

UPDATE

CONSTITUTION PIPELINE COMPANY



CONSTITUTION PIPELINE

www.constitutionspipeline.com
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Constitution Agrees to Work with Local Gas Provider

Rural communities in PA, NY could have access to natural gas in the future

Constitution Pipeline Company and Leatherstocking Gas Company, LLC 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.

If constructed, the Constitution Pipeline would be classified as an "open access pipeline," meaning that local municipalities or public utilities like Leatherstocking Gas Company, LLC could potentially tap the line in the future to provide residential, commercial and industrial natural gas service.

"Leatherstocking's plan is to provide lower cost, clean burning, abundant, domestic natural gas to rural communities," said Leatherstocking CEO, Mike German.



"Tapping into the Constitution Pipeline would help us achieve that goal."

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. The company plans to begin constructing portions of its natural gas distribution networks not dependent upon Constitution Pipeline in the summer of 2013.

Constitution Pipeline Project Manager Matt Swift says the possibility that local communities, who currently don't have access to natural gas, might be able to

take advantage of the resource is very exciting.

"We believe working with Leatherstocking is a great opportunity for the Constitution Pipeline to potentially facilitate a direct, tangible benefit for communities along the pipeline route," added Swift.

Leatherstocking believes providing one of the area's most abundant natural resources to the people living in the region makes good business and environmental sense.

"Our goal is to provide a lower cost, cleaner burning energy source to the people of the region than what they currently utilize," said Leatherstocking Secretary, Lindsay Meehan. "That is very exciting."

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

Company continues to evaluate route alternatives



Field scientists remain busy conducting environmental surveys along the pipeline's alternative routes.

During the past few months Constitution Pipeline Company has been meeting with landowners and other stakeholders along the proposed pipeline's primary and alternate routes, conducting field surveys and soliciting input to identify potential routing issues.

In addition to the nearly 20 significant route alternatives the company has announced, Constitution's engineering staff has also evaluated approximately 100 re-routes and minor route modification requests received from landowners, local

governments and field engineers.

The evaluation process is an important part of the Federal Energy Regulatory Commission (FERC) pre-filing process, which obligates the company to explore multiple route alternatives. By analyzing the various alternatives and related environmental survey data, the company hopes to identify the best possible pipeline route.

According to Constitution Land Manager Jim Wallace, the company is

Modifications

(continued from page front)

conducting field surveys in many areas that ultimately may not be affected by the pipeline. This can create confusion when landowners see survey stakes appearing in places that they didn't otherwise expect.

"We're still surveying a 600-foot wide study corridor on both the primary and the many alternate routes, so it's important to understand that just because you see a survey stake in the ground, that doesn't mean that is where we are proposing to locate the pipeline," said Wallace. "We're actually surveying about twelve times more land than would end up being affected by pipeline construction."

Wallace says that Constitution is still evaluating and surveying alternatives along with the primary route, even in cases where there is a high degree of certainty that a route won't ultimately be adopted.

"In some cases, even if we've discussed an alternative route with a property owner, we may still need to survey their property," he continued. "There is a data-gathering process we need to complete in order to close the loop on our

environmental analysis, even in areas that won't ultimately be affected by the pipeline."

Among the nearly 20 significant route alternatives the company has identified, Wallace says that the company has announced it will be adopting route Alternate T in Susquehanna County, Alternate B in Broome County, and Alternates F, R and Q in Schoharie counties, making them part of the company's preferred primary route.

Other route alternatives are still being evaluated and may also ultimately become part of the company's preferred primary route.

"This is a very dynamic process," said Wallace. "As we gather information and talk with property owners, sometimes we discover that the alternate route they suggest is preferable to our original. That is why creating an early dialogue is so important."

In developing the proposed route, Constitution has attempted to balance

environmental and landowner considerations with the engineering requirements for safely constructing a transmission pipeline. The current primary route is part of a study corridor and subject to change.

Before any pipeline facilities can be constructed, Constitution Pipeline must first file an application with the FERC demonstrating that the pipeline is needed and outlining the steps that would be taken to minimize environmental impacts.

Since last April the company has been involved in the FERC pre-filing process, which is intended to solicit early input from citizens, governmental entities and other interested parties to identify and address issues with potential facility locations.

Constitution Pipeline Company anticipates filing an application with FERC in the spring of 2013 seeking approval to construct the pipeline. The application will include the company's revised primary route, as well as route alternatives.

Constitution Announces Grant Program – Up to \$25k awarded for each application



Constitution Pipeline Company announced that it has established a community grant program to benefit local communities within the counties traversed by the proposed pipeline project. Each eligible organization may request up to \$25,000 per funding cycle.

Grants will be awarded based on community need and can be used to provide environmental benefit or economic development, support emergency services,

youth and senior programs, or education programs. Grants will be awarded in December and June each year.

"The Constitution Pipeline Community Grant Program has been created to identify and help fund noteworthy projects that directly benefit communities along the pipeline route," said Cindy Ivey, public outreach manager. "The Constitution Pipeline Company is committed to being a good neighbor by putting safety, environmental stewardship and community support at the heart of its operations."

An Advisory Committee consisting of community leaders and company

representatives will help determine which projects receive funding. This committee will include at least two representatives from each county traversed by the pipeline.

Examples of eligible projects include emergency/first responder support, youth or senior services, education programs, assistance in the enrichment of wildlife habitat and promotion of environmental education.

Grant applications can be completed on the company's website at www.constitutionpipeline.com. Applications must be received by September 30 and March 15 of each year.

Company files responses to scoping questions

In October 2012 Constitution Pipeline Company filed responses with Federal Energy Regulatory Commission (FERC) to various issues raised during the formal public scoping period. FERC conducted formal public scoping meetings on September 24, 25 and 26, 2012. The following identifies some of the scoping issues raised and provides the company's response. The complete list of responses to questions raised during scoping can be viewed at www.constitutionpipeline.com.

Summary of Comments	Excerpt from Constitution Response
Central Compressor Station should be included as a project facility.	"... The Central Compressor Station is already under construction and is being built to serve the needs of the Williams Field Services' Springville Pipeline gathering system that ties into the existing Transcontinental Gas Pipe Line, LLC. Leidy system. Because of this, the Central Compressor Station will be constructed regardless of whether or not the Constitution pipeline is built..."
Concerns that pipeline will allow for future well development using hydraulic fracturing method in New York State.	"Natural gas well development using the hydraulic fracturing method is currently prohibited in New York and is independent of the Constitution Project in Pennsylvania..."
Requests for a cumulative impact assessment for the Project	"Within Resource Report 1 of the ER, Constitution will include a detailed discussion of potential cumulative impacts associated with the Project..."
Will additional compression facilities be required in the future along the pipeline	"To meet the current volume and pressure requirements associated with the Project, one compressor station is required at the terminus of the proposed pipeline in Schoharie County, NY. At this time, Constitution does not have plans to install additional compressor stations along the proposed alignment..."
Comments identified concerns that the natural gas to be carried through the pipeline will, in turn, be liquefied and exported from the United States to foreign countries.	"In its August 13, 2012, submittal to FERC, Constitution confirmed that it is not proposing to provide natural gas transportation service to LNG export facilities through its proposed interstate natural gas pipeline. Constitution will provide natural gas transportation service from Susquehanna County, Pennsylvania, to Iroquois Gas Transmission and Tennessee Gas Pipeline in Schoharie County, New York, in accordance with Constitution's FERC Gas Tariff. As of this date, there are no existing or proposed LNG export facilities located downstream of the pipelines to which Constitution will connect..."
Concern was raised that the pipeline will be categorized as being within a "Class I" area, which has the least stringent requirements.	"...To ensure an added level of safety, Constitution is proposing to incorporate Class 2 wall thickness design requirements in designated Class 1 locations..."
Concerns regarding the potential effects on recreation use in the Pine Lakes and Robert V. Riddell State Park area.	"Constitution has incorporated a route deviation to avoid impacts to Riddell State Park and the Pine Lakes area. Therefore, Constitution does not anticipate any adverse effects on the recreation use of these areas during either construction or operation of the Project."



When providing comments to the FERC, reference Docket Number PF12-9.

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
Spring	2013	Submit 7(c) application to FERC
April	2014	Proposed construction start
March	2015	Target in-service