

CONSTITUTION PIPELINE COMPANY UPDATE



CONSTITUTION PIPELINE

www.constitutionpipeline.com
Spring 2013

Company Files Application Seeking Federal Approval for Constitution Pipeline

Constitution Pipeline Company this month filed a certificate application with the Federal Energy Regulatory Commission (FERC) seeking authorization to construct and operate a new approximately 120-mile natural gas transmission pipeline to connect growing domestic gas supplies in northeastern Pennsylvania with major northeastern markets by 2015.

The certificate application is a comprehensive document that describes the proposed project, its need and potential environmental impacts.

While it would be easy to view the company's application filing as the beginning of a process, it actually represents the culmination of more than a year of engineering, environmental analysis and public input.

Since last spring 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 route filed with FERC this month reflects changes to more than 50 percent of the original pipeline alignment – most a direct result of stakeholder input.

Among other things, the certificate application contains a description of the new facilities, detailed maps, schedules, and various environmental reports which detail the various studies and analyses that have been conducted. This information helps to determine what effect construction and operation could potentially have on the environment and community.

The application also contains various environmental resource reports, which

include an analysis of route alternatives, water resources, vegetation and wildlife, cultural resources, socioeconomics, soils, geology and land use.

Within the next few months, the FERC will submit a preliminary draft of its Environmental Impact Statement (EIS) to all cooperating agencies, including the U.S. Army Corps of Engineers, U.S. Environmental Protection Agency, U.S. Fish and Wildlife Service (New York and Pennsylvania Field Offices), and New York State Department of Agriculture & Markets.

The draft EIS will describe the proposed facilities and construction methods, identify environmental resources and potential impacts, and evaluate proposed mitigation. It will also identify and evaluate alternatives, analyze impacts on public safety, and recommend additional mitigation and/or conservation measures to further reduce impacts on the affected environment.

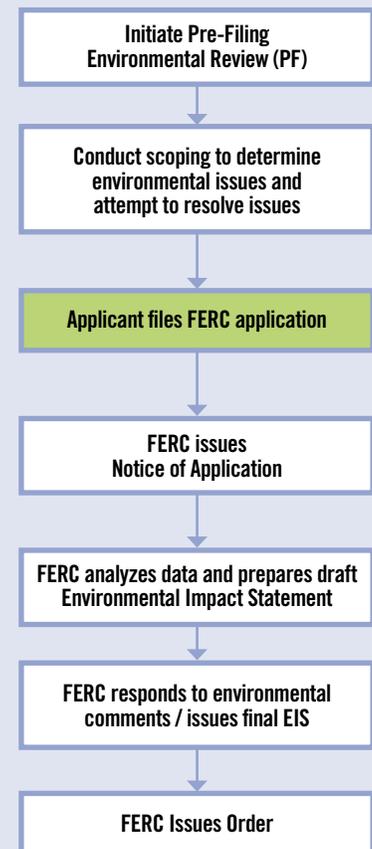
The draft EIS will be issued for public comment, which may include additional meetings in the project area to gather public feedback.

Following the EIS public comment period, the FERC will make a determination on whether to issue a Certificate Order authorizing construction of the Constitution Pipeline. The project sponsors anticipate that the FERC will make a final decision in the summer of 2014 on whether the project will be authorized. If approved, pipeline construction is scheduled to begin in the third quarter of 2014.

If authorized, the Certificate Order will detail the conditions of the approval, including the final route that FERC has authorized, and construction and mitigation

WHAT'S NEXT

FERC Process for Natural Gas Certificates



measures that Constitution Pipeline must follow.

Prior to construction, the company will be required to submit an Implementation Plan documenting how the project will be constructed in accordance with the mitigation requirements contained in the Order.

Frequently Asked Questions

WHY IS SIDE-SLOPE CONSTRUCTION AN ISSUE?

Side slope construction introduces more hazardous working and operating conditions, as well as the potential for severe erosion and landslide potential. It also increases the amount of required work space from 110-feet to 150-feet, thereby increasing the overall environmental impact.



HOW DEEP IS THE PIPELINE PLACED?

The U.S. Department of Transportation requires a minimum depth of cover of three feet over the top of the pipeline in standard soil conditions. Within agricultural areas, Constitution will bury the pipeline to a minimum depth of four feet to allow for continued agricultural use of the land. In areas of bedrock, the U.S. DOT minimum depth of cover is two feet.

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

HOW WILL THE VALUE OF THE EASEMENT BE DETERMINED?

The valuation of the easement will be determined by the market value of land in the area as determined by independent sources such as county deed and tax records, local appraisers, real estate brokers and other real estate professionals, considering such factors as length, width, existing use and comparable land sales in the area. Impact to the remaining property may also be

considered. This information will be shared with the landowner and fair compensation will be offered.

WILL I STILL OWN THE LAND? CAN I STILL USE IT?

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.



WHAT PRECAUTIONS WILL BE TAKEN TO PREVENT THE SUBSOIL FROM MIXING WITH THE TOPSOIL?

In agricultural and other select areas, topsoil will be excavated and segregated into separate stockpiles to allow for the re-establishment of the original soil profile. In agricultural fields, hayfields or other fields used for crops, the top 12 inches of topsoil will be segregated into a separate stockpile. In places that have less than 12 inches of topsoil, all of it will be removed and stored separately. Once construction is complete, the subsoil will be placed into the trench first, followed by the topsoil.

WHAT DOES THE COMPANY DO TO PROTECT WATER WELLS?

Constitution will conduct pre and post-construction testing of potable wells and springs within 150 feet of the construction workspace areas. Affected landowners outside of this radius that are interested in having potable water source testing conducted should contact their land agent.

WHAT HAPPENS IF ROADS ARE DAMAGED DURING PIPELINE CONSTRUCTION?

Road damage caused during pipeline construction will be repaired by Constitution. The company will work closely with the appropriate local and state permitting agencies to identify permit requirements, secure necessary bonds and procure construction permits for roadway travel. These permits will identify any road weight / size-use limits of specific roads designated to transport equipment or materials. Each road's condition is documented with video prior to construction, then re-evaluated after construction so that necessary road repairs can be made.

WHAT TYPE OF SAFETY VALVES DO YOU PLAN TO INSTALL?

Remote controlled valves with 24-hour monitoring



HOW WILL YOU ENSURE THAT THE PIPELINE OPERATES SAFELY?

The proposed Constitution Pipeline is being designed with safety as its top priority, adopting design features

and operating practices that will exceed already stringent industry and regulatory safety standards. Some of the measures will include:

- Remote controlled valves with 24-hour monitoring
- More frequent inspections than are required by law, including regular inspections with highly-sophisticated internal inspection tools
- X-raying 100% of pipeline welds
- In certain areas, installing thicker steel pipe than is required by regulations

WHAT STEPS WILL CONSTITUTION PIPELINE TAKE IN AREAS WHERE IT THE PIPELINE CONSTRUCTION COULD CROSS ORGANIC FARMS?

A special construction plan will be developed in cooperation with the NY State Department of Agriculture & Markets to outline the steps Constitution Pipeline would take to protect organic farms along the construction route to ensure they keep their organic certification.

Anatomy of an Application for a Certificate of Public Convenience and Necessity

The siting and construction of interstate natural gas pipelines is regulated by the Federal Energy Regulatory Commission (FERC). An integral component to FERC's review of a proposed project is the Application for a Certificate of Public Convenience and Necessity (Certificate Application). The Certificate Application is a comprehensive document that describes the proposed project, its need and potential environmental impacts.

Constitution Pipeline recently filed its Certificate Application with the FERC. The application includes the following information:

DESCRIPTION OF PROPOSED FACILITIES

A description of the new pipeline facilities and an overview of their location and cost.

MARKET SUPPORT

Identification of the customers who have executed contracts to be part of the project, as well as the gas volumes that they have requested.

TARIFF

A description of the proposed rates that project customers will pay for the gas service.

PUBLIC CONVENIENCE AND NECESSITY

Included is a description of the company's efforts to minimize or eliminate potential adverse effects, including impacts to customers, landowners and the environment. This section also makes the case that the public benefits of the project outweigh potential adverse effects.

TIMING FOR APPROVAL

The requested in-service date is set forth, as well as the date in which the company would like to receive approval of the application.

OTHER EXHIBITS

Included in the Certificate Application are many exhibits that support the proposal. These exhibits include detailed maps, market and cost data, as well as all the various environmental reports. Exhibit F-1 contains the Environmental Resource Reports that detail the various studies and



analyses which have been conducted to determine what effect construction and operation could potentially have on the environment and community and how those effects can be effectively minimized or eliminated.

The Environmental Resource Reports include an analysis of route alternatives, as well as an analysis of potential impacts to water resources including wetlands and groundwater, vegetation and wildlife including threatened and endangered species, cultural resources, socioeconomics, soils, geology, land use including proposed developments and, noise and air quality, alternatives, and safety.

Following the end of the scoping period, Constitution Pipeline filed Draft Environmental Resource Reports with the FERC.

When the Certificate Application is filed and a Certificate Proceeding (CP) docket number is assigned, a copy of the entire application will be made available for viewing at public libraries, as well as via the FERC website by referencing the project's docket number. Please note that the application will contain detailed drawings and schematics of facilities that are considered Critical Energy Infrastructure Information (CEII). Those materials are not available electronically.

Constitution Pipeline anticipates that once the Certificate Application is filed, the FERC will require an additional eight to 10 months to make a final decision

on whether to issue a Certificate Order authorizing construction of the pipeline. If authorized, the Certificate Order will detail the conditions of the approval, including the final route that FERC has authorized, and construction and mitigation measures that Constitution Pipeline must follow.

VIEWING THE APPLICATION

A copy of Constitution Pipeline's certificate application to FERC will be available on FERC's website at www.ferc.gov (select the "Documents and Filing" tab, then "elibrary" and then "General Search").

In addition, copies of the application are accessible for public inspection at the following public libraries.

SUSQUEHANNA COUNTY

Susquehanna County Free Library (Depot, PA)
Pratt Memorial Library (New Milford, PA)

SCHOHARIE COUNTY

Schoharie Free Library Association (Schoharie, NY)
The Community Library (Cobleskill, NY)

BROOME COUNTY

Broome County Public Library (Binghamton, NY)

CHENAGO COUNTY

Bainbridge Free Library (Bainbridge, NY)
Afton Free Library (Afton, NY)

DELAWARE COUNTY

Franklin Free Library (Franklin, NY)
Sidney Memorial Public Library (Sidney, NY)
Deposit Free Library (Deposit, NY)
Stamford Village Library (Stamford, NY)

Constitution Pipeline
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 12212
518-982-1637

Constitution Pipeline (Binghamton Project Office)

PO Box #340
Kirkwood, NY 13795
607-235-3236

PROJECT SCHEDULE & ACTIVITY UPDATE

April	2012	Pre-filing process began
June	2012	Ground surveys began and are ongoing
July & Sept.	2012	Hosted public open houses
Fall	2012	FERC Scoping meetings
June	2013	Submit 7(c) application to FERC
Third Quarter	2014	Proposed construction start
March	2015	Target in-service