



# ADELPHIA GATEWAY

January 26, 2018

VIA FIRST CLASS MAIL

East Whiteland Township  
209 Conestoga Rd  
Frazer, PA 19355

**Re: Landowner Notification of Proposed Adelphia Gateway Project  
Adelphia Gateway, LLC, FERC Docket No. CP18-46-000**

Dear Landowner or Stakeholder:

As you may have already heard, Adelphia Gateway, LLC (Adelphia) recently entered into an agreement to acquire the existing Interstate Energy Company (IEC) oil and gas pipeline system located in Southeastern Pennsylvania. Adelphia plans to convert an existing pipeline that has historically flowed oil and natural gas to flow only natural gas (Adelphia Gateway Project). By repurposing this underutilized existing infrastructure, Adelphia will continue to serve the existing power plants served by IEC and will be well-positioned to serve the growing demand for natural gas in Pennsylvania with minimal new construction and minimal impact to the environment.

### **Why Am I Receiving This Notice?**

You are receiving this notice pursuant to Federal Energy Regulatory Commission (FERC) regulations as a landowner or stakeholder who may be affected by the proposed Adelphia Gateway Project. This notice contains information about the Adelphia Gateway Project, the FERC Certificate process for approving interstate natural gas pipelines, how you can get involved and your rights, and how you can obtain additional information about the Adelphia Gateway Project from either Adelphia or FERC.

### **Proposed Adelphia Gateway Project**

Originally constructed in the mid-1970s to transport oil from Marcus Hook to Martins Creek, the existing 84-mile IEC pipeline runs through five Pennsylvania counties: Delaware, Chester, Montgomery, Bucks and Northampton. In 1996, IEC converted the northern 34 miles of the pipeline, extending from western Bucks County to Northampton County, to deliver natural gas.

In 2002, IEC constructed an additional 4.5-miles of pipeline parallel to the northern end of the existing pipeline. As described in the remainder of this notice, Adelpia will construct certain limited facilities as part of the Adelpia Gateway Project, to enable it to transport an incremental 250,000 dekatherms per day of natural gas to consumers in the greater Philadelphia area, which will be enough gas to meet the needs of more than 250,000 mid-Atlantic households each year. The northern portion of the Adelpia Gateway Project will continue to serve the two existing power plants served by IEC located in Martins Creek, Pennsylvania.

### **What New Facilities Will Be Constructed?**

The new facilities to be constructed by Adelpia include two pipeline laterals consisting of a total of approximately 5-miles of 16-inch pipeline in Delaware County, six (6) proposed delivery interconnects and metering and regulation (M&R) stations in Delaware County, one (1) proposed delivery interconnect and M&R station in Montgomery County, one (1) proposed receipt interconnect and M&R station in Bucks County, one (1) new main line valve in Delaware County and modifications to eight (8) existing main line valves throughout Delaware, Chester and Montgomery Counties, and two (2) compressor stations located in Bucks and Delaware Counties. All of the permanent impacts associated with the Adelpia Gateway Project other than the new pipeline laterals, will be to pre-disturbed brownfield locations and nearly 75% of the new pipeline laterals will be collocated with other utilities and/or installed in existing roadways, thereby only resulting in minimal environmental impacts.

Enclosed is a location map of the existing IEC pipeline and new facilities described herein that Adelpia proposes to construct.

### **Who is Adelpia?**

Adelpia Gateway, LLC is a Delaware limited liability company with its primary place of business located at 1415 Wyckoff Road, Wall, New Jersey, 07719. Adelpia is a wholly owned subsidiary of New Jersey Resources Corporation (NYSE: NJR), a Fortune 1000 company that, through its subsidiaries, provides safe and reliable natural gas and clean energy services, including transportation, distribution, asset management and home services.

### **Adelpia's FERC Application**

On January 12, 2018, Adelpia filed an Abbreviated Application for Certificates of Public Convenience and Necessity with FERC seeking authorization from FERC to acquire the existing IEC pipeline, construct the limited facilities described above that are needed to convert the southern 50-mile portion of the existing pipeline to flow natural gas, and operate the entire repurposed natural gas pipeline system under FERC jurisdiction (FERC Application).

The docket number that FERC has assigned to Adelpia's FERC Application is **CP18-46-000**. The docket number is important to know if you want to contact FERC with questions concerning the Adelpia Gateway Project. By using the docket number, you will be able to find information on the FERC's website ([www.ferc.gov](http://www.ferc.gov)). Please use the docket number in any communication with FERC.

A copy of FERC's notice of application for the Adelpia Gateway Project is enclosed. Both the FERC Application and notice of application are available on FERC's website at: <https://www.ferc.gov/>. Adelpia also has posted the FERC Application and notice on its website at: [www.adelphiagateway.com](http://www.adelphiagateway.com). Complete copies of the FERC Application are also available in each of the five counties that the Adelpia Gateway Project is located at the addresses specified in the enclosure.

As specified in the enclosed FERC notice of application, there are two ways for you to become involved in FERC's review of the Adelpia Gateway Project, including (1) any person wishing to obtain legal status by becoming a party to the proceedings should, on or before the comment date stated in the notice, file a motion to intervene in accordance with FERC's regulations; and (2) filing comments in support of or in opposition to the Adelpia Gateway Project, but the filing of a comment alone will not serve to make the filer a party to the proceeding. Enclosed is a copy of FERC's information sheet on how to intervene in FERC proceedings. This information sheet is also available on FERC's website at: <https://www.ferc.gov/resources/guides/how-to/intervene.asp>.

Also enclosed is a copy of the most recent edition of FERC's pamphlet titled "An Interstate Natural Gas Facility on My Land? What Do I Need to Know?" that explains FERC's certificate process and addresses many of the basic concerns of landowners. The pamphlet is also available on the FERC website at: <https://www.ferc.gov/resources/guides/gas/gas.pdf>.

Information on the Adelpia Gateway Project and how you can become involved in FERC's review of it is also available by contacting FERC's Office of External Affairs at 202-502-6088 or toll-free at 1-866-208-3372.

### **Proposed Project Timeline**

Adelpia has requested that FERC approve the FERC Application by August 2018. Construction of new facilities would begin shortly thereafter with the goal of placing the Adelpia Gateway Project into service by early 2019. However, over the coming months, you may see increased activity along the existing IEC pipeline right-of-way (ROW), in the areas of planned new construction, and on adjoining properties, as survey work progresses.

## **Landowner Rights**

In light of the limited construction necessary to complete the Adelphia Gateway Project and the fact that the majority of the pipeline and associated facilities already exist, Adelphia expects impacts to landowners and communities to be limited. However, some additional ROW is needed and Adelphia intends to enter into voluntary agreements with landowners to acquire that ROW in the form of easements. When Adelphia secures an easement upon that property by negotiated payment, the landowner still owns the property, but the landowner cannot undertake activity within the easement area that would conflict with the rights granted to Adelphia for use of the easement. Landowner activities that do not impact Adelphia's rights are permitted. The easement is a written document similar to a deed or lease. It is typically recorded at the county courthouse.

Adelphia is also in the process of purchasing certain real property on which to locate permanent structures such as the compressor stations. By securing these necessary property rights by deed, rather than by easement, Adelphia has full and complete ownership of the property.

On those rare occasions where Adelphia cannot secure the property rights it needs by reaching a voluntary agreement with the affected landowner, a federal law called "The Natural Gas Act" pursuant to which FERC grants Certificates of Public Convenience and Necessity (Certificate) for interstate natural gas pipelines allows a holder of a Certificate, such as Adelphia if a Certificate is issued for the Adelphia Gateway Project, to secure property rights by eminent domain. Efforts to obtain easements or real property through eminent domain begin with the Certificate holder initiating condemnation filings, either in state court or a federal district court. Usually a bond or other type of financial security is deposited with the court to ensure that the landowner will be paid for any property rights that are taken when the matter is finally decided. After various preliminary matters, a hearing is held to award the landowner "just compensation" for any property that is utilized for the project. Just compensation is the difference between the fair market value of the property as a whole immediately prior to the condemnation and as unaffected by it, and the fair market value of the property as a whole immediately after the condemnation and as affected by it. Both the United States Constitution and the Constitution of the Commonwealth of Pennsylvania require the payment of just compensation to landowners who must give up some of their property for a public use, such as natural gas pipelines or other similar facilities.

The Pennsylvania Consolidated Statutes Title 26 governs eminent domain proceedings under Pennsylvania Law. The complete Title is available for review at <http://www.legis.state.pa.us>. Just compensation in Pennsylvania state court proceedings is determined by a "board of viewers," a panel of three court-appointed individuals. If either the party seeking use of eminent domain or the affected landowner (or both) are dissatisfied with the award of just compensation from the board of viewers, they may ask a court to have a judge or jury assess

just compensation. The landowner will ultimately be paid the amount of just compensation awarded. The procedure may vary depending on whether eminent domain is pursued in state or federal court. Importantly, any eminent domain proceedings can be ended at any time if a voluntary agreement is reached between the party seeking use of eminent domain and the affected landowner.

Notwithstanding the power of eminent domain that may be afforded to it under the Natural Gas Act, Adelpia intends to make every commercially reasonable effort to reach a voluntary agreements with landowners to secure property rights, rather than use eminent domain.

If you would like to obtain additional information regarding the proposed Adelpia Gateway Project please contact **Ivana Wolfe** toll-free at (800) 483-3179. We will be happy to return the call and answer your questions. Project specific information may also be found on the project website, [www.adelphiagateway.com](http://www.adelphiagateway.com).

Sincerely,

/s/ Mark F. Valori

Mark F. Valori  
Vice President  
Adelpia Gateway, LLC

Enclosures

- Project Map
- FERC Notice of Application
- Locations of FERC Application
- FERC Information Sheet – How to Intervene
- FERC’s Pamphlet Titled “An Interstate Natural Gas Facility on My Land? What Do I Need to Know?”