

UPDATE

CONSTITUTION PIPELINE COMPANY



CONSTITUTION PIPELINE

www.constitutionpipeline.com
August 2013

Constitution 'tweaks' pipeline route based on stakeholder input

On July 24 Constitution Pipeline Company provided the Federal Energy Regulatory Commission (FERC) with information to supplement its certificate application originally filed with the agency on June 13, 2013 (CP13-499).

The supplemental information reflects mostly minor pipeline route deviations, most of which were the result of requests from project stakeholders. The most significant change is the adoption of Alternate Route S in Susquehanna County, Pa., as part of the proposed route. Alternate Route S was developed to make the pipeline more constructible near Starurcca Creek.

The adoption of Alternate Route S adds approximately two miles to the overall pipeline mileage, increasing the project from 122 to 124 miles.

"Because we've added mileage to the project, all of the mapping and resource reports originally filed with FERC in June needed to be updated," said Project Manager Matt Swift.

"It's important for us to emphasize that we're still out there talking with property owners and making adjustments to the route to accommodate them where practical. This



Constitution representatives continue to meet with landowners to further refine the pipeline route.

latest supplemental filing with the FERC is evidence of that."

Since the project was originally introduced last year, Swift estimates that the project team has evaluated or incorporated more than 370 route changes based on stakeholder input.

In addition to the minor route deviations, the supplemental filing also includes the incorporation of seven locations where Constitution proposes to install the pipeline using a specialized construction method known as a horizontal directional drill. This allows the company to avoid construction impacts to wetlands or water bodies by using a drill to install the pipe under the sensitive area.

To avoid conflicts with construction windows established by state environmental agencies, Constitution has also increased the number of proposed construction spreads from three to five. A construction spread is a team of construction personnel (about 260 laborers) that work concurrently in various locations.

Constitution will continue to work with state agencies, communities and property owners to evaluate any additional route or timing adjustments that may be required. Pipeline construction could begin as early as June 2014 if the project is approved.

Field survey work for the project is still ongoing and will continue as route modifications continue to be evaluated and incorporated into the project design. The company has attempted to contact all property owners directly crossed by the project alignment to obtain survey access permission. To date, Constitution has conducted field surveys on nearly 600 individual land tracts crossed by the project. The company has obtained survey permission for 74% of the total pipeline mileage.

Survey work for the project has included, but has not been limited to, civil surveys and right-of-way marking, wetland and waterbody delineation surveys, rare species habitat assessments and presence/absence surveys,

and cultural resources surveys.

As a result of changes to the pipeline mileage and number of construction spreads, Constitution also worked with the Center for Governmental Research to update its formal economic analysis of the potential economic benefits generated by the project.

The updated study indicates the economic impact during the construction phase would result in \$130 million in new payroll income in the region, with \$26 million going to region residents. This is up from the original projection of \$86 million in new payroll income (see related story on page 2).

WHAT'S NEXT?

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.

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 second quarter of 2014 on whether the project will be authorized. If approved, pipeline construction could begin as early as June 2014.

UPDATED: Economic Impact Study projects pipeline to bring 1,300 jobs, \$130 million in payroll income

As a result of changes to the pipeline mileage and number of construction spreads, Constitution also worked with the Rochester-based Center for Governmental Research to update its formal economic analysis of the potential economic benefits generated by the project.

The updated study indicates the economic impact during the construction phase would result in \$130 million in new payroll income in the region, with \$26 million going to region residents. This is up from the original projection of \$86 million in new payroll income.

CONSTRUCTION PHASE Direct Economic Impact

During the construction phase, Constitution estimates the workforce will be comprised of five teams of 260 workers totaling up to 1,300 new construction jobs. About 50 percent of the construction workforce will come from in-state labor. However, due to the specialized nature of pipeline construction, contractors may need to hire personnel from outside of the project area. At this time, it is anticipated that approximately 25 percent of the construction workforce will be hired locally

(i.e., within the 5-county project area).

Direct Fiscal Impact

The report notes that the project will result in purchases of goods and services within New York and Pennsylvania totaling \$233 million, of which \$166 million of the purchases will be within the five county region. Some of these purchases will be on goods subject to sales tax. This spending is estimated to generate \$3.3 million in sales tax revenues in total. Construction materials, a portion of the sales taxable items, will add approximately \$3.2 million of sales tax revenue. The 1,300 jobs generated during the construction phase will generate an estimated \$130 million of payroll income, resulting in \$11.3 million of income tax revenues, and \$1.2 million of sales tax revenue. Of the \$130 million, \$26 million of payroll income will benefit residents of the five county region.

Spillover Effects

The spending during the construction phase will also spur additional economic activity in both the state and the region. It is estimated that 275 spillover jobs will be supported by the spending activity, generating a total of \$12.1 million in payroll income and \$1.5 million in income

and sales tax revenue.

OPERATIONAL PHASE

Once operational the Constitution Pipeline will employ seven people, a number which may grow in the future. These jobs will result in about \$500,000 of new payroll income for the states generating a potential for \$68,000 of income tax revenue and \$11,000 of sales tax revenue annually.

Additionally, a new annual stream of about \$13 million in property tax revenue is expected for the counties as a result of the pipeline.

Property taxes will accrue to different levels of government in different proportions. Property tax are paid to school districts and local governments.

Expected Annual Tax Revenues	
Broome	\$2.1 million
Chenango	\$1.3 million
Delaware	\$4.9 million
Schoharie	\$4.4 million
Susquehanna	\$250,000
Total	\$12.9 million

CGR Inform & Empower
Center for Governmental Research

**The Economic Impact of the
Constitution Pipeline**

June, 2013

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Economic Impact Summary

The economic impact during the construction phase could result in:

- 1,300 direct jobs in the construction industry and 275 spillover jobs;
- \$130 million of direct payroll income, \$26 million going to region residents;
- \$12 million in spillover income, about \$11million going to the region; and
- \$17 million in sales and income tax revenue from increases in income (both direct and spillover) and project spending.

Once operational the pipeline's economic impact could result in:

- 12 jobs in the region (seven working directly for Constitution Pipeline);
- Over \$600 thousand in payroll income in the region; and
- \$13 million in sales, income and property tax revenue in the region.

Constitution Pipeline Announces Latest Recipients of Community Grants

Company to distribute more than \$400,000 in project area

In June Constitution Pipeline Company announced the recipients of the second cycle of its Constitution Pipeline Community Grant program, awarding 26 grants totaling more than \$400,000 to benefit local communities within the counties traversed by the proposed pipeline project.

The company awarded nearly \$300,000 in grants earlier this year, bringing the total announced awards to approximately \$700,000.

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 plans to distribute grant awards twice per year until the pipeline becomes operational in 2015, with the next funding cycle’s deadline scheduled for Sept. 30, 2013. Grant applications can be completed online at www.constitutionpipeline.com.

2ND CYCLE 2013 GRANT RECIPIENTS

- Deposit Community Theater and Performing Arts Center, Inc. (Broome County, N.Y.) – 25th Anniversary. Grant award: \$25,000
- Windsor Fire Company, Inc. (Broome County, N.Y.) – New brush truck. Grant award: \$25,000
- Southern Tier Zoological Society, Inc. (Broome County, N.Y.) – Binghamton reZOOvenation project. Grant award: \$2,000
- Deposit Free Library (Broome County, N.Y.) – Local History Preservation and Education through

- Technology project. Grant award: \$7,500
- Broome County Stop DWI Program (Broome County, N.Y.) – Holiday Classic Education Series. Grant award: \$25,000
- Town of Sanford (Broome County, N.Y.) – IT Upgrade. Grant award: \$7,946
- Town of Bainbridge (Chenango County, N.Y.) – Town of Bainbridge Pool Repair. Grant award: \$25,000
- Afton Historical Society (Chenango County, N.Y.) – Afton museum building upgrade. Grant award: \$21,000
- Delaware County Junior Holstein Club (Delaware County, N.Y.) – Jr. Holstein Dairy Bowl Competition/ Dairy Jeopardy Contest. Grant award: \$7,000
- Cornell Cooperative Extension Delaware County (Delaware County, N.Y.) – 4-H Camp Shankitunk van. Grant award: \$25,000
- Sidney Area Youth Advocate Program (Delaware County, N.Y.) – Skateboard Park. Grant award: \$25,000
- Franklin Fire Department (Delaware County, N.Y.) – Safety Gear. Grant award: \$24,980
- Town of Kortright (Delaware County, N.Y.) – Emergency services stand-by generator & communications project. Grant award: \$14,336
- Schoharie Area Long Term, Inc. (Schoharie County, N.Y.) – Building hope, rebuilding community. Grant award: \$25,000
- Jefferson Historical Society (Schoharie County, N.Y.) – Maple Museum free music series. Grant award: \$1,120
- Schoharie County Soil and Water Conservation District

- (Schoharie County, N.Y.) – Environmental outreach fund. Grant award: \$24,948
- Cobleskill Little League (Schoharie County, N.Y.) – Repair and rebuild little league field and concession stand. Grant award: \$5,000
- Charlotteville Fire Department (Schoharie County, N.Y.) – Purchase fire fighting apparatus. Grant award: \$25,000
- Cobleskill Recreation Commission (Schoharie County, N.Y.) – ADA compliant lift for community pool. Grant award: \$5,599
- Blue Ridge School District (Susquehanna County, Pa.) – Greenhouse. Grant award: \$25,000
- Susquehanna County Sheriff’s Office (Susquehanna County, Pa.) – Law enforcement/emergency responder thermal imaging. Grant award: \$15,016
- Hop Bottom Hose Company (Susquehanna County, Pa.) – Purchase new rescue truck. Grant award: \$25,000
- Upper Susquehanna Coalition (Susquehanna County, Pa.) – Hellbender restoration in the Susquehanna River. Grant award: \$13,532
- City of Oneonta (Otsego County, N.Y.) – 2013 Mayor’s Cup Soccer Tournament. Grant award: \$1,000
- Oneonta Boys and Girls Club (Otsego County, N.Y.) – Fitness center floor. Grant award: \$5,000

The mission of the Constitution Pipeline Community Grant Program is to identify and help fund noteworthy projects that directly benefit the surrounding communities.



Constitution Pipeline representatives present a check to the Cobleskill Recreation Commission.

Constitution Pipeline

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CONTACT US

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

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

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