

Leidy Southeast Expansion Project

UPDATE

project



www.williams.com/leidysoutheast

Spring 2013

Public Feedback Sought for Proposed Williams Pipeline Expansion

Williams is in the preliminary stages of developing an expansion of its Transco pipeline to deliver additional natural gas supplies to local gas distribution companies along the Atlantic Seaboard by late 2015.

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

The proposed Leidy Southeast Expansion project would require additional pipeline facilities in Pennsylvania and New Jersey, as well as modifications to existing facilities in North Carolina, Virginia and Maryland. Company personnel began preliminary ground survey work along the Transco pipeline right-of-way in June 2012 and detailed civil survey work in January 2013. These surveys enable the company to gather important information to make informed decisions when determining the location of new pipeline facilities.

Before Williams can modify any facilities, the company must obtain a Certificate of Public Convenience and Necessity from the Federal Energy Regulatory Commission (FERC), in addition to various state and local permits. Williams expects to file a formal application with FERC for the Leidy Southeast Expansion project this fall.

"We are still early in this process," said

John Todd, project manager. "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 January 2013 that FERC initiate an environmental review of the Leidy Southeast Expansion project before the company files its certificate application (Docket No. PF13-5).

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 Leidy Southeast Expansion 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 project scope requires four new pipeline sections totaling about 28 miles. These new pipe sections (loops) generally parallel the company's existing pipeline. By maximizing the use of its existing transmission corridor, the

Public Workshop Schedule

Wednesday April 10

6:30-8:30 p.m.

HYATT house
3141 Route 22 East
Branchburg, NJ

Thursday, April 11

6:30-8:30 p.m.

Otto Kaufman Community Center
356 Skillman Road
Skillman, NJ

Tuesday, April 16

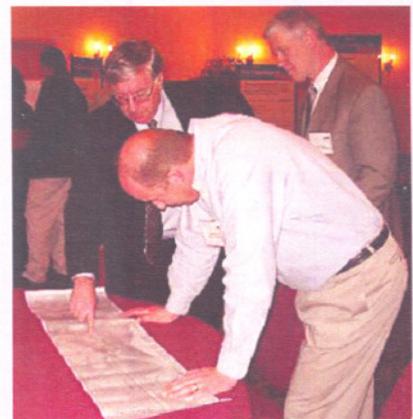
6:30-8:30 p.m.

Poconos Inn at the Poconos
One Manor Drive
Pocono Manor, PA

Wednesday, April 17

6:30-8:30 p.m.

The Woodlands Inn
1073 Highway 315
Wilkes-Barre, PA



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Closer Look:

The Federal Regulatory Process

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, all documents and correspondence submitted to or issued by FERC regarding the project can be accessed by referencing the Docket Number PF13-5 on FERC's website: <http://elibrary.ferc.gov/>. There will be a docket number assigned to the project during pre-filing and a separate docket number assigned when the certificate application is filed.



The public is invited to attend public workshops to review maps and learn more about the pipeline project.

FERC Filing

Williams anticipates filing its Certificate Application for the Leidy Southeast Expansion project in the fall of 2013.

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;

Continued from page 2.

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 PF13-5 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. 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

Feedback Sought *Continued from front.*

company aims to minimize the impact on property owners and the environment.

The project also requires the modifications to existing compressor facilities in Pennsylvania, New Jersey and other 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.

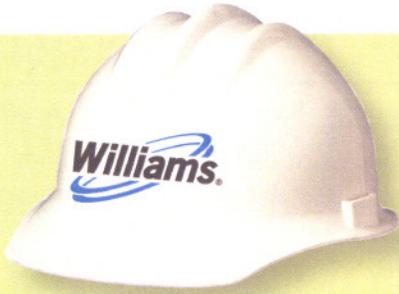
Todd says interested parties also may provide feedback by calling the company toll-free at 866-455-9103 or submitting comments electronically at PipelineExpansion@Williams.com. More information can be found on the project website at www.williams.com/LeidySoutheast.

Proposed Major Facility Modifications

State	County	Scope
PA	Luzerne	4.11 miles of 42-inch pipe (Dorrance Loop)
PA	Luzerne/Monroe	11.45 miles of 42-inch pipe (Franklin Loop)
PA	Luzerne	Existing compressor facility modifications
PA	Lycoming	Existing compressor facility modifications
PA	Columbia	Existing compressor facility modifications
NJ	Somerset/Hunterdon	6.83 miles of 42-inch pipe (Pleasant Run Loop)
NJ	Somerset/Mercer	6.36 miles of 42-inch pipe (Skillman Loop)
NJ	Mercer	Existing compressor facility modifications

Proposed Project Schedule

June	2012	Ground surveys began and are ongoing
January	2013	Pre-filing process began
April	2013	Open houses and informational meetings
Summer	2013	FERC scoping hearings
Summer	2013	Submit draft environmental reports to FERC
Fall	2013	Submit 7(c) application to FERC
Fall	2014	Proposed construction start
December	2015	Target in-service



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.

Did you know?

Williams operates about 15,000 miles of natural gas pipelines, which is more than enough to stretch about half-way around the world.

Selecting Facility Locations

There are many factors involved in selecting areas for natural gas pipeline facilities. Federal regulations require that the pipeline company conduct numerous studies and analyze alternatives before filing an application with FERC.

Pipeline engineers use computer modeling to identify what new facilities will be required. After analyzing maps, aerial photos and studying other available data, a preliminary route or location for the new facility is identified, as well as alternate routes.

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.

When siting transmission pipelines, companies are strongly encouraged to consider routes along existing corridors, such as:

- Pipeline rights-of-way
- Roadways
- Utility corridors
- Railroad corridors
- Other easements

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

- Residents
- Threatened and endangered species
- Wetlands, water bodies and groundwater
- Fish, vegetation and other wildlife
- Cultural resources
- Geology
- Soils
- Land use
- Air and noise quality



Williams' survey crews began conducting field studies in November 2012 to gather information used to begin developing the pipeline proposal.

Frequently Asked Questions

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.

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 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 and local permits, before any pipeline facilities can be built.

How long does the process take?

Depending on the size of the pipeline project, the federal review and time needed for pipeline construction can vary. For the Leidy Southeast Expansion project, Williams is anticipating that it could file an application with FERC in the fall of 2013. If approved by FERC, Williams could begin construction in the fall of 2014.

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 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 the 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.

I'd like to get some gas from Transco. How do I do that?

The existing Transco pipeline is used for transporting natural gas to market areas where it can be distributed by local gas utility companies or used as fuel in power generation facilities. Contact your local gas utility company to ask about natural gas service.

Natural Gas: America's Fastest Growing Fuel

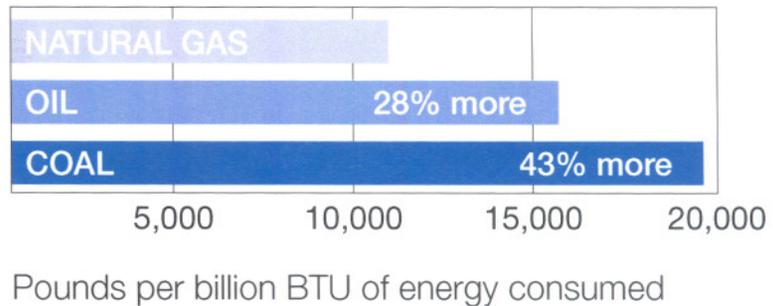
Natural gas is this country's fastest growing energy source. Why? Because it is domestic, clean-burning, efficient and abundant.

Natural gas is an essential resource for North America, generating electricity, powering our manufacturing plants, providing raw material for a range of products, heating homes and fueling transportation. Its versatility doesn't stop there. Natural gas is also an excellent complement to renewable technologies such as wind and solar, providing low-emission backup generation when needed.

Nearly all of the natural gas consumed in the United States is transported from natural gas wells to end-users through thousands of miles of high-strength steel pipelines.

Pipelines exist almost everywhere in the United States. Williams operates a natural gas transmission pipeline known as the Transco pipeline, transporting natural gas from primarily domestic supply sources to markets throughout the eastern United States.

Carbon Emissions by Fuel Type



SOURCE: EIA, Natural Gas Issues and Trends, 1998

Williams operates more than 15,000 miles of transmission pipeline, transporting about 12 percent of the natural gas consumed in the United States. Williams' customers include cities and towns, utility companies, power generators and large factories.

Natural gas is part of the solution to reducing greenhouse gas emissions. As the cleanest burning fossil fuel, it emits much less carbon dioxide than either coal or oil – about 28% less than oil and 43% less than coal.

The environmental advantages of natural gas have made it the fuel of choice for industries looking for ways to reduce air

emissions. As a result, the need for additional pipeline infrastructure is increasing.

This new pipeline expansion is needed to bring natural gas to more Americans who need environmentally friendly, reliable and affordable energy that is domestically produced.

Did you know?

There are more than 300,000 miles of interstate and intrastate transmission pipelines across the United States.

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 engines called "compressors."

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

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 road, rail, fence, 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.





Leidy Southeast Project Office
95 Highland Ave., Suite 150
Bethlehem, PA 18017

For More Information

Project website: www.williams.com/leidysoutheast

Toll-free information line: 866-455-9103

E-mail: PipelineExpansion@williams.com

Land Department:

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