cycle Grant Recipients

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| Town of Sanford (Broome County, NY) – New truck for town. Grant award: \$10,000 |
| Village of Deposit (Broome County, NY) – Streetscape project. Grant award: \$15,000 |
| Deposit Fire Department (Broome County, NY) – Apparatus compressor station. Grant award: \$15,000 |
| Mothers and Babies Perinatal Network (Broome County, NY) – Safe Babies, Safe Families project. Grant award: \$10,000 |
| Town of Colesville Fire Company #1 (Broome County, NY) – ATV upgrade. Grant award: \$10,000 |
| Colesville Volunteer Ambulance Service (Broome County, NY) – MCI/Rehab unit. Grant award: \$11,600 |
| Afton PTO Playground Committee (Chenango County, NY) – Playground project. Grant award: \$10,000 |
| Town of Bainbridge (Chenango County, NY) – Facilities renovation. Grant award: \$10,000 |
| Afton Community Theater (Chenango County, NY) – Spring Musical. Grant award: \$5,000 |
| Harpersfield Historical Society (Delaware County, NY) – Presentation and Internet equipment. Grant award: \$5,475 |
| Sidney Volunteer Fire Department (Delaware County, NY) – Safety equipment. Grant award: \$20,300 |
| Otsego Northern Catskills BOCES (Delaware County, NY) – Constitution Pipeline adult welding scholarship program. Grant award: \$18,750 |
| Sidney Center Cemetery Association (Delaware County, NY) – Maintenance and upkeep. Grant award: \$6,000 |
| Recreation and Aquatic Center Committee (Delaware County, NY) – West Branch Recreation and Aquatic Center. Grant award: \$25,000 |
| Unatego Spartan Booster Club (Otsego County, NY) – Baseball scoreboard. Grant award: \$6,400 |
| Richmondville Volunteer Fire Company (Schoharie County, NY) – Emergency response vehicle. Grant award: \$15,000 |
| Schoharie County Fire Chief’s Association (Schoharie County, NY) – Training Center training aids. Grant award: \$15,000 |
| Town of Broome (Schoharie County, NY) – Loader purchase project. Grant award: \$15,000 |
| Cobleskill Recreation Commission (Schoharie County, NY) – Forever Generation Nick Iorio Park project. Grant award: \$10,000 |
| Manorkill Rural Cemetery Association (Schoharie County, NY) – Cemetery improvement. Grant award: \$5,000 |
| Central Bridge Fire District (Schoharie County, NY) – All-terrain vehicle replacement. Grant award: \$15,000 |
| Susquehanna Fire Department (Susquehanna County, PA) – Support utility vehicle. Grant award: \$15,000 |
| Harford Township (Susquehanna County, PA) – Storage building for winter materials. Grant award: \$10,000 |
| Hallstead Fire & Engine Hose Company #1 (Susquehanna County, PA) – Utility rescue vehicle. Grant award: \$10,000 |
| Susquehanna County Council of Governments (Susquehanna County, PA) – Road sign reflection project. Grant award: \$6,000 |
| Mount View School District (Susquehanna County, PA) – AED’s. Grant award: \$6,600 |
| Susquehanna County 4-H (Susquehanna County, PA) – Horse jump improvement project. Grant award: \$3,000 |



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Corporate Communications
2800 Post Oak Blvd., Level 17
Houston, TX 77056

CONTACT US

If you have any questions, feel free to contact us anytime.

Toll-free hotline: **866-455-9103**

E-mail: **PipelineExpansion@williams.com**

You may also call or write one of our land offices, located at:

Constitution Pipeline (Schenectady Project Office)

PO Box 14139

Albany, NY 12213

518-982-1637

Constitution Pipeline (Binghamton Project Office)

PO Box #340

Kirkwood, NY 13795

607-235-3236