

SPECIAL EDITION

CONSTITUTION PIPELINE COMPANY



CONSTITUTION PIPELINE

# UPDATE

www.constitutionpipeline.com  
Summer 2012

SPECIAL EDITION NEWSLETTER FOR I-88 LANDOWNERS

## Input sought on alternate route adjacent to I-88

*Pipeline survey work scheduled to begin this fall*

Constitution Pipeline Company is in the preliminary stages of developing a new natural gas pipeline project designed to connect abundant Pennsylvania natural gas supplies with growing northeastern markets by spring 2015. The company is providing this newsletter to parties who may be affected or have an interest in the pipeline proposal.

As originally proposed, the approximately 120-mile transmission pipeline would begin in Susquehanna County, Pa., and extend into Schoharie County, NY. In April 2012, Constitution Pipeline Company requested that FERC initiate an environmental review of the pipeline



*This fall survey crews are scheduled to begin conducting field studies inside of the I-88 corridor to gather data that will be used to potentially site a new natural gas pipeline extending from northern Pennsylvania into New York.*

project before the company files its certificate application (Docket No. PF12-9). This formal process, which is known as FERC pre-filing, is designed to solicit early input from citizens, governmental entities and other interested parties to identify and address issues associated with potential facility locations during the design stage of a proposed project.

Federal regulations require that the pipeline company conduct numerous studies and analyze a number of alternatives before filing an application with FERC.

Project planners have developed a preliminary pipeline route that extends near the I-88 corridor, but not directly adjacent to the highway. Recently, the FERC requested that the company study the viability of collating all, or portions of the pipeline, directly adjacent to I-88. This route alternative is being designated as "Alternate Route M."

Constitution Pipeline Company will host a series of public meetings in the project area in September 2012 to solicit feedback on Alternate Route M. These workshops, also known as "open houses," are open to the public and are designed to provide all interested parties an opportunity to meet project personnel, review maps, learn more about the regulatory process, ask questions and share feedback. Representatives from FERC normally participate in these open house meetings. FERC will also hold public scoping meetings in the project area later this fall.

### Public Open Houses

Learn more about the pipeline project at any of these landowner information meetings. All of the meetings will take place from 6:30 to 8:30 p.m.

#### Wednesday, Sept. 12

Best Western Cobleskill  
121 Burgin Drive  
Cobleskill, NY

#### Thursday, Sept. 13

Holiday Inn Oneonta  
5206 State Highway 23  
Oneonta, New York

"We are seeking public input as we explore the viability of this route alternative parallel to I-88," said Matt Swift, project manager. "If certain segments are viable, we will include them as alternatives when we file additional environmental documents with FERC. Commission staff will thoroughly analyze the environmental aspects and the technical feasibility of the I-88 route alternative."

Before the company can construct any facilities, Constitution Pipeline Company must obtain a Certificate of Public Convenience and Necessity from the Federal Energy Regulatory Commission (FERC), in addition to various state and

*(continued on page 2)*



## Public Feedback

*(continued from front)*

local permits. The company expects to file a formal application with FERC for this project in early 2013.

This fall survey crews are scheduled to begin conducting field studies along the I-88 corridor (subject to landowner permission) to gather data that will be used to evaluate Alternate Route M. It would join the more than one dozen other potential route alternatives currently under review by the project planners.

In developing a primary route, as well as route alternatives, project engineers attempt to balance environmental and landowner considerations with the engineering requirements for safely constructing a transmission pipeline. These factors include topography, geography, environmental concerns, collocation with other linear development and constructability.

“Our goal is to work with communities to identify facility locations that minimize impacts on the community and the environment, while balancing the needs of customers,” said Public Outreach Manager Cindy Ivey. “Early involvement from communities is very important and helps us identify and address issues related to project design and location.”

Landowners affected by Alternate Route M are encouraged to attend one of the two public workshops Wednesday, Sept. 12, in Cobleskill or Thursday, Sept. 13, in Oneonta. Both meetings will take place from 6:30 to 8:30 p.m.

The open houses are informal. Pipeline staff, representing a variety of disciplines, will be present to listen to landowners, public officials, and other interested stakeholders who attended the meetings to learn more about the project.

Interested parties also may provide feedback by calling the company toll free at 866-455-9103 or submitting comments electronically at PipelineExpansion@Williams.com. More information can be found on the project website at [www.constitutionpipeline.com](http://www.constitutionpipeline.com).

## Connecting Supply & Demand

Historically low natural gas prices and the public’s desire for cleaner energy have fueled the growing popularity of natural gas. Clean-burning natural gas currently produces one-third of all electric generation and heats about half of all U.S. homes – and those numbers continue to climb.

Traditionally, most East coast markets received shipments of natural gas via pipelines from the Gulf Coast, Western Canada and through a series of liquefied natural gas import terminals located along the Eastern Seaboard. However, recent discoveries of abundant Appalachian natural gas supplies have dramatically shifted the natural gas marketplace, presenting both opportunities and challenges. Although these supplies enjoy close proximity to large urban areas, the region currently lacks the transmission infrastructure to transport this natural gas to market.

The Constitution Pipeline is being designed to change that. The pipeline would connect this vast supply basin with two major interstate natural gas pipelines. These pipelines presently serve as major interstate highways for natural gas transportation. Linking this supply area with these two pipelines will provide markets greater access and increase the reliability the interstate transmission pipeline grid, delivering low-cost, cleaner burning natural gas to heat homes, generate electricity and



provide the energy to keep businesses running.

If it is ultimately constructed, the pipeline would connect natural gas that has been produced in Pennsylvania with existing transmission pipelines serving northeastern markets.

The Constitution Pipeline is not dependent upon the development of any new natural gas wells along the project’s proposed path. The pipeline is already fully contracted with long-term commitments from established natural gas producers operating in Pennsylvania. If built, the pipeline would join the more than 4,500 miles of interstate transmission pipelines already operating in New York and more than 10,000 miles of transmission pipeline currently operating in Pennsylvania.

### PROJECT SCHEDULE & ACTIVITY UPDATE

April	2012	Pre-filing process began
June	2012	Ground surveys began and are ongoing
Summer	2012	Open houses & informational meetings
Fall	2012	FERC scoping meetings
January	2013	Submit 7(c) application to FERC
April	2014	Proposed construction start
March	2015	Target in-service



## Closer Look:

# The Federal Regulatory Process

*FERC is responsible for determining whether or not proposed interstate pipeline projects are in the public interest. The information below explains FERC's review process for the planned project, and how you can get involved in the process.*

### FERC Pre-Filing

Before a pipeline company obtains authorization to construct an interstate transmission pipeline, the company must first file a detailed project plan with the Federal Energy Regulatory Commission (FERC). This plan is formally called an 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.

When a pipeline company like Constitution Pipeline Company is ready to begin preparing its Certificate Application, it typically initiates what is known as the FERC pre-filing process. The pre-filing process is designed to encourage involvement by citizens, government entities and other interested parties during the design stage of a proposed project.

As part of this process, FERC will hold public scoping meetings in the project area. Once the pre-filing process begins, all documents and correspondence submitted to or issued by FERC regarding the project can be accessed by referencing the Docket Number on FERC's website: [http:// elibrary.ferc.gov/](http://elibrary.ferc.gov/). A docket number is assigned to the project during pre-filing and a separate docket number is assigned when the certificate application is filed. For this project, information is aggregated by FERC under docket number PF12-9.

The subsequent docket number will be assigned when Constitution Pipeline makes its Certificate Application.

### FERC Filing

Constitution Pipeline Company anticipates filing its Certificate

Application for the pipeline project in early 2013.

Among other things, the Certificate Application contains a description of the new facilities, need for the project, detailed maps, schedules, and various environmental reports. This information details the various studies and analyses that have been conducted to determine what effect construction and operation could potentially have on the environment and community.

The environmental reports include an analysis of route alternatives, as well as an analysis of potential impacts to water resources, vegetation and wildlife, cultural resources, socioeconomics, soils, geology and land use.

When the Certificate Application is filed and a Certificate Proceeding (CP) docket number is assigned, a copy of the application will be made available for viewing at local public libraries, as well as via FERC's website by referencing the project's docket number.

### Environmental Evaluation

FERC will prepare an environmental evaluation using information included in Constitution Pipeline's Certificate Application, supplemental information that may be provided by Constitution upon request, information assembled by FERC staff, as well as information provided by state and federal agencies and the public.

The evaluation will describe the proposed project and alternatives, as well as identify existing environmental conditions and potential impacts from the project.

The evaluation also will indicate what mitigation measures, construction procedures, and routing could be included in the project to eliminate or reduce impacts.

FERC's environmental document will be mailed to federal, state, and local government agencies; elected officials; environmental and public interest groups; Native American tribes; affected landowners; other interested parties and newspapers. FERC will establish a public comment period to provide ample time for the public to review the evaluation. Once the comment period ends, FERC will address any comments in the final Order.

If FERC determines that the project is environmentally acceptable – and is satisfied the project is in the public interest – it will issue an Order granting a Certificate of Public Convenience and Necessity. FERC issues this document to signify that approval has been granted to build and operate the pipeline.

Comments received on the environmental evaluation are typically addressed by FERC in this document. The certificate will detail the conditions of the approval, including the final route FERC has authorized, and construction and mitigation measures Constitution Pipeline must follow.

### Comments to FERC

When providing comments to the FERC, you should reference Docket Number PF12-9 or the CP docket number assigned when the certificate application is filed.

Comments may be filed via the Internet on the FERC's website – [www.ferc.gov](http://www.ferc.gov). To do so, click on the Quick Comment link. The FERC website also contains additional information about getting involved in the regulatory process under the Citizens tab.

You may send written comments to the FERC at:

Kimberly D. Bose, Secretary

Federal Energy Regulatory Commission

888 First St., N.E., Room 1A

Washington, DC 20426



# Frequently Asked Questions about the Constitution Pipeline

## *Why is this pipeline important?*

Traditionally, most East coast markets received shipments of natural gas via pipelines from the Gulf Coast, Western Canada and through a series of liquefied natural gas import terminals located along the Eastern Seaboard. However, recent discoveries of abundant Appalachian natural gas supplies have dramatically shifted the natural gas marketplace, presenting both opportunities and challenges. Although these supplies enjoy close proximity to Northeast markets, the region currently lacks the transmission infrastructure to transport this natural gas to market.

The Constitution Pipeline is being designed to change that. The pipeline would connect this vast supply basin with two major interstate natural gas pipelines in northern New York. These pipelines presently serve as major interstate highways for natural gas transportation. Linking this domestic supply area with these two pipelines will provide markets greater access and increase the reliability of the interstate transmission pipeline grid.

## *Has the location of the pipeline been determined?*

Not yet. Although Constitution Pipeline Company has identified a preliminary project route, federal regulations require that the pipeline company conduct numerous studies and analyze a number of alternatives before filing an application with the Federal Energy Regulatory Commission.

## *Who decides where the route will ultimately end up if the project is approved?*

Interstate natural gas pipelines are regulated by the Federal Energy Regulatory Commission (FERC). As such, FERC will fully evaluate the company's preferred route, along with its route alternatives, before making a decision on whether or not to issue a Certificate of Public Convenience and Necessity.

## *Does this mean the company is now choosing a route along I-88?*

As requested by the FERC, we are

conducting engineering studies to assess the viability of collocating all, or portions of the pipeline adjacent to I-88. If certain segments are viable, we will include them as alternatives when we file additional environmental documents with FERC. Commission staff will analyze the environmental aspects and the technical feasibility of locating the pipeline near I-88.

## *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.

## *Why should I grant survey permission?*

It is important that landowners allow us to survey so that we can identify existing buried infrastructure or other potential issues that might not be visible from the air.

## *Is this pipeline dependent upon hydraulic fracturing being allowed in the southern tier of New York?*

No. The proposed pipeline is being designed to transport natural gas that has already been produced in Pennsylvania, not New York.

## *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?*

Typically, a 50-foot wide easement is required for operation and maintenance of the pipeline.

## *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.

## *What will the presence of the pipeline do to my property values?*

Historically speaking, natural gas pipeline easements have had no measurable effect on property values. In fact, a 2001 national case study revealed no significant impact on property sales located along natural gas pipelines.

## *Will this pipeline be safe?*

Yes. The pipeline design features and the operating practices of Constitution Pipeline Company will exceed safety requirements of regulatory authorities.

## *Will this gas be exported overseas?*

This gas will be delivered to customers served by the Iroquois and Tennessee Gas Pipeline systems. There are no natural gas LNG export terminals in this region.

## *Can this gas ultimately be delivered by existing pipeline infrastructure without constructing a new pipeline?*

There is no pipeline currently connecting supplies in north & central Pennsylvania to the existing pipeline infrastructure in northern New York. All of the pipelines that transect the region are operating at capacity and currently serving other needs.





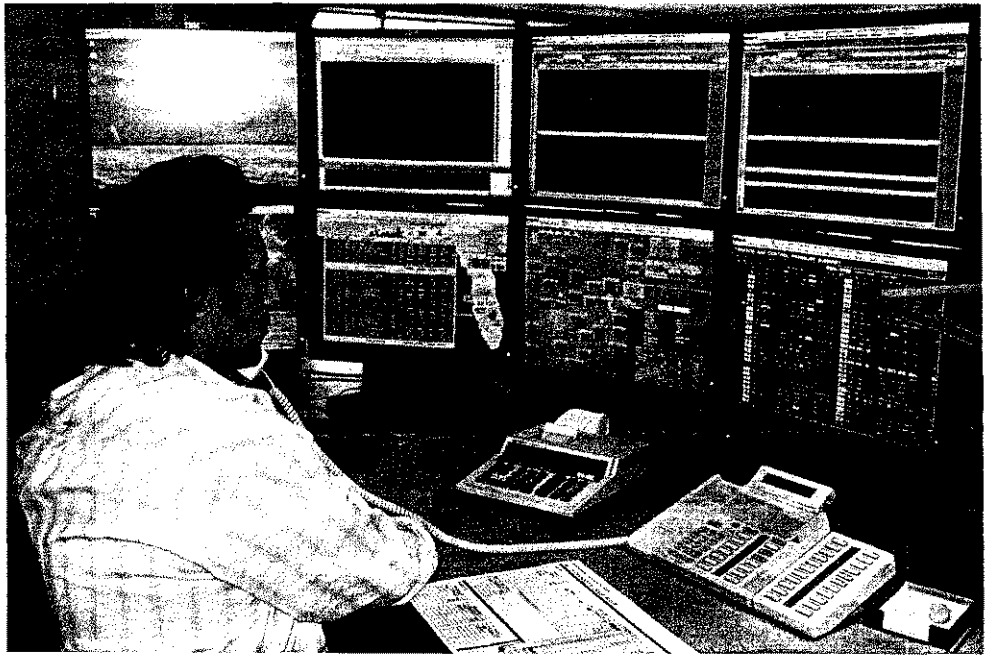
# A Company Committed to Safety

If it is ultimately constructed, the Constitution Pipeline would become part of a vast pipeline transmission system sometimes referred to as the "interstate highway" for natural gas. It consists of more than 300,000 miles of high-strength steel pipe moving large amounts of natural gas thousands of miles from producing regions to market. According to statistics from the National Transportation Safety Board, natural gas pipelines are the most cost-efficient and safe mode of energy transportation today – surpassing highway, railroad, airborne or waterborne transport.

## High Standards

Interstate pipelines are regulated by the U.S. Department of Transportation's Office of Pipeline Safety, which imposes a broad range of construction and operations standards. Constitution Pipeline Company has its own high standards for pipeline design, material specifications, construction, maintenance and testing. These standards, which must be met before a pipeline can be placed into service, include:

- At steel rolling mills, where pipe is fabricated, pipeline representatives thoroughly analyze the pipe to ensure that quality meets or exceeds both federal and industry-wide standards.
- During construction, pipeline representatives carefully inspect the fabrication and construction of the pipeline. Welds linking the joints of the pipeline are checked to test their integrity.
- Once the pipeline is in the ground and before it is placed into service, it is pressure-tested with water or inert gas in excess of its operating pressure to verify that it can withstand high pressure.
- In accordance with federal law, aboveground pipeline markers are used to alert the public of the presence of one or more pipelines within an easement. These markers,



which contain the name of the pipeline operator and emergency contact information, are usually located near road, rail, fence, water crossings and curbs.

- Protective coatings are applied to the exterior and interior of the pipe to help prevent corrosion.
- Once the pipeline is placed in the ground, the operator installs a system called cathodic protection, which, along with the pipe's protective coating, is designed to prevent corrosion.
- To help protect against third-party damage regular inspections by motor vehicles and low-flying patrol aircraft keep a watchful eye on the pipeline routes and adjacent areas.
- The pipeline will become part of the nationwide 811 Call Before You Dig program.
- Constitution Pipeline will be equipped with automatic shut off valves with remote monitoring and control 24 hours a day.
- Pipeline maintenance crews perform facility inspections, check for

construction activity in the vicinity of the pipeline, and maintain the pipelines and their rights of way. Populated areas are inspected and patrolled more frequently.

- Pipelines undergo periodic maintenance inspections, including leak surveys and valve and safety device inspections. An internal computerized inspection device known as a "smart pig" is also utilized to periodically examine the pipe's condition.
- Local pipeline representatives meet with local emergency response officials, excavation contractors, landowners and local community leaders to educate them about pipeline operation and emergency response procedures.
- Safety information regarding our operations is distributed annually to landowners, residents and businesses located near our facilities.
- The Constitution Pipeline will be continuously monitored 24 hours a day, 365 days a year through its Gas Control center.

