

Williams Files Application Seeking Federal Approval for Pipeline Expansion

Williams has filed a Certificate Application with the Federal Energy Regulatory Commission (FERC) seeking authorization to expand certain segments of its Transco pipeline to deliver additional natural gas supplies to local gas distribution companies located along the Atlantic Seaboard by late 2015.

Williams is providing this newsletter to parties who may be affected or have an interest in the proposal.

The Leidy Southeast Expansion Project is designed to increase the Transco pipeline's capacity by 525,000 dekatherms of natural gas per day (enough natural gas to serve about two million homes). The proposal would involve the construction of approximately 30 total miles of additional pipe segments, called loops, in Pennsylvania (Luzerne & Monroe counties) and New Jersey (Somerset, Hunterdon & Mercer counties), in addition to modifying some existing pipeline facilities.

The Certificate Application recently filed with FERC is a comprehensive document that describes the proposed project, its need and potential environmental impacts.

While it would be easy to view the company's application filing as the beginning of a process, it actually represents the culmination of more than a year of engineering, environmental analysis and public input.

Since last January the company has been involved in the FERC pre-filing process, soliciting input from citizens, governmental entities and numerous

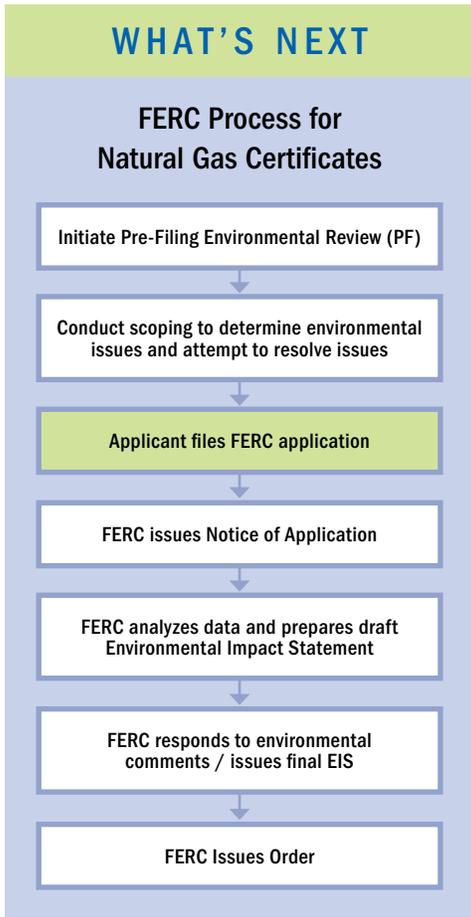
other interested parties to identify and address issues with potential facility locations. The proposal filed with FERC reflects some adjustments to the original pipeline alignment introduced during public meetings last spring – most a direct result of stakeholder input.

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

The application also contains various environmental resource reports, which include an analysis of route alternatives, water resources, vegetation and wildlife, cultural resources, socioeconomics, soils, geology and land use.

Within the next few months, it is anticipated that the FERC will submit a preliminary draft of its Environmental Assessment (EA) to all cooperating agencies. Once the EA is completed, it will be issued for public comment. The public comment period for an EA is generally 30 days.

Following the EA public comment period, the FERC will make a determination on whether to issue a Certificate Order authorizing Williams to construct the Leidy Southeast Expansion Project. The project sponsors anticipate that the FERC will make a final decision in the summer of 2014 on whether the project will be authorized. If approved, pipeline



construction is scheduled to begin in the spring of 2015.

If authorized, the Certificate Order will detail the conditions of the approval, including the final route that FERC has authorized, and construction and mitigation measures that Williams must follow.

Prior to construction, Williams will be required to submit an Implementation Plan documenting how the project will be constructed in accordance with the mitigation requirements contained in the Order.

Anatomy of an Application for a Certificate of Public Convenience and Necessity

The siting and construction of interstate natural gas pipelines is regulated by the Federal Energy Regulatory Commission (FERC). An integral component to FERC's review of a proposed project is the 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.

Williams recently filed its Certificate Application with the FERC for its Leidy Southeast project. The application includes the following information:

Description of Proposed Facilities

A description of the new pipeline facilities and an overview of their location and cost.

Market Support

Identification of the customers who have executed contracts to be part of the project, as well as the gas volumes that they have requested.

Tariff

Description of the proposed rates that project customers will pay for the gas service.

Public Convenience and Necessity

Included is a description of the company's efforts to minimize or eliminate potential adverse effects, including impacts to customers, landowners and the environment. This section also makes the case that the public benefits of the project outweigh potential adverse effects.

Timing for Approval

The requested in-service date, as well as the date in which the company would like to receive approval of the application.

Other Exhibits

Included in the Certificate Application are many exhibits that support the proposal.



These exhibits include detailed maps, market and cost data, as well as all the various environmental reports. Exhibit F-1 contains the Environmental Resource Reports that detail the various studies and analyses which have been conducted to determine what effect construction and operation could potentially have on the environment and community and how those effects can be effectively minimized or eliminated.

The Environmental Resource Reports include an analysis of route alternatives, as well as an analysis of potential impacts to water resources including wetlands and groundwater, vegetation and wildlife including threatened and endangered species, cultural resources, socioeconomics, soils, geology, land use including proposed developments and, noise and air quality, alternatives, and safety.

Following the end of the scoping period, Williams filed Draft Environmental Resource Reports with the FERC.

When the Certificate Application is filed and a Certificate Proceeding (CP) docket number is assigned, a copy of the entire application will be made available for viewing at public libraries, as well as via the FERC website by referencing the project's docket number. Please note that the application will contain detailed drawings and schematics of facilities that are considered Critical Energy Infrastructure Information (CEII). Those

materials are not available electronically.

Williams anticipates that once the Certificate Application is filed, the FERC will require an additional eight to 10 months to make a final decision on whether to issue a Certificate Order authorizing construction of the pipeline. If authorized, the Certificate Order will detail the conditions of the approval, including the final route that FERC has authorized, and construction and mitigation measures that Williams must follow.

Viewing The Application

A copy of Williams' Leidy Southeast application to FERC will be available on FERC's website at www.ferc.gov (select the "Documents and Filing" tab, then "e-library" and then "General Search").

In addition, copies of the application are accessible for public inspection at the following public libraries.

MONROE COUNTY

Clymer Library
115 Firehouse Road
Pocono Pines, PA 18350

LUZERNE COUNTY

Marian Sutherland Kirby Library
35 Kirby Avenue
Mountaintop, PA 18707

HUNTERDON COUNTY

Flemington Free Public Library
118 Main Street
Flemington, NJ 08822

SOMERSET COUNTY

Hillsborough Public Library
379 S. Branch Road
Hillsborough Township, NJ 08844

MERCER COUNTY

Princeton Public Library
65 Witherspoon Street
Princeton, NJ 08542

Frequently Asked Questions

Is the Transco pipeline subject to the New Jersey BPU's 100-foot setback rule?

The Transco pipeline is not subject to the New Jersey BPU's 100' set-back regulation. Transco is an interstate natural gas pipeline that is regulated by the FERC and by the Federal Department of Transportation pursuant to the Natural Gas Act and the Natural Gas Pipeline Safety Act. State laws that attempt to regulate interstate natural gas pipelines or natural gas pipeline facilities are preempted.

What general steps do you take to minimize environmental impacts?



Williams works very hard to minimize impacts to landowners and the environment. During the analysis of potential pipeline routes, extra effort is taken to identify sensitive areas of ecological or historic significance. Teams of field scientists, archaeologists and biologists conduct detailed environmental surveys and evaluations of potential study corridors, searching for threatened or endangered wildlife, sensitive habitats and vegetation, wetlands and water bodies and areas of archaeological significance. Williams will be working closely with federal, state and local permitting agencies to develop installation plans and mitigation techniques that result in avoiding or minimizing the effects of pipeline construction.

Will there be any local benefit from construction?

The townships and counties would benefit most notably from the tax revenue generated, along with ancillary benefits such

as restaurant meals, hotel stays, grocery store purchases, etc. In NJ, the project is expected to create about \$1 million in additional annual tax revenue. Somerset (Branchburg/Montgomery) – \$430,000; Hunterdon (Readington/Clinton) – \$395,000; Mercer (Princeton) – \$80,000.

How long will pipe loop construction last?

Construction for an entire pipeline loop will typically begin in April and last about six months. In any one area, the bulk of the work will be done in six to eight weeks.

What are your typical construction work hours?

Standard construction operating hours are 7 a.m. to 7 p.m., Monday through Saturday, but may vary to be in compliance with local ordinances. This daily schedule allows optimal use of daylight hours and offers safer construction conditions during peak construction season.

How will you construct around septic systems?

Williams land agents will handle septic system issues as they arise on a case-by-case basis and in a timely manner, as this is a very important issue for landowners. If the pipeline's new proposed right-of-way impacts an existing septic system, then the company will take responsibility for having it repaired, or replaced/relocated off right-of-way, with the landowner's permission (assuming that there is room).

What will the company do to protect water wells?

Williams land agents will solicit input from each affected landowner about the number and location of water wells that are present on their property. Prior to construction, Williams will seek landowner permission to test all wells within 150 feet of the construction footprint before and after construction. Any problems with tested water wells

after construction begins will be promptly resolved by the company.

Is construction vibration something that is monitored?

Williams offers vibration monitoring for interested landowners whose home structure is in close proximity to construction activities. This would consist of both pre-construction and post-construction structural analysis of foundations and structures by a



professional structural engineering firm.

Will topsoil be segregated from subsoil?

Topsoil will be segregated (removed and stored in a pile or on the right-of-

way along the edge of the construction right-of-way) in residential areas at the beginning of construction and then the topsoil will be replaced after the pipe is installed. The subsoil, which receives the bulk of the construction traffic, will be tested and decompacted as necessary by the contractor with a disc/harrow or chisel plow. In Transco's experience, soils within the right-of-way (footprint) don't typically exhibit percolation problems.

How do you plan to control dust during construction?

The contractor will use water trucks to keep the construction travel lane sprinkled wherever dust becomes a problem.

How will you restore my land after pipeline construction?

Williams land agents will meet with all directly affected landowners to assess any particular issues or concerns that the landowner may have, such as impact to landscaping or structures such as

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 Bethlehem, PA 18017

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fences, sheds or playground equipment. Landowners will be compensated for physical damages to property not restored by our contractor following construction. Land disturbed during the construction period will be returned to as close to original condition as possible. Agricultural lands will be properly restored using approved, modern mitigation techniques designed to

ensure full productive reuse of the agricultural lands.

How do you ensure the safety of your pipeline?



We have a comprehensive pipeline integrity management program, which includes monitoring of the

pipe 24 hours a day, 7 days a week. Our integrity management program exceeds federal industry guidelines in a number of critical areas. Field personnel inspect the pipeline with vehicle, aerial and foot patrols on a regular basis.

For More Information

Project website:
www.williams.com/leidysoutheast

Toll-free information line:
 866-455-9103

E-mail:
PipelineExpansion@williams.com

Land Department:
 Leidy Southeast Project Office
 95 Highland Ave., Suite 150
 Bethlehem, PA 18017

Phone: 610-419-9145

Proposed Project Schedule

Month	Year	Activity
June	2012	Ground surveys began and are ongoing
January	2013	Pre-filing process began
April	2013	Open houses and informational meetings
Summer	2013	FERC scoping hearings
Summer	2013	Submit draft environmental reports to FERC
Fall	2013	Submit 7(c) application to FERC
Fall	2014	Proposed compressor station construction start
Spring	2015	Proposed pipeline construction start
December	2015	Target in-service

Proposed Major Facility Modifications

State	County	Scope
PA	Luzerne	5.27 miles of 42-inch pipe (Dorrance Loop)
PA	Luzerne/Monroe	11.47 miles of 42-inch pipe (Franklin Loop)
PA	Luzerne	Existing compressor facility modifications
PA	Lycoming	Existing compressor facility modifications
PA	Columbia	Existing compressor facility modifications
NJ	Somerset/Hunterdon	6.92 miles of 42-inch pipe (Pleasant Run Loop)
NJ	Somerset/Mercer	6.31 miles of 42-inch pipe (Skillman Loop)
NJ	Mercer	Existing compressor facility modifications