Williams Files Application Seeking Federal Approval for Pipeline Expansion

Williams this month filed a certificate application with the Federal Energy Regulatory Commission (FERC) seeking authorization to construct additional pipeline facilities to serve the growing natural gas markets in Virginia and North Carolina.

Williams’ Transco natural gas pipeline currently transports approximately one quarter of the natural gas consumed in Virginia and nearly all of the gas consumed in North Carolina. The Virginia Southside Expansion would expand the existing Transco pipeline facilities in southern Virginia and North Carolina by 2015.

The project is designed to consist of approximately 100 miles of new 24-inch diameter pipeline extending from the Transco mainline in Pittsylvania County, Va., and into Halifax, Charlotte, Mecklenburg, and terminating in Brunswick County, Va.

The project is primarily designed to fuel Dominion Virginia Power’s new 1,300-megawatt electric power plant planned in Brunswick County, Va. Output from the Brunswick County facility is designed to replace the electricity generated by coal units at two eastern Virginia power stations, resulting in a net environmental benefit for the Commonwealth.

In addition, the project will provide additional gas supply to Piedmont Natural Gas Company in North Carolina to serve its growing natural gas needs.

The proposed pipeline facilities have been designed to utilize, to the maximum extent practicable, existing pipeline rights-of-way. Most of the new pipe is designed to be installed either entirely within or parallel to existing pipeline and utility rights-of-way.

In addition, as part of the proposal Williams is proposing to construct a state-of-the-art 21,800-horsepower gas turbine compressor station located in Pittsylvania County, Va. The facility would be located in close proximity to the existing Transco Station 165 in Chatham, Va.

If approved, construction would begin in September 2014.

“This is a significant milestone for the project,” said A.J. Patel, project manager. “We sincerely appreciate the feedback we have received from property owners, permitting agencies and other interested parties whose assistance has helped bring us where we are today.”

The certificate application 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 the process, it actually represents the culmination of months of engineering and environmental analysis. In fact, data collection in support of the Virginia Southside Expansion Project began in May 2012.

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

Within the next few months, 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 Virginia Southside Expansion project.

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.

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

The siting and construction of interstate natural gas pipelines, like those operated by Williams, are 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 for the Virginia Southside Expansion project.

While it would be easy to view the company’s application filing as the beginning of the process, it actually represents the culmination of months of engineering and environmental analysis.

In fact, data collection in support of the Virginia Southside Project began in May 2012.

The Certificate Application will include 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**
A description of the proposed rates that project customers will pay for the gas service created by the expansion project.

**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 is set forth, as well as the date in which the company would like to receive approval of the application.

**Other Authorizations**
A description of other minor facility modifications that may be required as part of the project.

**Other Exhibits**
Included in the Certificate Application are more than two dozen 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.

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 Williams to construct the Virginia Southside Expansion Project. 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.
Frequently Asked Questions

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 to obtain a federal Certificate of Public Convenience and Necessity, in addition to various state and local permits, before any pipeline facilities can be built.

How long does the process take?
Depending on the size of the project, the federal review and time needed for pipeline construction can vary. For the Virginia Southside Project, the company filed an application with the FERC in December 2012. If approved by FERC, the company could begin construction in September 2014 and place the pipeline into service by September 2015.

What is an easement?
An easement is a limited right to use the land for specific purposes. 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).

Are you expanding the existing Transco easement?
It is possible that in some areas Williams will need to expand the Transco pipeline’s existing permanent easement. If we do need additional easement, we will execute a right-of-way agreement with the landowner.

What is a right-of-way agreement?
A right-of-way agreement allows for the use of a portion of your land for locating our pipeline. Landowners are offered financial compensation in exchange for granting a permanent easement. A contract for a right-of-way is a standard easement agreement, but can be tailored if necessary to meet a landowner’s unique concerns.

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 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.

Will I still own the land? Can I still use it?
It is important to note that an easement does not transfer title of the land; 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. Two notable exceptions include planting trees within the easement or placing a permanent structure within the easement, both of which are prohibited.

How will the pipeline affect land drainage?
The right-of-way will be graded after construction to allow normal water drainage.

All drainages will be returned to their original patterns. The right-of-way may be terraced, seeded, mulched or otherwise stabilized to prevent erosion.

What precautions will be taken to prevent the subsoil from mixing with the topsoil?
Topsoil will be excavated and segregated into separate stockpiles to allow for the re-establishment of the original soil profile. In agricultural fields, hayfields or other fields used for crops, the top 12 inches of topsoil will be segregated into a separate stockpile. In places that have less than 12 inches of topsoil, all of it will be removed and stored separately. Once construction is complete, the subsoil will be placed into the trench first, followed by the topsoil.

How can I get natural gas service?
This pipeline is used for transporting natural gas to market areas where it can be distributed by local distribution companies or used as fuel in power generation facilities. Contact your local gas utility company to ask about natural gas service.

Viewing the Application

A copy of Williams’ Virginia Southside application to FERC will be available on FERC’s website at www.ferc.gov (select the “Documents and Filing” tab, then “elibrary” and then “General Search”).

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

Brunswick County Library
113 West Hicks St.
Lawrenceville, VA 23868

Charlotte County Library
112-116 Legrande Ave.
Charlotte Court House, VA 23923

R.T. Arnold Public Library
110 E. Danville St.
South Hill, VA 23970

South Boston Library
509 Broad St.
South Boston, VA 24592

Halifax County Library
177 South Main St.
Halifax, VA 24558

Pittsylvania County Public Library
24 Military Dr.
Chatham, VA 24531
Project Schedule

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<thead>
<tr>
<th>Month</th>
<th>Event</th>
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<tbody>
<tr>
<td>May 2012</td>
<td>Pre-filing process began</td>
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<tr>
<td>May 2012</td>
<td>Ground surveys began</td>
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<tr>
<td>July 2012</td>
<td>Open houses and information meetings</td>
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<tr>
<td>September 2012</td>
<td>FERC scoping hearings</td>
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<tr>
<td>December 2012</td>
<td>Submit 7(c) application to FERC</td>
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<tr>
<td>September 2014</td>
<td>Proposed construction start</td>
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<tr>
<td>September 2015</td>
<td>Target in-service</td>
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