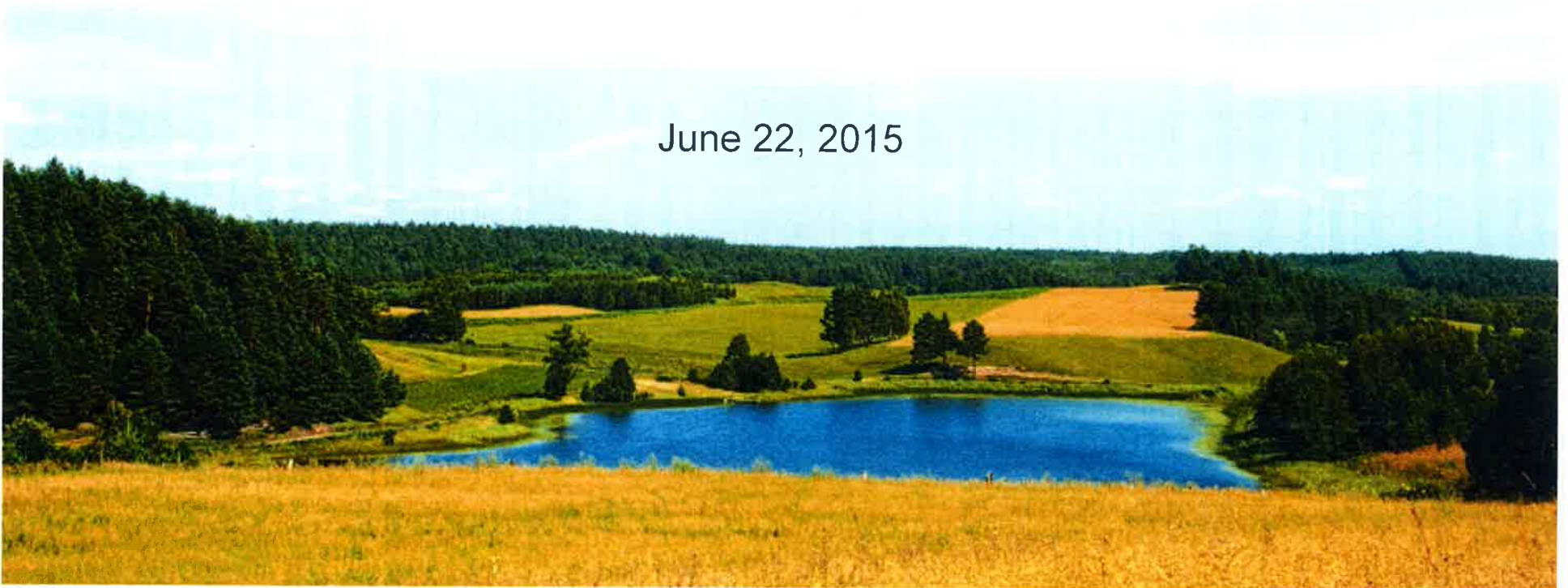




The PennEast Pipeline Project

June 22, 2015



PennEast Pipeline - Partnership



AGL
Resources



South Jersey
Industries



NJR Pipeline
Company



PSEG Power



UGI Energy
Services



SPECTRA
ENERGY
PARTNERS

Over 400 years combined experience in the natural gas transmission and distribution business

Project Overview: ~1 Bcf/day

Shipper	Transportation Contract Quantity (Dth/day)
New Jersey Natural Gas Company	180,000
PSEG Power LLC	125,000
Texas Eastern Transmission, LP	125,000
South Jersey Gas Company	105,000
Pivotal Utility Holdings, Inc. (d/b/a Elizabethtown Gas)	100,000
UGI Energy Services, LLC	100,000
Consolidated Edison Company of New York, Inc	100,000
PPL EnergyPlus, LLC	50,000
Cabot Oil & Gas	50,000
Enerplus Resources (USA) Corporation	30,000
Warren Resources, Inc.	15,000
NRG REMA LLC (GILBERT PURSATION)	10,000
Total	990,000



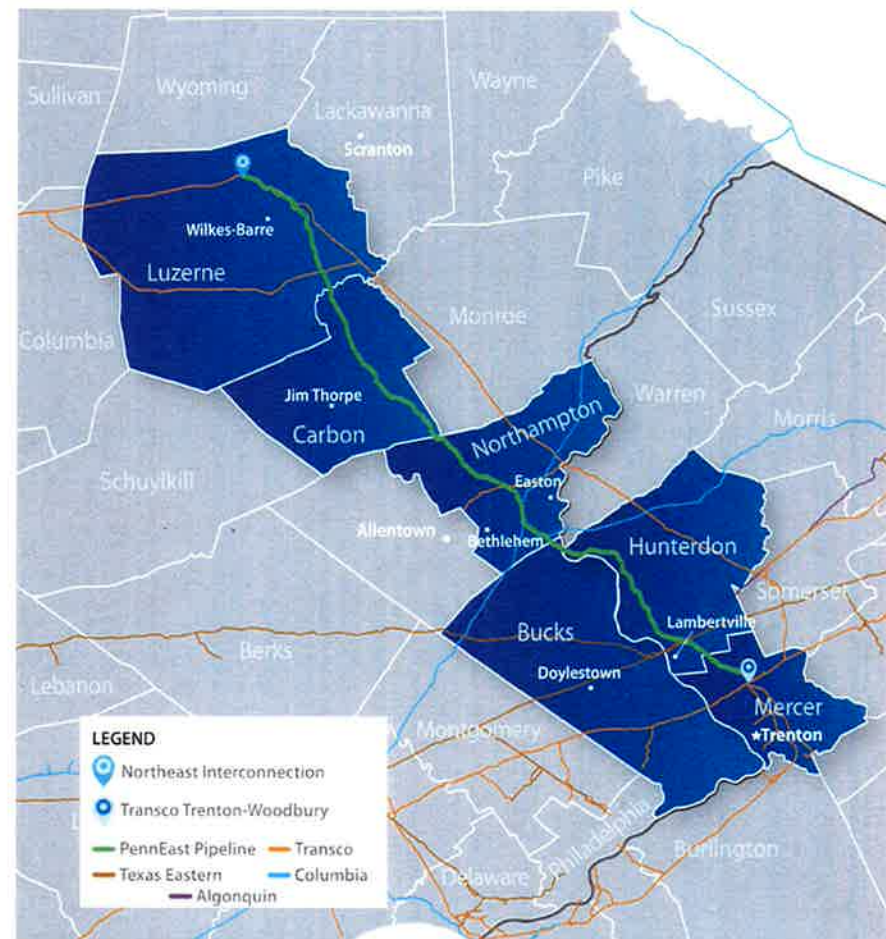
Nearly 100% subscribed; over 75% by entities directly serving energy consumers

PennEast Pipeline
www.penn-eastpipeline.com

About the PennEast Pipeline Project

Proposed Route

- Luzerne Co. Pennsylvania to Transco Trenton-Woodbury line – Mercer Co. New Jersey
- Co-locate where possible and avoid densely populated areas
 - NJ Co-location 59.8%
 - PA Co-location 38%
- 114 miles (approx)
- 36 inch diameter
- 1Bcf/d capacity
- Nearly \$1 billion investment

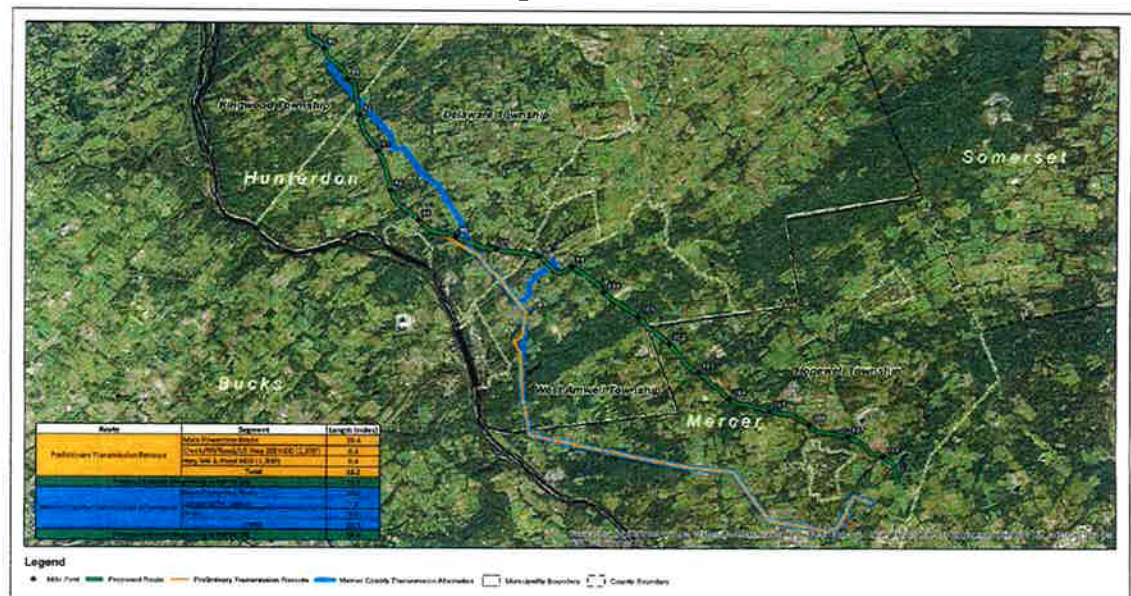


Enough supply to heat 4.7 million homes

Proposed Route

New Jersey Focus

- Approximately 33 miles in NJ
 - Delivery points
 - Elizabethtown Gas
 - Texas Eastern
 - Algonquin
 - Transco
 - No compressor stations in NJ
- Estimated property tax revenue projected at ~\$34 million over first 5 years of operation
 - Landowners receive ROW compensation
 - Value - highest and best use



Need for New Infrastructure

- Demand for natural gas in NJ growing at steady pace
 - 74 BCF increase over last 5 years – almost 60 BCF in power generation alone
- New Jersey Energy Master Plan supports the use of natural gas
 - NJBPU President recognizes need for and value generated from natural gas infrastructure
- Reliable competitively priced natural gas strengthens local business economy and attracts new business to the area
- Appalachian basin has become major U.S. long term supply source
 - Existing infrastructure does not meet demand reliably or economically
- Proposed pipeline fully subscribed (market driven)
 - Over 82% of contracted capacity by local distribution companies (LDCs) and power generators (market driven)

74% of New Jersey Homes Use Natural Gas



PennEast - Benefits

- Reliable long term supply
- Clean, efficient and affordable natural gas to meet present and future demand
- Decreased price volatility
- Contributes to stable electric rates
- Reduced air emissions (oil/coal to natural gas conversion)
- Energy independence and security
- Economic impact \$1.62 billion (Econsult and Drexel University study)
- Energy market savings estimated at \$893 million for 2014 (Cogentrics)



PennEast

Project Benefits

- Economic Impact of Construction (from Drexel Study¹)



\$740 MILLION
WORKER WAGES



12,160
TOTAL JOBS

**CONSTRUCTION
ECONOMIC
IMPACT**

\$1.62 BILLION



PennEast

Project Benefits

- Annual Consumer Savings (from Concentric Study²)

ELECTRIC MARKET SAVINGS



GAS-FIRED
GENERATION
OIL-FIRED
GENERATION
DISPLACEMENT

EASTERN PA	NEW JERSEY	TOTAL
\$225.8 MILLION	\$186.7 MILLION	\$412.5 MILLION
\$70.2 MILLION	\$48.9 MILLION	\$119.1 MILLION

GAS MARKET SAVINGS



LDC GAS SUPPLY
PROCUREMENT
INDUSTRIAL
TRANSPORTATION
CUSTOMERS

\$36.4 MILLION	\$69.8 MILLION	\$106.2 MILLION
\$182.5 MILLION	\$73.1 MILLION	\$255.6 MILLION
\$515 MILLION	\$378.4 MILLION	\$893.4 MILLION



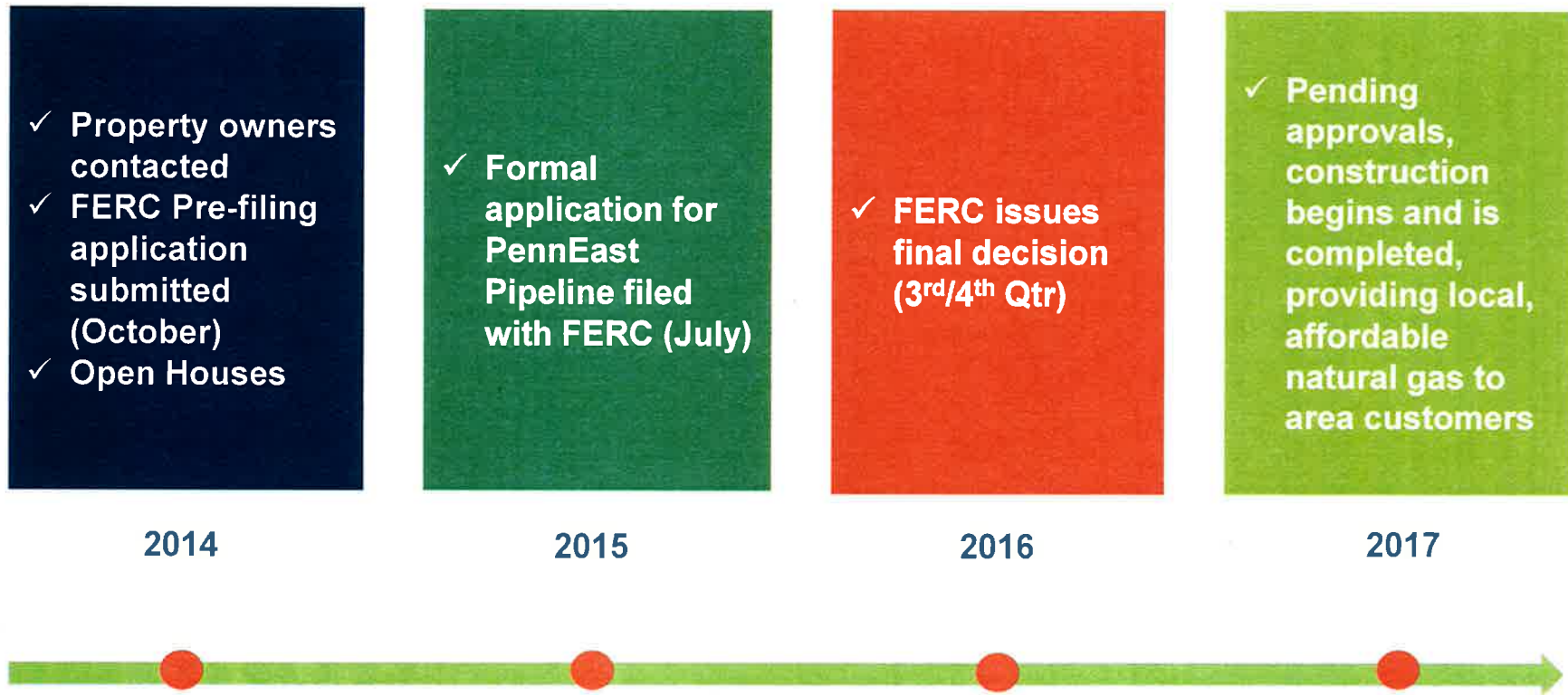
² <http://penneastpipeline.com/ConcentricEconomicStudy/>

PennEast – Moving Forward

Federal Energy Regulatory Commission (FERC)

- **Interstate natural gas pipelines are approved and regulated by FERC**
 - **Pre-filing Process** – Early stage review by FERC, land owners, affected parties
 - Ongoing Environmental impact review
 - **Certificate Application Filing** – The formal project application with FERC
 - Permit applications for other federal, state and local agencies
 - **Environmental Impact Statement (EIS)** – FERC to perform in-depth environmental analysis
 - **7(c) Certificate Approval** – Can be approved without completing survey work
 - Survey's completed after approval
 - **FERC Resource:** “An Interstate Natural Gas Facility on My Land? What Do I Need to Know?”

Project Timeline



FERC – Federal Energy Regulatory Commission



Project Timeline

Federal, State and Local - Permit/Approval Review

<u>Federal Agencies</u>	<u>State Agencies</u>		<u>County Conservation Districts</u>
<ul style="list-style-type: none"> ✓ US Army Corp of Engineers ✓ US Environmental Protection ✓ US Fish and Wildlife – PA&NJ ✓ National Marine Fisheries ✓ National Park Service ✓ National Resources Conservation –PA&NJ 	<ul style="list-style-type: none"> ✓ PA Department of Environmental Protection ✓ PA Game Commission ✓ PA Fish and Boat Commission ✓ PA Department of Conservation and Natural Resources ✓ PA Historical and Museum Commission 	<ul style="list-style-type: none"> ✓ NJ Department of Environmental Protection ✓ NJ State Historic Preservation Office ✓ NJ State Department of Agriculture ✓ NJ-National Resources Conservation Service 	<ul style="list-style-type: none"> ✓ PA <ul style="list-style-type: none"> ✓ Luzerne Co. ✓ Carbon Co. ✓ Northampton Co. ✓ Bucks Co. ✓ NJ <ul style="list-style-type: none"> ✓ Hunterdon Co. ✓ Mercer Co.
<ul style="list-style-type: none"> ✓ Delaware River Basin Commission and Susquehanna River Basin Commission 			

2014

2015

2016

2017

Contact and Follow PennEast

Email:

answers@penneastpipeline.com

Call:

(844) 347-7119

Visit:

www.penneastpipeline.com



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