



CONSTITUTION PIPELINE

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UPDATE

CONSTITUTION PIPELINE COMPANY



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www.constitutionpipeline.com
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FERC Issues Draft Environmental Impact Statement for Constitution Project

On Feb. 12 the Federal Energy Regulatory Commission (FERC) issued the draft Environmental Impact Statement (EIS) for the proposed Constitution Pipeline project, concluding that environmental impacts would be reduced to “less than significant levels” with the implementation of proposed mitigation measures by the company and FERC.

The draft EIS assesses the potential environmental effects of the construction and operation of the project in accordance with the requirements of the National Environmental Policy Act. The FERC is the primary approval agency and, as such, serves in a coordinating role with relevant federal and state agencies.

“We are very pleased with the findings reflected in the draft Environmental Impact Statement,” the project sponsors said in a statement.

“This is a significant milestone for the project. The Constitution Pipeline would become a key piece of natural gas infrastructure in the U.S. Northeast. The pipeline project supports the region’s goals to bolster overall reliability and diversification of energy infrastructure and helps the nation realize the full benefit of abundant, domestically-produced, clean-burning natural gas.”

Infrastructure bottlenecks have recently exposed consumers to high natural gas prices and higher electric-power costs, especially in New England.



“We look forward to the issuance of the final Environmental Impact Statement this summer. We are committed to working to ensure that the Constitution Pipeline is constructed in a responsible, environmentally-sensitive manner so that we can deliver much-needed additional natural gas supply to New York and New England,” the project sponsors continued.

The Constitution Pipeline has been 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 natural gas pipeline from Susquehanna County, Penn., through four New York counties to connections with other pipelines in Schoharie County.

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.

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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

Easement Negotiations Continue

Constitution Pipeline representatives began meeting with landowners and homeowners in 2013 in order to begin the process of acquiring the land rights that are needed to construct, maintain and operate the proposed pipeline.

The pipeline project is proposed to cross more than 700 land tracts. Many factors are considered when formulating easement offers, including appraised land value based on a recent market study and the nature of the proposed impact to the property.

“We have reached agreements with a substantial number of landowners during the past twelve months, and we sincerely appreciate their cooperation,” said Land Representative Patrick McClusky. “It’s an ongoing process. Our land department is continuing the process of meeting landowners and discussing the nature of the proposed impact to their respective properties. As the project moves forward, we will continue to meet with landowners and offer generous payments to the landowners and homeowners that are affected by the proposed project.”

The Constitution Pipeline land offices in Albany and Binghamton are staffed during normal business hours. The staff says that any inquiries will be responded to within 24 hours or no later than the next business day. Land Agents are also available at any time by cell phone and by email.

FERC Issues Draft EIS

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Public comments on the draft EIS must be received by the FERC before April 7, 2014.

The FERC has established a June 13, 2014, as the date for its planned issuance of the final environmental impact statement for the project. The subsequent 90-day federal authorization decision deadline is set for Sept. 11, 2014.

Some of the highlights of the DEIS include:

Alternatives

FERC staff evaluated two major route alternatives to the proposed pipeline route. Neither of these major alternatives offered a significant environmental advantage over the proposed route. They were both eliminated from further consideration.

FERC staff also evaluated 20 minor route alternatives relative to Constitution's proposed route. Constitution fully incorporated nine minor route alternatives and partially incorporated two additional minor route alternatives to the project. FERC staff reviewed numerous minor route variations and found that 13 of these variations could reduce or eliminate impacts on site-specific resources. Therefore, FERC staff recommended that Constitution provide additional information on these alternatives.

Cumulative Impacts

FERC staff concluded that impacts associated with the proposed projects in combination with other projects such as residential developments, wind farms, utility lines and transportation projects, would be relatively minor overall. FERC staff included recommendations in the DEIS to further reduce the environmental impacts associated with the project.

Socioeconomics

The primary socioeconomic impacts of the pipeline project include population effects associated with the influx of construction workers and the impact of these workers on public services and temporary housing during construction. Secondary socioeconomic effects include increased sales and property tax revenue, job opportunities, income associated with local construction employment, increased vehicle traffic, and impacts on roads.

FERC staff received comments regarding the effect of the project on property values and insurance policies. FERC researched the issue and found no evidence of adverse impact upon property values or availability of property insurance. However, FERC has instructed the company to monitor this situation and work with any landowners who may potentially be affected.

The DEIS states that construction of the projects would result in positive impacts due to increases in construction

jobs, payroll taxes, purchases made by the workforce, and expenses associated with the acquisition of material goods and equipment. Operation of the projects would have a positive effect on the local governments' tax revenues due to the increase in property taxes that would be collected.

Air Quality and Noise

The DEIS concludes that air quality impacts associated with construction of the projects would include emissions from fossil-fueled construction equipment and fugitive dust. Such air quality impacts would generally be temporary and localized, and are not expected to cause or contribute to a violation of applicable air quality standards.

Reliability and Safety

The DEIS notes that pipeline and aboveground facilities associated with the proposed projects would be designed, constructed, operated, and maintained to meet the Department of Transportation's (DOT) Minimum Federal Safety Standards in 49 CFR 192 and other applicable federal and state regulations. These regulations include specifications for material selection and qualification; minimum design requirements; and protection of the pipeline from internal, external, and atmospheric corrosion. FERC staff concluded that the Applicants' implementation of the above measures would protect public safety and the integrity of the proposed facilities.

COMMENTARY: As temps fall, awareness of the need for more pipeline infrastructure goes up

By Matthew Swift, Project Manager, Constitution Pipeline Company



As the temperature in New York City plummeted to seven degrees on Jan. 22, the price to deliver natural gas into the city spiked to a record \$123 per thousand cubic feet on the spot market. On the same day, less than one hundred miles away in Pennsylvania, the same amount of gas cost just under \$5.

The arctic weather has exposed some critical weaknesses in the region's pipeline infrastructure, underscoring the need to add more pipeline capacity so that northeastern consumers can realize the full benefit of low-cost energy.

Some elected officials are starting to take notice that the most effective way to stabilize prices is to add pipeline capacity.

On Jan. 23, six New England governors advanced an unusual proposal to have their states act as one to get more natural gas pipelines built. The plan calls for states to jointly seek proposals to move more "clean energy" into New England.

Energy prices have skyrocketed in New England because of constraints brought on by lack of gas pipeline capacity.

The Constitution Pipeline is proposed to help change that. If constructed, it would immediately become a key piece of natural gas pipeline infrastructure in the Northeast, creating an important connection between consumers and reliable supplies of low-cost energy.

The pipeline project reached a major milestone on Feb. 12, 2014, when the Federal Energy Regulatory Commission (FERC) issued its draft Environmental Impact Statement (EIS), concluding that the project's environmental impacts would be reduced to, "less than significant levels" with the implementation of a proposed mitigation plan and other measures recommended by FERC.

Designed to transport enough natural gas each day to serve approximately 3 million homes in the U.S. Northeast, the Constitution Pipeline project would involve the construction and operation of 124 miles of pipeline from Susquehanna County, Penn., through four New York counties to connections with other pipelines in Schoharie County.

Determining the best location for pipeline facilities is a long regulatory process that involves a significant amount of public input. Throughout this process, which began more than two years ago, our goal has been to create a dialogue with interested parties so that we can work together to identify and address issues up front. We solicited input from state and federal agencies, property owners, municipal, environmental and community leaders, collecting valuable input that ultimately led to us modifying more than half of the original project footprint.

At the end of the day, we believe the draft EIS confirms that the route we landed upon does a good job balancing the environmental and technical challenges that come with designing a project of this size.

As the Constitution Pipeline project manager, a question I am commonly asked is, "Why is this pipeline necessary?"

Following the chill of the dramatic natural gas prices New York and New England experienced this winter, I think that question is easier to answer.

First Steel Pipe for Constitution Rolls Out of Pennsylvania Mill

The first sections of steel pipe planned to be used during the proposed construction of the Constitution Pipeline have been manufactured at a steel mill in Steelton, Pa.

Dura-Bond Pipe of Export, Pa., has manufactured about 33 miles of 30-inch pipe. The pipe is currently being stored at Dura-Bond's pipe yard in Pennsylvania.

The pipe provided by Dura-bond, which cost \$20 million, represents another direct economic benefit for the State of Pennsylvania by the Constitution Pipeline project. A study developed by

a third-party research firm found that of the \$683 million spent by Constitution Pipeline Company during the initial three year planning and building process, approximately \$233 million in goods and services would be purchased in Pennsylvania and New York, generating about \$3 million in sales tax revenue. In addition, once the pipeline became operational, it would result in \$13 million in new annual sales, income and property tax revenue.

Dura-Bond Pipe, LLC manufactures steel line pipe in sizes ranging from



24 to 42 inches. The company is part of Dura-Bond Industries, a family company founded in 1960 to provide corrosion protection services for manufacturers of steel products.

Constitution Pipeline Announces Latest Recipients of Community Grants

Constitution Pipeline Company has announced the recipients of the third cycle of its Constitution Pipeline Community Grant program, awarding 19 grants totaling more than \$350,000 to benefit local communities within the counties traversed by the proposed pipeline project.

The company awarded nearly \$700,000 in grants last year, bringing the total announced awards to more than \$1,000,000. A complete list of the 3rd cycle grant award recipients can be found online at www.constitutionpipeline.com.

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.

Constitution Pipeline plans to distribute grant awards twice per year, with the next funding cycle's deadline scheduled for Sept. 30, 2014.

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. Project must be started within 12 months of receiving funding.

3rd Cycle Grant Recipients: Summary by County

- **Broome County:** five grants for a total of \$63,400
- **Chenango County:** two grants for a total of \$50,000
- **Delaware County:** five grants for a total of \$95,000
- **Schoharie County:** five grants for a total of \$97,000
- **Susquehanna County:** three grants for a total of \$68,258