

Memo

East Goshen Township

Date: December 14, 2017
To: Board of Supervisors
From: Rick Smith, Township Manager
Re: Adelphia Gateway

On July 30, 2014 PPL Interstate Energy Company and PPL Electric Utilities Corporation filed an application with the PA PUC to transfer PPL Corporation ownership Interests to Talen Energy. The PA PUC approved the transfer and issued Talen a Certificate of Public Convenience on April 15, 2015.

In 2015 PPL Interstate Energy Company changed its name to Interstate Energy Company and in 2017 the name was changed to Interstate Energy Company LLC (IEC).

IEC currently has three tariffs from the PA PUC to transport natural gas and petroleum products.

On November 2, 2017 Adelphia Gateway announced that they would be acquiring IEC from Talen Energy. On that same date Adelphia announced it was holding a Binding Open Season for the transportation of natural gas from interconnections with Texas Eastern in Bucks County and Columbia Gas Transmission in Northampton County to Marcus Hook in Delaware County. The Binding Open Season closed on December 8th.

As of this date I have not received a response to our request to have representatives from Adelphia Gateway to attend a meeting.

A search of the PA PUC and FERC websites do not indicate and filings by Adelphia as of this date.

The Advisory Bulletin that was provided to the Board at the December 5th meeting summarizes those sections of the Federal Code that would apply to this repurposing project.

According to the Adelphia website any new compression stations (pump stations) will be installed on brownfield properties owed by the company. Valves will be replaced and added as need (IEC currently has a valve in the Wentworth Open Space). Adelphia will be applying for a Certificate of Public Convenience and Necessity from FERC which would give them the right of eminent domain.

PENNSYLVANIA PUBLIC UTILITY COMMISSION

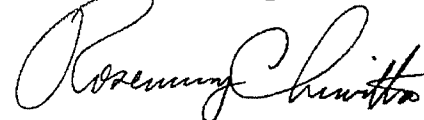
IN THE MATTER OF THE APPLICATION OF DOCKET NO: A-2014-2435752 and A-2014-2435833

**PPL Interstate Energy Company authorizing the transfer of PPL Corporation's indirect ownership interests
in PPL Interstate Energy Company to Talen Energy Corporation**

Effective Date: April 15, 2015

**The Pennsylvania Public Utility Commission hereby certifies that after an investigation and/or hearing, it has,
by its report and order made and entered, found and determined that the granting of the application is necessary or
proper for the service, accommodation, convenience and safety of the public and hereby issues to the applicant this
CERTIFICATE OF PUBLIC CONVENIENCE evidencing the Commission's approval.**

**In Witness Whereof, The PENNSYLVANIA PUBLIC UTILITY COMMISSION
has caused these presents to be signed and sealed, and duly attested by its secretary
at its office in the city of Harrisburg this 15th day of April, 2015.**

A handwritten signature in black ink, appearing to read "Rosemary Chivetta", is written over the word "Secretary".

Secretary

PENNSYLVANIA PUBLIC UTILITY COMMISSION

IN THE MATTER OF THE APPLICATION OF R-2017-2623030, R-2017-2623032 & R-2017-2623034

In accordance with the Pennsylvania Public Utility Code, 52 Pa. Code § 53.5, IEC filed Supplement No. 3 to Tariff Pipeline - Pa. PUC No. 4, Supplement No. 3 to Tariff Pipeline - Pa. PUC No. 5, and Supplement No. 3 to Tariff Pipeline - Pa. PUC No. 7 to reflect the new legal name of Interstate Energy Company LLC effective September 15, 2017.

EFFECTIVE DATE: September 15, 2017

The Pennsylvania Public Utility Commission hereby certifies that after an investigation and/or hearing, it has, by its report and order made and entered, found and determined that the granting of the application is necessary or proper for the service, accommodation, convenience and safety of the public and hereby issues to the applicant this **CERTIFICATE OF PUBLIC CONVENIENCE** evidencing the Commission's approval.

In Witness Whereof, The PENNSYLVANIA PUBLIC UTILITY COMMISSION has caused these presents to be signed and sealed, and duly attested by its Secretary at its office in the city of Harrisburg this 21st day, of September, 2017.


Secretary



ADELPHIA GATEWAY

12-14-17

The Adelphia Gateway project will repurpose existing infrastructure to provide consumers in southeastern Pennsylvania with additional access to low-cost, Pennsylvania-produced natural gas.

Adelphia Gateway will be part of the more than 2.5 million miles of gathering, transmission and distribution pipelines in the United States that transport two-thirds of the energy Americans use each year. Pipeline infrastructure transports many products we use every day, including natural gas, which provides about 33 percent of all the energy used in the United States.

Project Overview

The Adelphia Gateway project will convert the remaining 50 miles of an existing 84-mile pipeline in southeastern Pennsylvania from oil to natural gas. The northern 34 miles of the pipeline — extending from western Bucks County to the Martins Creek terminal in Northampton County — were converted to deliver natural gas in 1996.

When commissioned, Adelphia Gateway will serve customers in the greater Philadelphia area with a much-needed new source of natural gas. The 18-inch pipeline covers portions of Delaware, Chester, Bucks, Montgomery and Northampton counties.

To meet industry and regulatory standards, Adelphia Gateway is designing system enhancements and new customer interconnects so that the greater Philadelphia market can access affordable Pennsylvania-produced natural gas. As part of the conversion, compression will be added to the system to help move the natural gas through the pipeline. New laterals and interconnects will be constructed to help transport the natural gas to end users.

Upon completion of the conversion and enhancements, the newly repurposed southern portion of the pipeline will be able to transport 250,000 dekatherms (Dth) per day, or almost 91 million Dth per year, of natural gas capacity into the greater Philadelphia area. That's enough to meet the needs of more than 250,000 mid-Atlantic households each year.

Safety and Maintenance

According to the U.S. Department of Transportation (U.S. DOT), pipelines are the safest and most efficient means of transporting natural gas. Adelphia Gateway will be regulated by the U.S. DOT and the Federal Energy Regulatory Commission (FERC).

The pipeline, previously owned by Interstate Energy Company LLC, was originally installed in the 1970s and transported oil from Marcus Hook to Martins Creek. The southern 50 miles of pipe that will be converted as part of the Adelphia Gateway project remained an oil-only pipeline.

The conversion of the southern section will follow guidelines set forth by the U.S. DOT Pipeline and Hazardous Materials Safety Administration, and will adhere to industry standards. The 18-inch pipeline, built from polycoated seamless steel, has been tested and will continue to be inspected to confirm its integrity.

Hydrostatic testing, which involves pressuring the line with water at 150 percent of the maximum allowable operating pressure (MAOP) for an eight (8) hour period to confirm the integrity of the pipeline, was completed in August 2017 on the southern section of the pipeline.

U.S. DOT in-line inspections (ILIs) will be conducted every seven years, as required by federal regulations for natural gas pipelines. In addition to the ILIs, employees will conduct physical inspections along the pipelines and schedule aerial patrols to monitor the right of way (ROW). Operations of Adelphia Gateway will continue to meet or exceed all regulatory requirements related to pipeline integrity.

Environmental Impact

FERC, the independent agency that regulates the interstate transmission of natural gas by pipeline, is responsible for overseeing environmental matters related to interstate natural gas projects.

The Adelphia Gateway project will have minimal impact on the environment because of its reliance on existing infrastructure, brownfield locations and ROWs. There are no anticipated impacts to wetlands or farmlands.

Site assessments began in June 2017 to complete environmental, cultural, biological and wetland surveys for all proposed work areas. These reports will be submitted to FERC for review and approval.

Economic Benefits

The increased functionality of the pipeline will introduce new, competitively priced natural gas supply to meet demand not currently being served.

New infrastructure to increase access to domestic energy is needed for southeastern Pennsylvania to become more energy competitive and reach its economic growth potential. Adelphia Gateway provides an opportunity to serve new demand, which will fuel economic growth and job creation as businesses and manufacturers expand their operations.

This pipeline is intended to have delivery interconnects that will benefit industrial end users, including utility companies.

Local distribution companies deliver natural gas to homes and businesses through underground main and utility service lines, which make up some of the more than 2.5 million miles of underground pipeline in the United States.

Natural gas-powered electric generation facilities at various locations along the pipeline will be able to access additional natural gas supply and benefit from a new, competitively priced energy source in the area.

Information and Inquiries

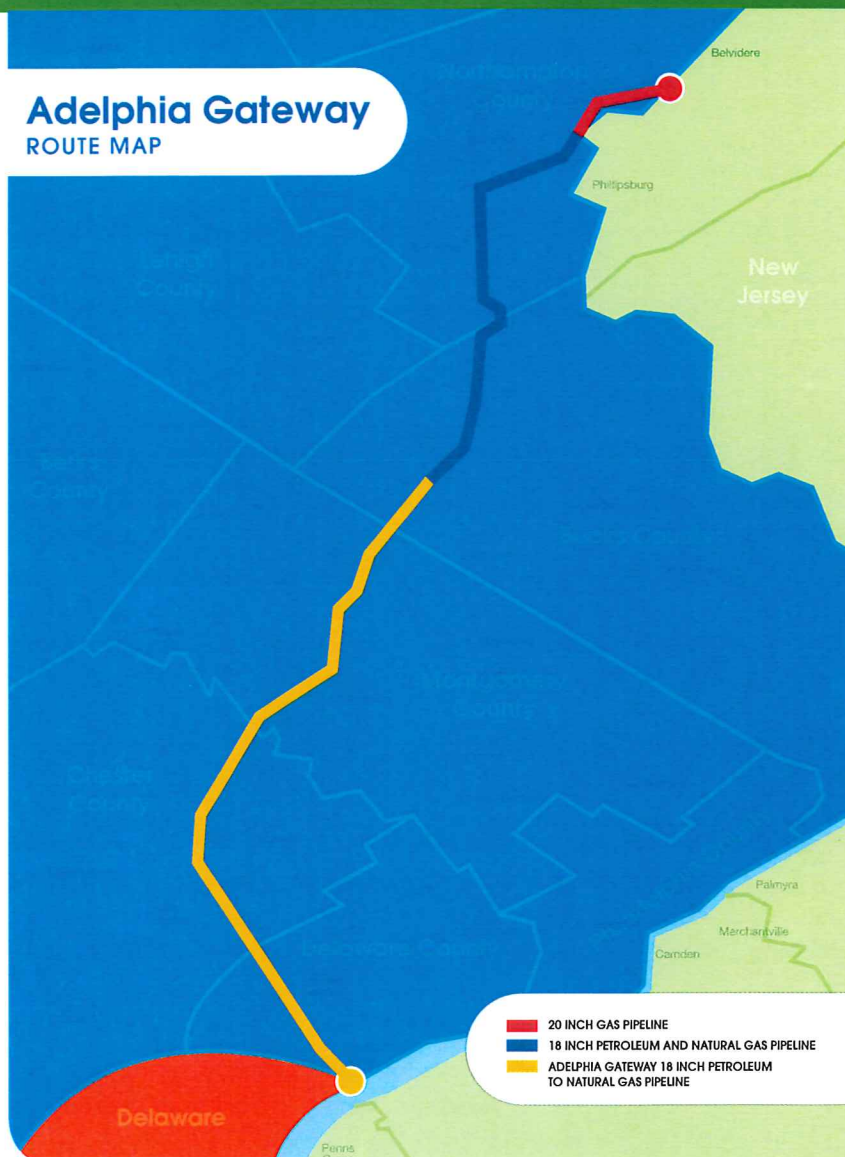
Adelphia Gateway Project

Adelphiagateway.com

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Phone: 800-483-3179

Adelphia Gateway ROUTE MAP



Frequently Asked Questions

Q: What is the Adelphia Gateway Project?

A: Adelphia Gateway is a proposed project to convert the remaining 50 miles of an existing 84-mile pipeline from oil to natural gas and certify the entire pipeline as a Federal Energy Regulatory Commission (FERC) jurisdictional open access transporter of natural gas. The 18-inch polycoated seamless steel pipeline will serve customers in Philadelphia and the surrounding area.

The project will involve several steps:

- Installing compression systems on brownfield properties owned by the company
- Construction will include multiple laterals and interconnects, originating from the Marcus Hook area, with plans to connect to existing pipelines in the area

Q: Why is it needed?

A: The Adelphia Gateway project will repurpose existing infrastructure to provide a new, competitively priced source of natural gas supply to meet existing and growing demand in the greater Philadelphia region, which is currently underserved.

Q: Where is the pipeline located?

A: Adelphia Gateway runs from Lower Mount Bethel Township, Pennsylvania, to Marcus Hook, Pennsylvania.

Q: How is the pipeline used today?

A: The pipeline was originally built in the 1970s to transport oil from Marcus Hook to the Martins Creek terminal in Northampton County. The oil was used to generate electricity at the Martins Creek Steam Electric Station.

Today, the northern 34 miles of pipeline transport natural gas for use at the Martins Creek and Lower Mount Bethel power plants.

Q: Is it safe?

A: According to the federal government, pipelines are the safest, most environmentally friendly and efficient mode of transporting natural gas. There are pipelines in virtually every neighborhood in the U.S. In fact, a vast network of 2.5 million miles of distribution and transmission pipelines across the country safely and reliably provides natural gas service to more than 177 million Americans. The design, construction, operation, inspection and maintenance of all operating pipelines are subject to state and federal regulations and requirements.

Q: How will you ensure that it continues to operate safely?

A: Due in large part to the coated steel makeup, pipeline safety regulations and required inspections, pipelines are built to last. Measures such as polycoating, cathodic protection and smart tool in-line inspections (ILIs) ensure that pipelines maintain their integrity.

Before a pipeline is converted to natural gas, it is tested and inspected to ensure it meets all legal and regulatory requirements.

The U.S. Department of Transportation (U.S. DOT) requires ILIs to be performed every seven years for all natural gas pipelines in service. In addition, Adelphia Gateway employees will conduct regular physical inspections of the pipeline route, as well as aerial patrols.

The U.S. DOT also requires inspections every three weeks; a minimum of 26 inspections per year. Adelphia Gateway will meet all regulatory requirements.

Q: Is an odorant added to the natural gas before it is transported in the Adelphia Gateway pipeline?

A: Yes, the pipeline transports natural gas that is odorized with mercaptan – a harmless chemical that smells of sulfur or rotten eggs.

Q: Will Adelphia Gateway have to dig up yards to make this switch to natural gas?

A: Minimal new construction in certain locations involving the existing pipeline on landowners' property will be needed to convert the pipeline to transport natural gas. Excavation will be necessary at a limited number of locations to add new valves and replace old ones. Affected landowners will be notified in advance via mail. Additional outreach will be done, depending on the work required and the type of easement required from the landowner.

Q: How will landowners be notified?

A: Typically, each notification will be via mail, and company contact information will be provided to answer any questions the landowner may have.

Q: Can the company condemn property if a landowner refuses to extend additional rights to the utility?

A: Once the project receives FERC approval, Adelphia Gateway will be able to acquire additional right of way (ROW) by condemnation, if required; however, that option would only be considered as a last resort. In the event that additional ROW is required, the first course of action will be to work with property owners to reach agreements, which the company is confident it can do.

Q: What is the environmental impact of this project?

A: Because this project largely consists of the conversion of an existing pipeline within an existing ROW, the environmental impact will be minimal. A majority of the work proposed for the project will be in previously disturbed areas or in paved roadways. We have completed environmental site assessments, including cultural, biological and wetland surveys. We do not anticipate any impact to wetlands or farmlands.

Q: Who will benefit from the Adelphia Gateway project?

A: This project will support economic development in the Philadelphia metro area by providing access to much-needed, affordable natural gas. With this conversion, the pipeline will be used to ship natural gas to southeastern Pennsylvania for regional consumption.

Adelphia Gateway intends to have delivery interconnects with local distribution companies and other industrial end users, such as natural gas-powered electric generation facilities, in various locations along the pipeline route. Ensuring additional supply options for customers will lower overall costs for natural gas in the area and positively impact economic development in the region.

Q: Are there plans to ship natural gas from the pipeline offshore?

A: No, Adelphia Gateway has no plans to ship natural gas offshore. The natural gas transported in the pipeline will be used by customers in the greater Philadelphia area and the surrounding region.

Q: Who has oversight of the pipeline?

A: Operation of the existing pipeline is regulated by the Pennsylvania Public Utility Commission. Once the conversion is complete, it will be regulated by FERC.

Q: What approvals are needed from FERC?

A: Adelphia Gateway will be applying to FERC for a Certificate of Public Convenience and Necessity. After Adelphia Gateway files its application, the public will have an opportunity to comment or request to be a part of the proceedings.

Q: Do municipalities collect any related taxes?

A: Pennsylvania does not assess property taxes on pipelines; however, an economic benefit study will be conducted to determine if any other tax revenue will be generated as a result of construction or other operations.

Q: What is the estimated timeline for approvals and construction work?

A: This project will require state and federal approval. Approval from state agencies is expected by the second quarter of 2018, with federal approval by the third quarter of 2018. Once we close the transaction and receive all regulatory approvals, we will begin the work to place Adelphia Gateway in service. We will share details on timing at that point in the process.

Q: Who is Adelphia Gateway LLC?

A: Adelphia Gateway LLC is owned by NJR Pipeline Company, a subsidiary of New Jersey Resources (NYSE: NJR). NJR is a Fortune 1000 company that provides safe and reliable natural gas and clean energy services, including transportation, distribution and asset management. NJR Pipeline is part of NJR's ongoing commitment to invest in and own midstream assets, including natural gas storage and transportation pipelines.