

Public Feedback Sought for Proposed Williams Pipeline Expansion

Williams is in the preliminary stages of developing an expansion of its Transco pipeline to connect natural gas producing regions in northern Pennsylvania to markets in the Mid-Atlantic and southeastern states by 2017.

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

The proposed Atlantic Sunrise project would include expanding the existing Transco transmission pipeline by adding new pipeline infrastructure in Pennsylvania, as well as modifying some existing Transco facilities in Pennsylvania and other states (Maryland, Virginia, North Carolina and South Carolina), to allow gas to flow from north to south. Since the Transco pipeline was initially installed in the 1950s, gas has traditionally flowed from south to north.

Initial ground surveys (environmental, cultural and civil) for the Atlantic Sunrise project began in May 2014. These surveys enable the company to gather important information to make informed decisions when determining the location of the proposed pipeline facilities.

Before Williams can modify or construct any new pipeline facilities, the company must obtain a Certificate of Public Convenience and Necessity from the Federal Energy Regulatory Commission (FERC), in addition to various other



Field survey work for the Atlantic Sunrise project is underway.

permits. Williams expects to file a formal application with FERC for the Atlantic Sunrise project in early 2015.

“We are still very early in this process,” said Atlantic Sunrise Project Director, Chris Springer. “The facility design, location and other details won’t be finalized until a formal certificate application is filed with FERC.”

To that end, Williams requested in April 2014 that FERC initiate an environmental review of the Atlantic Sunrise project before the company files its application for certificate of public necessity (Docket No. PF14-8). This formal process, which is known as FERC pre-filing, is designed to solicit early input from citizens, governmental entities and other interested parties to identify and address issues associated with potential facility locations during the design stage of a proposed project.

Williams has identified a preliminary project scope for the Atlantic Sunrise project. However, the current alignment is preliminary and subject to change as a result of additional survey information, environmental analysis, or changing customer needs, as well as input from citizens, local officials and other interested parties.

Currently, the preliminary project design includes a total of approximately 178 miles of new greenfield pipe (Central Penn Line), two new pipeline segments (loops) located along the existing Transco pipeline which total about 15 miles (Grugan Loop and Unity Loop), two and a half miles of existing pipeline replacement, two new compressor facilities in Pennsylvania, and other facility additions or modifications in four states.

Williams will formally introduce the project to interested parties during a series of public workshops that will be conducted in the project area. These workshops, also known as “open houses,” are open to the public and are designed to provide all interested parties an opportunity to meet project personnel, review maps, learn more about the regulatory process, ask questions and share feedback.

As this process moves forward, Williams is committed to working with communities and other interested parties to identify and address issues related to facility siting or construction.

Open Houses Designed to Solicit Public Input

Williams will formally introduce the Atlantic Sunrise project during a series of public workshops conducted in the project area in May and June 2014. These workshops, also known as “open houses,” are open to the public and designed to provide interested parties an opportunity to meet project personnel, review maps, learn more about the regulatory process, ask questions and share feedback.

Williams is dedicated to working with communities to identify facility locations that minimize impacts on the community and the environment, while balancing the needs of customers. Early involvement from communities helps the company identify and address issues related to project design and location.

The meetings are informal. Pipeline staff, representing a variety of disciplines, will be present to listen to landowners, public officials, and other interested stakeholders who attend the meetings to learn more about the project.



Maps will be available for inspection at the open houses.

Public Workshop Schedule

May 20, 2014 – Luzerne County

Lake Lehman High School
1128 Old Route 115
Dallas, PA
6–8 pm

May 21, 2014 – Lycoming County

Hughesville Fire Department
Railroad & Water Street
Hughesville, PA
6–8 pm

May 22, 2014 – Clinton County

Chapman Township
79 Parks Avenue
North Bend, PA
6–8 pm

June 2, 2014 – Susquehanna County

Mountain View School District
11748 State Route 106
Kingsley, PA
6–8 pm

June 3, 2014 – Wyoming County

Keystone College
1 College Road
La Plume, PA
6–8 pm

June 4, 2014 – Northumberland County

The Way Side Inn
6638 State Route 61
Shamokin, PA
6–8 pm

June 5, 2014 – Columbia County

Bloomsburg Fire Dept. Social Hall
911 Market Street
Bloomsburg, PA
6–8 pm

June 9, 2014 – Schuylkill County

Tremont Fire Co. No. 1
21 Millcreek Road
Tremont, PA
6–8 pm

June 10, 2014 – Lebanon County

Annville-Cleona High School
500 South White Oak Street
Annville, PA
6–8 pm

June 11, 2014 – Lancaster County

Columbia No. 1 Fire Department
137 South Front Street
Columbia, PA
6–8 pm

The Long Journey to Your Home

Natural gas is found in large deposits in the Gulf of Mexico, Appalachia, Rocky Mountains and Canada. Exploring for natural gas means drilling thousands of feet, or even miles into the earth. Once a deposit is found, the natural gas is brought to the surface where it is cleaned and made ready for transportation through pipelines.



1

Offshore and onshore gas wells bring natural gas to the surface where it is transported to processing plants.

2

At processing plants, moisture and impurities are removed from the gas.

3

Once cleaned, the gas is transported through long steel pipelines. It is pushed through the pipes by large compressors.

4

Smaller pipes carry the gas to homes, factories and other industrial users.

Historic Project Designed to Flow Gas Bi-directionally

When the Transco pipeline was initially constructed, it was designed to connect abundant natural gas supplies along the Gulf Coast with East Coast markets. However, in recent years the natural gas supply landscape has shifted and today, the Marcellus supply area has eclipsed the Gulf Coast as the Transco pipeline's most prolific natural gas production area. In 2012, Transco transported about 225 million cubic feet per day of gas supply from the Marcellus. In 2014, that number has climbed in 3.5 billion cubic feet per day.

In response to this shift, the multibillion-dollar Atlantic Sunrise project will fundamentally change the flow of natural gas on the Transco pipeline system, allowing gas to flow bi-directionally so that customers like public utilities, power generators and industrial natural gas users along the Eastern Seaboard can have access to economically-priced Marcellus shale natural gas supply.

"This project is historic in a lot of ways," said Williams Vice President and General Manager Frank Ferazzi. "Atlantic Sunrise redefines the Transco supply area, and in the process, provides Williams customers in the Mid-Atlantic and southeastern states with access to the most prolific natural gas supply area in the world."

This proposal is being designed to help debottleneck pipeline capacity constraints that lead to higher energy bills, while allowing Williams to continue to ensure reliable natural gas service. It will include expanding the existing Transco transmission pipeline by adding new pipeline infrastructure



in Pennsylvania, as well as modifying some existing Transco facilities in other states, to allow gas to flow from north to south.

Capacity Constraints

This past winter, brutally cold weather in the northeastern and southeastern U.S. has exposed some critical weaknesses in the region's pipeline infrastructure, underscoring the need to add more pipeline capacity.

On Jan. 22 spot gas prices on Transco in New York City climbed to \$123.81 per MMBtu, while Transco spot prices in the Mid-Atlantic hit \$118.09. That same day, the same amount of gas near the well-head in Pennsylvania was trading for just under \$5 per MMBtu. The major reason for the price spike was the lack of adequate pipeline infrastructure.

During times of peak demand, energy prices have skyrocketed along the East Coast because of constraints brought on by lack of gas pipeline capacity.

"An important way to stabilize prices is to add pipeline capacity," added Ferazzi. "The price volatility shows that nearly a decade into a drilling boom that has flooded much of the country with gas, a lack of pipelines has left some areas vulnerable to shortages."

Emerging Supply Area

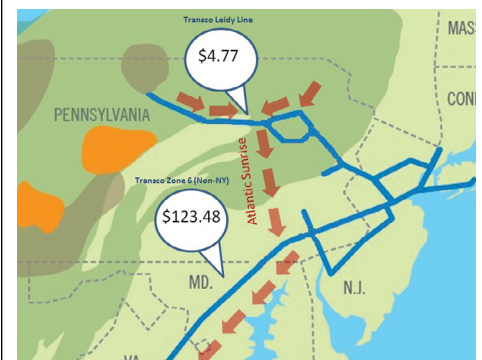
The Marcellus shale, centered in Pennsylvania, currently produces 13 billion cubic feet of natural gas per day, accounting for about 18 percent of total U.S. supply, up from just 2 billion cubic feet per day in 2010, according to the Energy Information Administration.

During the next three years, energy analysts say pipeline capacity from the Marcellus is expected to grow to carry 8.7 billion cubic feet more gas per day. The Transco pipeline, which extends into the heart of the Marcellus, is well-positioned to capture a large percentage of that takeaway capacity.

However, fully taking advantage of this new supply area requires significant system modifications to the existing Transco pipeline system, allowing gas to flow bi-directionally – either from north to south or south to north. A major step in this direction occurred in February 2014, when Williams announced that it had received binding customer commitments for the landmark Atlantic Sunrise project, which would transport 1.7 million dekatherms of Marcellus supply to local distribution companies and power generators all along the Eastern Seaboard – as far south as Alabama.

The preliminary project design includes a total of approximately 178 miles of new greenfield pipe, two pipeline loops totaling about 15 miles, two and a half miles of existing pipeline replacement, two new compressor facilities in Pennsylvania, and other facility additions or modifications in Pennsylvania, Maryland, North Carolina, South Carolina and Virginia.

Williams expects to bring Atlantic Sunrise into service in the second half of 2017, assuming all necessary regulatory approvals are received in a timely manner.



Natural gas price spikes on January 22, 2014.

Closer Look:

The Federal Regulatory Process

The Federal Energy Regulatory Commission (FERC) is responsible for determining whether or not proposed interstate pipeline projects are in the public interest. The information below explains FERC's review process for the planned project, and how you can get involved in the process.

FERC Pre-Filing

Before a pipeline company obtains authorization to construct an interstate transmission pipeline, the company must first file a detailed project plan with the Federal Energy Regulatory Commission (FERC). This plan is formally called an 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.

When a pipeline company like Williams is ready to begin preparing its Certificate Application, it typically initiates what is known as FERC pre-filing process. The pre-filing process is designed to encourage involvement by citizens, government entities and other interested parties during the design stage of a proposed project.

As part of this process, Williams will host a series of public workshops in the areas potentially affected by the proposal. Representatives from FERC normally participate in these meetings, as well. FERC may also hold public scoping meetings in the project area.

Once the pre-filing process begins, documents and correspondence submitted to or issued by FERC regarding the project can be accessed by referencing the pre-filing Docket Number on FERC's website: <http://elibrary.ferc.gov/> (the Atlantic Sunrise project pre-filing docket number is PF14-8). There will be a separate docket number assigned when the certificate application is filed.



FERC Filing

Williams anticipates filing its Certificate Application for the Atlantic Sunrise project in early 2015. Among other things, the Certificate Application contains a description of the new facilities, need for the project, detailed maps, schedules, and various environmental reports. This information details the various studies and analyses that have been conducted to determine what effect construction and operation could potentially have on the environment and community.

The environmental reports include an analysis of route alternatives, as well as an analysis of potential impacts to water resources, vegetation and wildlife, cultural resources, socioeconomics, soils, geology and land use.

When the Certificate Application is filed and a Certificate Proceeding (CP) docket number is assigned, a copy of the application will be made available for viewing at local public libraries, as well as via FERC's website by referencing the project's docket number.

Environmental Evaluation

FERC will prepare an environmental evaluation using information included in Williams' Certificate Application,

supplemental information that may be provided by Williams upon request, information assembled by FERC staff, as well as information provided by state and federal agencies and the public. The evaluation will describe the proposed project and alternatives, as well as identify existing environmental conditions and potential impacts from the project. The evaluation also will indicate what mitigation measures, construction procedures and routing could be included in the project to eliminate or reduce impacts.

The environmental evaluation will be mailed to federal, state, and local government agencies; elected officials; environmental and public interest groups; Native American tribes; affected landowners; other interested parties and newspapers. FERC will establish a public comment period to provide ample time for the public to review the evaluation. Once the comment period ends, FERC will address any comments in the final order.

If FERC determines that the project is environmentally acceptable – and is satisfied the project is in the public interest – it will issue an Order granting a Certificate of Public Convenience and Necessity. FERC issues this document to signify that approval has been granted to build and operate the pipeline. Comments received on the environmental evaluation are typically addressed by FERC in this document. The certificate will detail the conditions of the approval, including the final route FERC has authorized, and construction and mitigation measures Williams must follow.

Comments to FERC

When providing comments to the FERC, you should reference Docket Number PF14-8 or the CP docket number assigned when the certificate application is filed.

Comments may be filed via the Internet on FERC's website – www.ferc.gov. To do so, click on the Quick Comment link. The FERC website also contains additional information about getting involved in the regulatory process under the Citizens tab.

You may send written comments to FERC at:

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First St., N.E., Room 1A
Washington, D.C. 20426



Who is Williams?

You may have never heard of Williams, but millions of Americans depend on us every day. Williams processes and delivers domestic, clean-burning natural gas. In fact, we deliver about 12 percent of the natural gas consumed in the United States.

Founded in 1908, the company has a long history of operating safely and reliably.

You can learn more about Williams at www.williams.com. Williams owns and operates the Transco pipeline, which is a 10,200-mile pipeline system, extending almost 2,000 miles from south Texas to New York City. The pipeline transports large quantities of natural gas to customers throughout the Eastern Seaboard.

Selecting Facility Locations

In developing the pipeline project, engineers attempt to balance environmental and landowner considerations with the engineering requirements for safely constructing a transmission pipeline. These factors include geography, environmental concerns, co-location with other linear development and constructability.

Sophisticated computer modeling is used to identify what new pipeline facilities will be required to create the necessary pipeline capacity requested by the project customers. Increasing natural gas deliveries can be accomplished through one or a combination of the following:

- Increasing horsepower at pipeline compressor stations or building new compressor stations;
- Replacing existing pipeline with higher capacity pipeline; and
- Building new pipeline, either next to existing pipes (“looping”) or in an area where pipelines don’t currently exist (sometimes referred to as “greenfield” pipelines).

The pipeline company must evaluate a number of environmental factors, including potential impacts on

residents, threatened and endangered species, wetlands, water bodies, groundwater, fish, vegetation, wildlife, cultural resources, geology, soils, land use, air and noise quality.

Pipeline companies are strongly encouraged by regulators to consider routes along existing corridors, such as pipeline rights-of-way, roadways, utility corridors, railroad corridors and other easements. After analyzing maps, aerial photos, environmental reports and other available data, pipeline engineers establish a preliminary route or location for the new facilities, as well as location alternatives.

For the Atlantic Sunrise project, approximately 40% of the new greenfield pipeline facilities are proposed to be co-located within or adjacent to existing utility rights-of-way, while 100% of the proposed pipeline loops will be placed parallel to Transco's existing right-of-way.

Williams is dedicated to working with communities to select facility locations that balance the impacts on the community and the environment with the needs of the customers. Early involvement from communities helps Williams identify and address issues related to project design and location.



Pipeline engineers evaluate a number of factors when identifying potential routes.

Frequently Asked Questions

Has the location of the new pipeline facilities been finalized?

No. We are in the process of evaluating potential facility locations within a proposed study corridor. The ultimate location of facilities is subject to a significant amount of input from landowners and permitting agencies.

Will I be notified if the pipeline is going to affect my property?

Yes. Landowners whose property may be affected by the proposed route will be contacted by a Williams land representative notifying them of the various surveys that will take place on their property. Once Williams begins FERC pre-filing process, all potentially affected landowners will receive a packet of information from FERC and from Williams advising that their property may be affected by the pipeline project. It will also include the dates and locations of public meetings and instructions for obtaining more information.



Pipeline civil survey.

What is the purpose of pipeline surveys?

Ground surveys are a preliminary first step in gathering critical information that can be used in developing a pipeline proposal. The process of conducting these surveys involves several steps. Generally, each property will be visited by various specialists in land, engineering and environmental sciences. These may or may not be concurrent visits, but should not last longer than one or two days each. Some properties may need

to be revisited to obtain additional data. All information collected will be used to help us determine the location of the proposed pipeline facilities. Nothing will be removed from your property without your permission. Vehicular traffic will be confined to existing roads and access ways. After the survey teams are finished, you may see survey stakes and/or ribbon tied to fences or vegetation. These markers are necessary to maintain a line of sight for the areas that have been surveyed. In areas where brush or tall grass is encountered, crews may need to cut some of this vegetation to maintain the line of sight. Some minor surface disturbance may be required with hand tools to collect soil samples. Our survey crews will take every precaution to ensure that no damage to your property or disruption of your daily activities will occur.

Who decides if the pipeline project gets built?

Interstate natural gas pipelines are regulated by the Federal Energy Regulatory Commission (FERC). As such, FERC requires operators like Williams to obtain a federal Certificate of Public Convenience and Necessity, in addition to various state permits, before any pipeline facilities can be built.

What is an easement?

An easement is a limited right to use the land for specific purposes. Should Williams need to acquire a new easement, Williams will compensate the landowner for the right to construct, operate and maintain an underground pipeline (and, in limited cases, aboveground equipment related to the pipeline such as valves, and cathodic protection sites).

How will the value of the easement be determined?

The valuation of the easement will be determined by the market value of land in the area as determined by independent sources such as county deed and tax



Transco pipeline marker.

records, local appraisers, real estate brokers and other real estate professionals, considering such factors as length, width, existing use and comparable land sales in the area. Impact to the remaining property may also be considered. This information will be shared with the landowner and fair compensation will be offered. We encourage the landowner to provide any other relevant information that may be considered in establishing a fair market value. In addition to the value of the easement, the landowner will be compensated for any actual damages to their property during construction. Such damages may include loss of crop, timber, pasture, landscape features or use. Settlement of damages may occur before or after pipeline construction (or both). Damage to fences, gates, roads, drainage, etc., will be repaired prior to the contractor leaving the site. The landowner will be asked to acknowledge completion of and satisfaction with the restoration activities.

Will I still own my land? Can I still use it?

It is important to note that an easement does not transfer title of the land to Williams; it merely grants the right to use the land for the specific purposes stated in the easement agreement. After construction of the pipeline, most uses of the surface of the land will be permitted, including farming activities such as crop production or raising livestock.

A Company Committed to Safety

Williams' pipelines are part of a vast transmission system sometimes referred to as the "interstate highway" for natural gas. It consists of more than 300,000 miles of high-strength steel pipe moving large amounts of natural gas thousands of miles from producing regions to market.

According to statistics from the National Transportation Safety Board, natural gas pipelines are the safest and most cost-efficient mode of transportation today – surpassing highway, railroad, airborne or waterborne transport.

High Standards

Interstate pipelines are regulated by the U.S. Department of Transportation's Office of Pipeline Safety, which imposes a broad range of construction and operations standards. Williams has its own high standards for pipeline design, material specifications, construction, maintenance and testing. These standards, which must be met before a pipeline can be placed into service, include:

- At steel rolling mills, where pipe is fabricated, pipeline representatives carefully inspect the pipe to ensure that quality meets or exceeds both federal and industry-wide standards.
- Protective coatings and other corrosion control techniques are used to help prevent corrosion of the pipeline and its facilities.
- During construction, pipeline representatives carefully inspect the fabrication and construction of the pipeline. Welds linking the joints of the pipeline are checked to test their integrity.
- Once the pipeline is in the ground and before it is placed into service, it is pressure-tested with water or inert gas in excess of its operating pressure to ensure it can withstand high pressure.
- In accordance with federal law, aboveground pipeline markers are used to alert the public of the presence of one or



Williams pipeline employees remove an internal inspection device from the pipeline known as a "smart pig."

more pipelines within an easement. These markers, which contain the name of the pipeline operator and emergency contact information, are usually located near roads, railways, fences, water crossings, and curbs.

- Once the pipeline is placed in the ground, Williams installs a system called cathodic protection, which, along with the pipe's protective coating, protects the pipeline from corrosion.
- To help protect against third-party damage, which is the leading cause of pipeline incidents, regular inspections by motor vehicles and low-flying patrol aircraft keep a watchful eye on the pipeline routes and adjacent areas.
- Pipeline maintenance crews perform facility inspections, check for construction activity in the vicinity of the pipeline, and maintain the pipelines and their rights-of-way. Heavily populated areas are inspected and patrolled more frequently.
- Pipelines undergo periodic maintenance inspections, including leak surveys and valve and safety device inspections. An internal computerized inspection device, known as a "smart pig," is also utilized to periodically examine a pipe's condition.
- Local Williams representatives meet with local emergency response officials,

excavation contractors, landowners and local community leaders to educate them about pipeline operation and emergency response procedures.

- Safety information regarding our operations is distributed annually to landowners, residents and businesses located near our facilities.
- Williams' pipelines are continuously monitored 24 hours a day, 365 days a year through our gas control center.
- Williams actively supports the nationwide one-call system.

One Call

One of the greatest single challenges to safe pipeline operations is accidental damage caused by third parties. Local one-call centers provide a free service to anyone planning excavation, construction or blasting activities. After a center receives a call, it notifies underground utilities in the area of the planned work. Representatives from each utility company visit the proposed work site and mark the location of their facilities to reduce the risk of damage. To contact the one-call center nearest you, dial 811.





Williams - Transco
300 Laird Avenue, Suite 200
Wilkes Barre, PA 18702

For More Information

Project website: www.williams.com/atlanticsunrise

Toll-free information line: 844-785-0455

E-mail: atlanticsunrise@williams.com

Land Department:

Williams - Transco
300 Laird Avenue, Suite 200
Wilkes Barre, PA 18702

Williams - Transco
303 Schoolhouse Road
Mahoning Township
Danville, PA 17821

Williams - Transco
2578 Interstate Drive
Harrisburg, PA 17110

Preliminary Schedule

Spring 2014 Field surveys begin

Spring 2014 FERC pre-filing process begins

Late spring 2014 Open houses and informational meetings

Early 2015 Submit 7(c) application to FERC

Summer 2016 Anticipated construction start

Second half of 2017 Target in-service