

## 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.