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Proposed Leidy Southeast Expansion Project

Skillman Loop Informational Meeting

1.29 miles in Princeton, NJ

February 28th, 2013

In attendance from Williams

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Company	Group	Title	Name
Williams	Gulf Onshore Projects	Director - Projects	Brian O'Higgins
Williams	Gulf Onshore Engineering	Director - Engineer	Chris Brown
Williams	Princeton Division	Director	Mario DiCocco
Williams	Pipeline Engineering	Manager	Scott Long
Williams	District 505/205	Manager	Russell Markowsk
Williams	Gulf Onshore Projects	Project Manager	John Todd
Williams	Strategic Outreach	Local Outreach Bus Partner	Cindy Ivey
Williams	Princeton Asset Integrity	Team Lead	Wendy Wagster
Williams	Env Permitting	Senior Environmental Scientist	Brent Simmons
Williams	Land	Sr. Land Representative	Carol Peabody
Williams	Pipeline Engineering	Engineer	Michelle Mumme
Williams	Pipeline Engineering	Engineer	Diana Socarras
Williams	Gov't Affairs - State	Gov't Affairs Rep	Selby Bush

Who is Transco…

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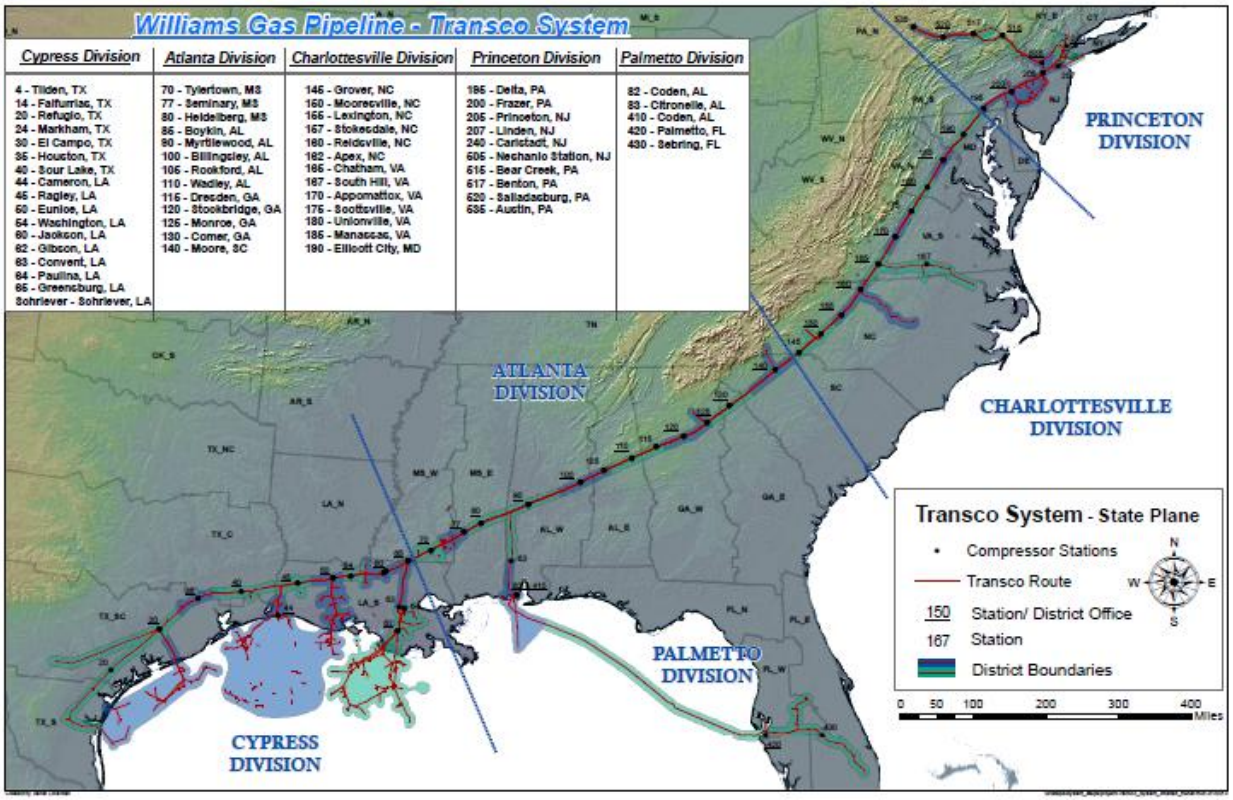
- Williams owns & operates the Transco pipeline.
- Transco pipeline system consists of 10,200 miles of pipeline and 52 compressor stations and storage facilities.
- Delivers half of the natural gas consumed in New Jersey and 8% of gas consumed in U.S.
- Customers are primarily utility companies and electric power plants.



Shifting Supply Sources

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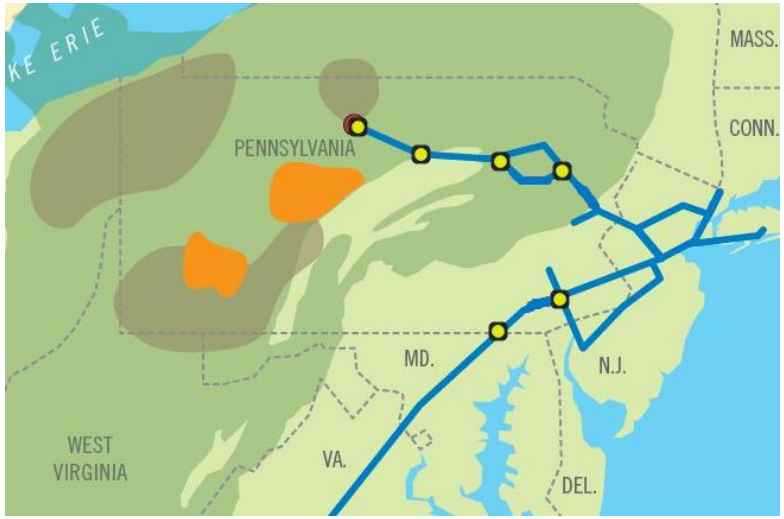
- The natural gas marketplace is experiencing a significant shift with large discoveries of natural gas in PA.
- Traditionally, natural gas flowed from south to north on the system with gas originating along the Gulf Coast.
- Transco doesn't own the gas it transports.



- The Transco system works like a toll road with customers paying for how far they transport the gas.
- Similar to lanes on a highway, the existing pipeline infrastructure contains bottlenecks that have to be modified to accommodate this new shift in supply.

Purpose and Need

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- Demand for natural gas continues to increase, particularly for electric power generation
- The LSE Project will provide access to new sources of domestic natural gas supply and will support the overall reliability of the energy infrastructure.
- It offers Transco's customers in the mid-Atlantic access to natural gas supplies that are located geographically close to their markets, which may reduce overall transportation costs.
- The LSE project is fully contracted for and is consistent with the Commission's Statement of Policy on the Certification of New Interstate Natural Gas Pipeline Facilities

Project Overview

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- The Leidy Southeast Expansion Project is designed increasing Transco pipeline's capacity by 469 million cubic feet of natural gas per day
  - Enough natural gas to serve about 2 million homes
- The proposal would involve the construction of approximately 28 miles of additional pipe segments, called loops, in Pennsylvania and New Jersey, in addition to modifying some existing pipeline compressor facilities

Activity	Proposed Date
Pre-Filing	Jan 2013
Surveys	Jan – May 2013
Public Open Houses	April 2013
FERC Filing	Fall 2013
Construction	Fall 2014
In-service	Dec 2015

- Customers served by this project include Anadarko Energy, Piedmont Natural Gas, Public Service Company of North Carolina, South Carolina Electric & Gas, Washington Gas and Light, and Mitsui & Co. USA

Leidy Southeast Expansion Project
Project Facilities – Pipeline

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> Four loops in Pennsylvania and New Jersey, in addition to existing compressor facility modifications:

-- **Skillman Loop:**
6.4 miles in Mercer and Somerset Counties (Princeton and Montgomery Townships), NJ

– Pleasant Run Loop:
6.9 miles in Somerset and Hunterdon Counties (Branchburg and Readington Townships), NJ

– Dorrance Loop:
4.1 miles in Luzerne County (Dorrance and Slocum Townships), PA

– Franklin Loop:
11.0 miles in Monroe and Luzerne Counties (Tobyhanna and Buck Townships), PA

Selecting Facility/Pipeline Locations

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- Increasing natural gas deliveries can be accomplished through one or a combination of the following:
  - Increasing horsepower at compressor stations/constructing additional stations;
  - Replacing existing pipelines with larger pipelines;
  - Building new pipelines, either next to existing lines (“looping”), or in an area where pipelines don’t currently exist.
- The company must evaluate a number of environmental factors, including potential impacts on:
  - Residents
  - Threatened and endangered species
  - Wetlands, water bodies and groundwater
  - Cultural resources
  - Air quality

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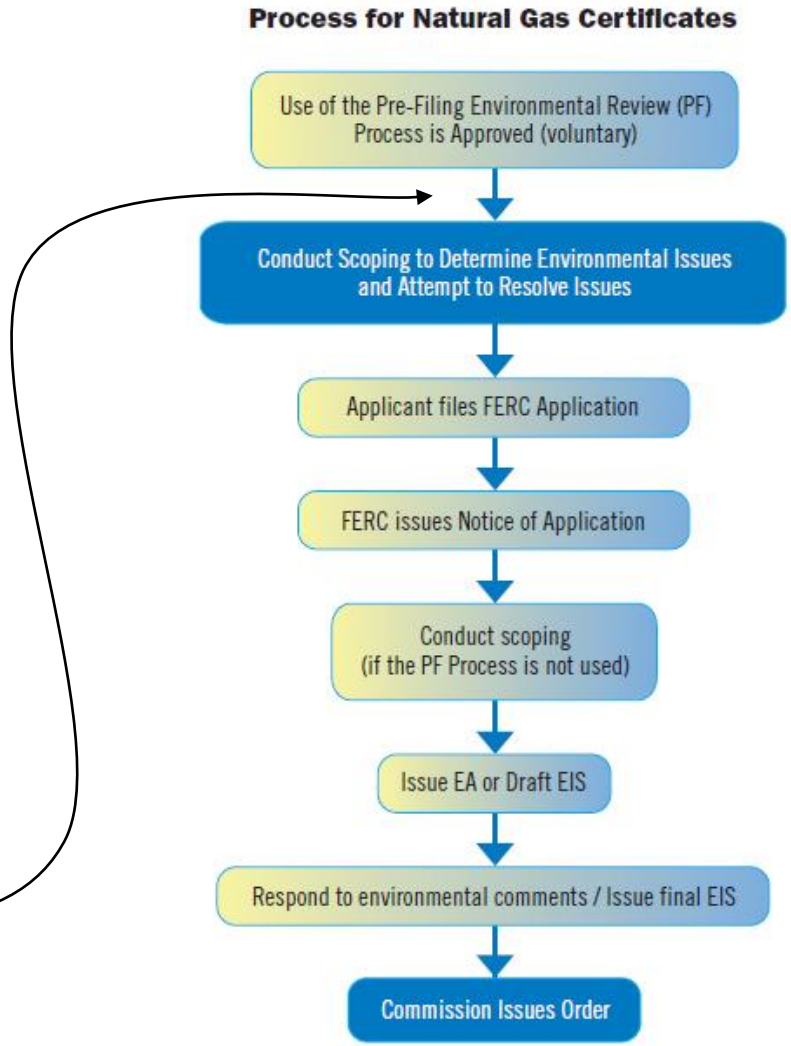
Co-Locating New Pipeline Facilities

- Co-location of new pipelines has several inherent advantages for engineering, long-term operations, maintenance, and environmental impacts.
- Co-location is generally preferred by the company, FERC, land use planners and other regulatory agencies.
- Typically, deviations from existing corridor will result in additional short and long term environmental impacts when compared to co-location options.

The Regulatory Process

- FERC is the governing body that determines whether the project is needed and in the public interest.
- Transco seeks approval for pipeline expansion projects by filing an application for a certificate of Public Convenience and Necessity.
- FERC accepted Transco's request for pre-filing on January 29, 2013 and issued docket number PF13-5.
- Transco plans to file the Natural Gas Certificate 7c Application in September 2013.

We Are Here



STAKEHOLDER		ROLE
	Transco	Proposes expansion project based on customer need; applies to FERC to expand facilities.
	FERC	Administers application, performs environmental, land use, and rates analyses, approves or denies application.
	PHMSA	Regulates pipeline industry after in-service. Ensures pipeline safety.
	States	Administers applicable state laws and various federal programs
	Counties	Issues various construction-related permits and others such as road crossings. Emergency responder coordination.
	Municipalities	Issues various construction-related permits and others such as road crossings. Emergency responder coordination.
	NGOs	Consult on very specific localized issues for which they were formed
	Landowners/ Homeowners	Stewardship/ownership of their property

Skillman Loop Construction Methodology

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> Easements & Temporary workspace

- The industry standard construction corridor is 110 feet for installation of a 42” pipeline
- For this project, Transco is proposing construction corridor of 105 feet for non-residential construction and 80 – 85 feet of for residential areas.
- Typical spacing between lines is 25 feet
- To minimize impacts and maintain safety, Transco is proposing an offset of 20 feet where practicable in residential areas
- Site specific residential construction plans will be created for any home located within 50 feet of the construction workspace

Construction Methodology

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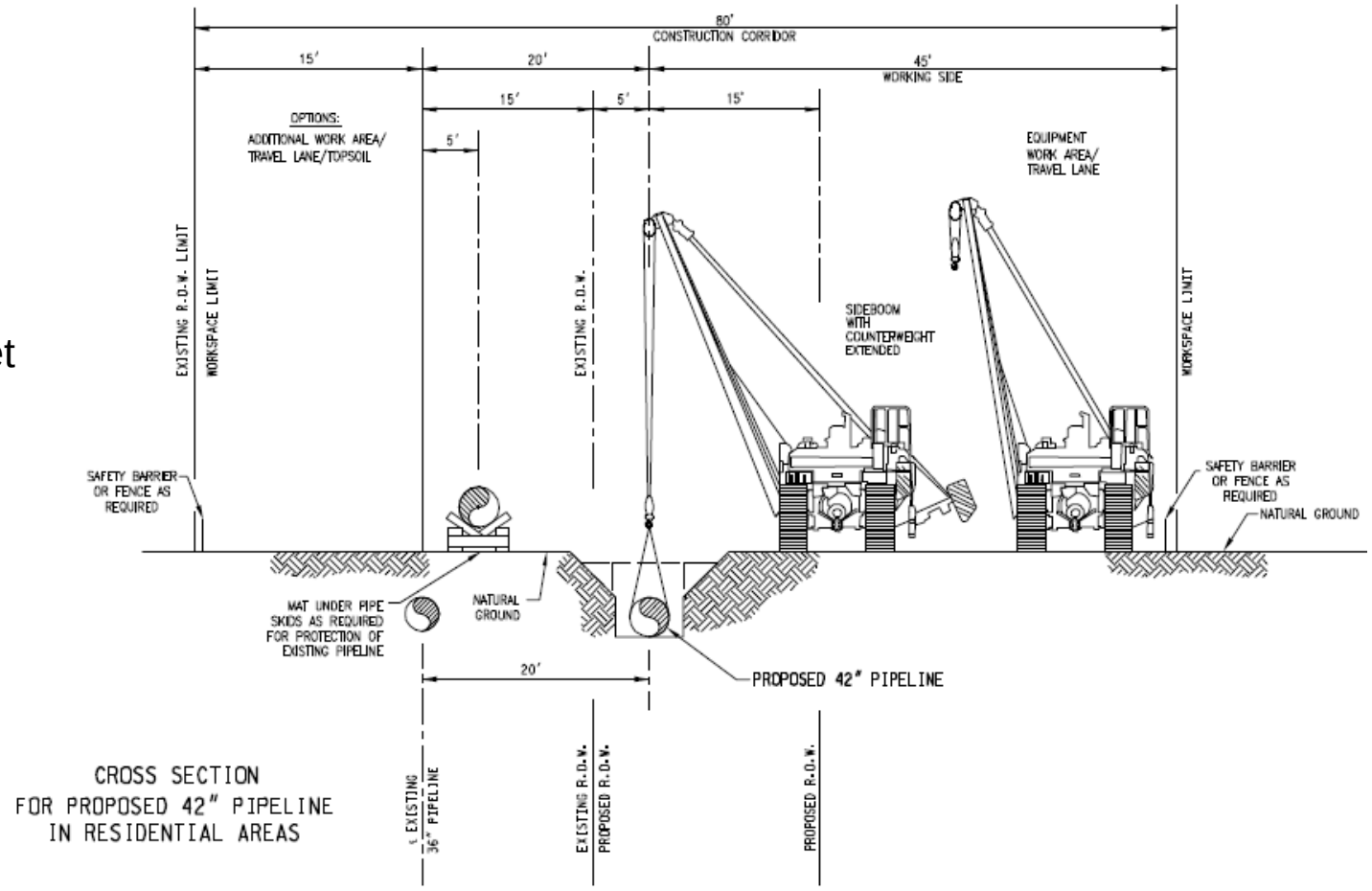
Proposed installation of Skillman Loop (residential) with an offset of 20 feet

Proposing 20 feet of new easement.



CROSS SECTION
FOR PROPOSED 42" PIPELINE
IN RESIDENTIAL AREAS

Land

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> What has happened

- Letters mailed to landowners along the proposed survey corridor for Notice of Pre-filing the project with FERC
- Land agents contacted landowners in person or by telephone for permission to survey areas outside of any existing Transco easements.

> What's Happening now

- Meeting with landowners individually to answer questions about the project.
- Agents coordinate surveys with landowners (civil environmental, and cultural)

> What's Next

- Open houses in each county.
  - Maps and plans available for review.
  - Identify construction concerns.
  - Gather public comments.
  - Information on how to file comments to the FERC about the project.

Existing Pipeline Operations

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- Original 36” pipeline installed in 1958
- Cathodic protection of existing line:
  - A deep well anode at Coventry Farms (MP 1777)
  - Linear Anode along MLB (MP 1777.8)
- An In-line-inspection (ILI) tool was run through this segment in 2007 to evaluate health of pipeline.
  - The tool identified 1 location in Princeton Township (near Coventry Farms MP 1776.57) that was investigated and found to be within code. Pipeline was recoated and backfilled
- Next ILI run schedule for 2014
- Existing ROW is inspected yearly by local operations
- Automatic Line Break Controls located on both ends of line segment

Integrity Management Program

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- Transco has developed an Integrity Management Plan (IMP) that defines procedures and processes we follow to maintain a safe and reliable pipeline.
- The Transco IMP plan involves many components including:

  - Prevention (of natural or man-caused forces harmful to our pipelines)
  - Maintenance (of protective systems, processes and technologies)
  - Detection (of deleterious forces and threats)
  - Assessment (of risks, causes, and mitigation strategies)
  - Mitigation (by application of state-of-the-art solutions to eliminate harmful forces and threats to safety), and
  - Monitoring (of operations in “real-time” to ensure functionality of procedures, processes and technology.)

Integrity Management Program

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- Some examples of methods and actions that Transco employs for each area of the IMP plan include:
  - Prevention -- QA/QC in pipe production, coatings, transportation, testing, public awareness
  - Detection & Assessment – SCADA, In-Line Inspections, CIS Surveys, Pipeline Patrol and Third Party Damage Control
  - Mitigation / Maintenance – Cathodic Protection, AC Mitigation, Investigative digs, Pipe Repairs & Cutouts, Re-coat projects
  - Monitoring – SCADA, Remote Operating Valves, Automated stations

Integrity Management Program

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Smart Pig

Integrity Management Program

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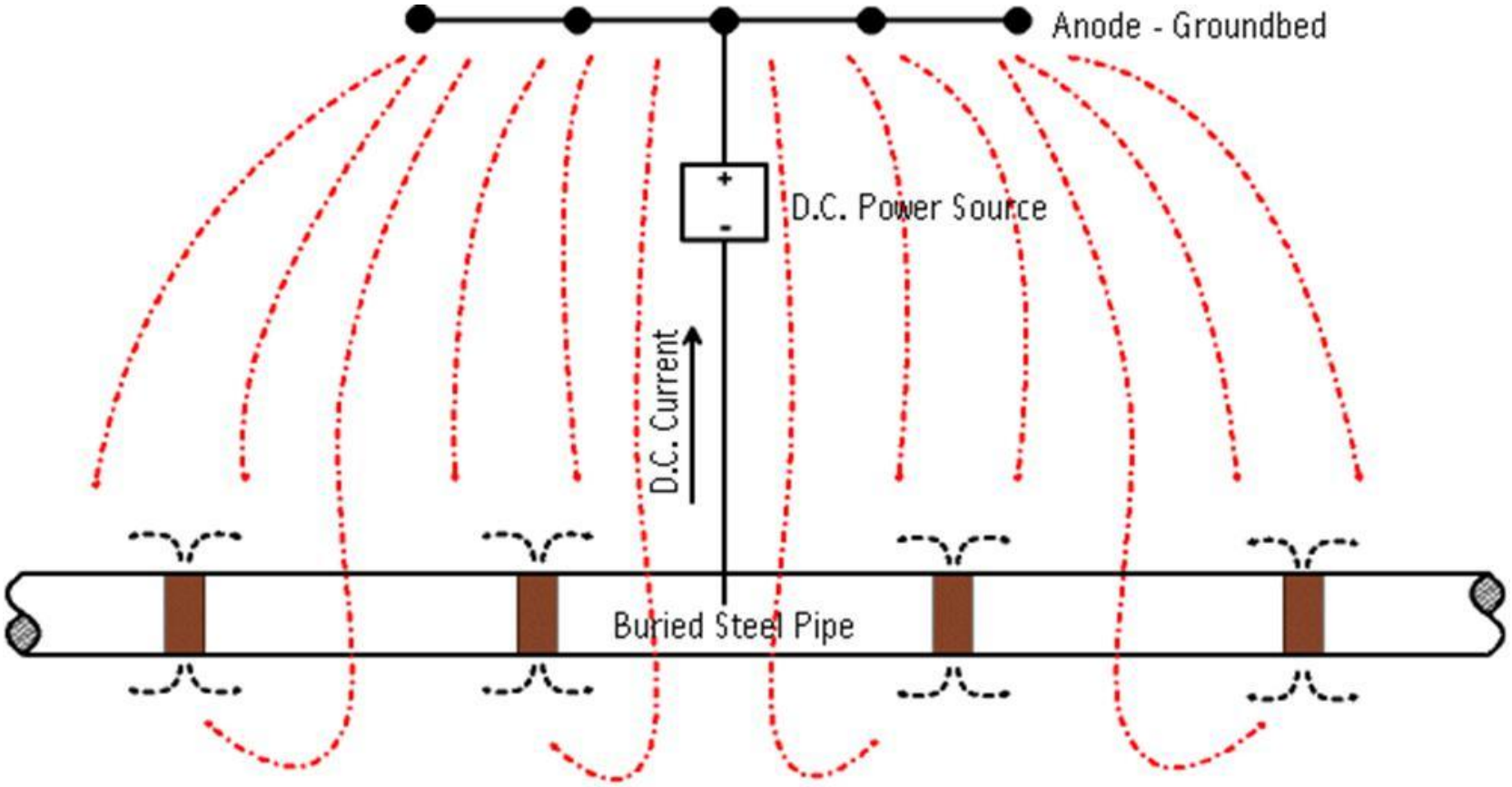

Cathodic Protection System

More information…

- Open House for the Skillman Loop
  - When: April 11th 6 – 9 pm
  - Where: Otto Kaufman Community Center - 356 Skillman Rd, Skillman, NJ 08558
- Project Website
  - www.williams.com/Leidysoutheast
- FERC Docket No.
  - PF13-5
- FERC Website
  - www.ferc.gov