



January 30, 2020

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: PennEast Pipeline Company, LLC, Docket No. CP20-____-000
Abbreviated Application for Amendment to Certificate of Public Convenience and
Necessity

Dear Ms. Bose:

Pursuant to Section 7(c) of the Natural Gas Act, as amended, 15 U.S.C. § 717f(c), and Part 157 of the Federal Energy Regulatory Commission's ("Commission" or "FERC") regulations,¹ PennEast Pipeline Company, LLC ("PennEast") hereby submits this Application for Amendment to Certificate of Public Convenience and Necessity ("2020 Amendment Application") for the PennEast Pipeline Project ("Project").

On January 19, 2018, the Commission granted PennEast a certificate of public convenience and necessity and related authorizations ("Certificate Order"), to construct and operate the Project, which includes approximately 116 miles of 36-inch diameter pipeline, three (3) lateral pipelines, one compressor station, and related facilities to provide up to 1,107,000 dekatherms per day of new firm natural gas transportation capacity (the "Certificated Route").² PennEast designed the Project to satisfy the growing demand for natural gas transportation capacity by local distribution companies, electric generators, and end-users in eastern and southeastern Pennsylvania, New Jersey, New York, and surrounding states, as well as producers located in close proximity to these markets. However, PennEast has encountered delays in obtaining certain governmental authorizations and in acquiring certain real property rights for the Project facilities proposed to be constructed in New Jersey (collectively, the "New Jersey Authorizations").

By this 2020 Amendment Application, PennEast respectfully requests authorization to construct, own, and operate the Project in two (2) phases, such that PennEast will be able to construct and operate the facilities proposed to be located in Pennsylvania through approximate milepost ("MP") 68 of the Certificated Route, including two (2) of the compressor units at the Kidder Compressor Station, as well as new interconnection facilities in Pennsylvania (collectively, "Phase 1"), which are independent of the New Jersey Authorizations. Upon receipt of the New Jersey Authorizations, PennEast will construct and operate the facilities proposed to be located downstream of approximate MP 68, including facilities proposed to be located in New

¹ 18 C.F.R. Part 157 (2019).

² *PennEast Pipeline Company, LLC*, 162 FERC ¶ 61,053 (2018); *order on reh'g*, 164 FERC ¶ 61,098 (2018).

Jersey, as well as the third compressor unit at the Kidder Compressor Station, consistent with the Certificate Order (“Phase 2”). PennEast is also requesting authorization to charge its proposed initial recourse rates for Phase 1 service, as well as to revise the initial recourse rates for full Project service.

PennEast respectfully requests that the Commission issue an order by October 1, 2020, amending PennEast’s Certificate as proposed herein, to provide PennEast with the time required to construct Phase 1 of the Project with these changes and to place the Phase 1 facilities into service to meet the timing needs of its Phase 1 shippers.

Included herewith are four volumes:

- Volume I contains public information and is comprised of the 2020 Amendment Application and its public exhibits, except the public version of Exhibit F-I (Environmental Report).
- Volume II-A contains the public version of Exhibit F-I. Volume II-B contains the public maps and drawings of Exhibit F-I.
- Volume III contains privileged and confidential information and is comprised of Exhibit F-I, Appendix C (Landowner List) and Appendix E-2 (Cultural Resource Reports and Consultations); Exhibit I (confidential market information); and electronic files containing hydraulic models supporting Exhibits G through G-II.
- Volume IV contains Critical Energy Infrastructure Information (“CEII”) and is comprised of Exhibit F-I, Appendix A-5 (Plot Plan); Exhibit F-I, Appendix H (unredacted noise study); and Exhibits G through G-II (Flow Diagrams and Flow Diagram Data).

The privileged information included in Volume III is marked “**CUI//PRIV—CONTAINS PRIVILEGED INFORMATION—DO NOT RELEASE.**”³ Privileged information should be treated as confidential and is for use by Commission staff only and not to be released to the public. The CEII information is included in Volume IV and marked “**CUI//CEII—CONTAINS CRITICAL ENERGY INFRASTRUCTURE INFORMATION—DO NOT RELEASE.**”⁴ Information that is CEII should be treated as confidential pursuant to Order No. 630, *et seq.* and is for use by the Commission staff only and not to be released to the public.⁵ Questions pertaining to confidential information may be submitted to:

³ 18 C.F.R. §§ 380.12, 388.112 (2019); *see* Notice of Document Labelling Guidance, Accession No. 20170414-3009 (Apr. 14, 2017).

⁴ *See* 18 C.F.R. § 388.113 (2019); Notice of Document Labelling Guidance, Accession No. 20170414-3009 (Apr. 14, 2017).

⁵ *Critical Energy Infrastructure Information*, Order No. 630, FERC Stats. & Regs. Regulations Preambles ¶ 31,140 (2003), 68 Fed. Reg. 9857 (Mar. 3, 2003), *order on reh’g*, Order No. 630-A, 104 FERC ¶ 61,106 (2003), 68 Fed. Reg. 46,456 (Aug. 6, 2003).

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Pursuant to the Commission's electronic filing guide,⁶ PennEast is eFiling this 2020 Amendment Application and will provide two (2) complete copies to the Office of Energy Projects Room 62-46 and one complete copy to the Office of General Counsel Energy Projects ("OGCEP") Room 101-56.

In accordance with Rule 2011(c)(5) of the Commission's Rules of Practice and Procedure,⁷ I hereby state that I have read the paper copy version of the filing and am familiar with the contents thereof; that the paper copies contain the same information as the electronic documents; and that all of the statements contained therein are true and correct, to the best of my knowledge, information and belief.

Should you have any questions concerning this request, please contact me at (610) 373-7999.

Sincerely,

/s/ Jeffrey D. England
Jeffrey D. England
PennEast Pipeline Company, LLC
By its Project Manager,
UGI Energy Services, LLC

Encl: Attachments

cc: Terry Turpin (Application text only)
John Wood (Application text only)
Rich McGuire (Application text only)
Pamela Boudreau (Application text only)
Richard Foley (Application text only)
Kandilarya Barakat
Sean Sparks

⁶ Federal Energy Regulatory Commission Filing Guide/Qualified Documents List (Feb. 14, 2017), *available at* <http://www.ferc.gov/docs-filing/efiling/filing.pdf>.

⁷ 18 C.F.R. § 385.2011(c)(5) (2019).

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

PennEast Pipeline Company, LLC

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Docket No. CP20-____-000

**ABBREVIATED APPLICATION FOR AMENDMENT TO
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
OF PENNEAST PIPELINE COMPANY, LLC**

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**ABBREVIATED APPLICATION FOR AMENDMENT TO
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
OF PENNEAST PIPELINE COMPANY, LLC**

Pursuant to Section 7(c) of the Natural Gas Act (“NGA”), as amended,¹ and Part 157 of the Federal Energy Regulatory Commission’s (“Commission” or “FERC”) regulations,² PennEast Pipeline Company, LLC (“PennEast”) hereby files this application requesting that the Commission issue an order amending PennEast’s certificate of public convenience and necessity (“Certificate”) for the PennEast Pipeline Project (“Project”), to authorize PennEast to construct, own and operate the Project in two (2) phases (“2020 Amendment Application”). Amending PennEast’s Certificate will enable PennEast to construct and operate the facilities proposed to be located in Pennsylvania through approximate milepost (“MP”) 68, including two (2) of the compressor units at the Kidder Compressor Station, as well as new interconnection facilities (“Church Road Interconnects”) in Pennsylvania (collectively, “Phase 1”). The Phase 1 facilities will allow PennEast to provide 650,000 dekatherms per day (“Dth/d”) of firm transportation service to the Church Road Interconnects (“Phase 1 Capacity”). PennEast has secured customer commitments that support Phase 1 as a standalone project. Upon receipt of the

¹ 15 U.S.C. § 717f(c) (2012).

² 18 C.F.R. Part 157 (2019).

New Jersey Authorizations (defined herein), PennEast will construct and operate the facilities proposed to be located downstream of approximate MP 68, including facilities proposed to be located in New Jersey, as well as the third compressor unit at the Kidder Compressor Station, consistent with the Certificate Order (“Phase 2”). PennEast is also requesting authorization to charge its proposed initial recourse rates for Phase 1 service, as well as to revise the initial recourse rates for full Project service.

On January 19, 2018, the Commission issued an order granting PennEast the requested certificates and authorizations to construct and operate the Project (“Certificate Order”).³ The Project involves the construction of approximately 116 miles of 36-inch diameter mainline transmission pipeline; three (3) lateral pipelines including the Hellertown, Gilbert, and Lambertville Laterals; one (1) compressor station; and various associated facilities, including interconnects, launchers, receivers, and mainline block valves. The Project is designed to provide up to 1,107,000 Dth/d of new, year-round, firm natural gas transportation capacity from receipt points in the eastern Marcellus Shale region to delivery points in the heart of major northeastern natural gas-consuming markets, terminating at a delivery point with Transcontinental Gas Pipe Line Company, LLC in Mercer County, New Jersey. The Certificate Order authorized construction proposed by PennEast in its Certificate application submitted on September 24, 2015 (“2015 Certificate Application”),⁴ as modified, including by the September 23, 2016

³ *PennEast Pipeline Company, LLC*, 162 FERC ¶ 61,053 (2018). On August 10, 2018, the Commission issued its Order on Rehearing rejecting, dismissing or denying requests for rehearing and dismissing requests for stay. *PennEast Pipeline Company, LLC*, 164 FERC ¶ 61,098 (2018) (“Rehearing Order”).

⁴ Application for Certificate of Public Convenience and Necessity and Related Authorizations of PennEast Pipeline Company, LLC, Docket No. CP15-558-000 (submitted Sept. 24, 2015).

filing proposing minor modifications to satisfy landowner needs and optimize the Pennsylvania portion of the Project route (the “Certificated Route”).⁵

PennEast designed the Project to satisfy the growing demand for natural gas transportation capacity by local distribution companies, electric generators, and end-users in eastern and southeastern Pennsylvania, New Jersey, New York, and surrounding states, as well as producers located in close proximity to these markets. However, PennEast has encountered unforeseen delays in obtaining other governmental authorizations and in acquiring certain real property rights for the Project facilities proposed to be constructed in New Jersey (collectively, the “New Jersey Authorizations”).

As described in more detail herein, PennEast hereby requests that the Commission issue an order amending the Certificate granted in the Certificate Order to authorize PennEast to construct, own and operate the Project in two (2) phases, such that PennEast will be able to construct and operate Phase 1 as a stand-alone project. Subsequently, upon receipt of the New Jersey Authorizations, PennEast will construct and operate Phase 2.

To provide PennEast with the time required to construct Phase 1 of the Project with these changes and to place the Phase 1 facilities into service to meet the timing needs of its shippers, PennEast respectfully requests that the Commission issue an order granting this 2020 Amendment Application by October 1, 2020.

In support hereof, PennEast respectfully submits the following:

⁵ Minor Route Modifications Supplemental Information Filing of PennEast Pipeline Company, LLC, Docket No. CP15-588-000 (Sept. 25, 2016).

I.
IDENTITY OF APPLICANT AND COMMUNICATION

The exact legal name of the applicant is PennEast Pipeline Company, LLC. PennEast is a Delaware limited liability company organized and existing under the laws of the State of Delaware. PennEast's principal place of business is 835 Knitting Mills Way, Wyomissing, Pennsylvania, 19610. PennEast is authorized to conduct business as a foreign limited liability company in the State of New Jersey and the Commonwealth of Pennsylvania in order to own and operate natural gas transmission facilities and engage in open-access transportation services within these states.⁶

PennEast is a joint venture owned by Red Oak Enterprise Holdings, Inc., a subsidiary of AGL Resources Inc. (20% interest); NJR Pipeline Company, a subsidiary of New Jersey Resources (20% interest); SJI Midstream, LLC, a subsidiary of South Jersey Industries (20% interest); UGI PennEast, LLC, a subsidiary of UGI Energy Services, LLC (20% interest); and Spectra Energy Partners, LP, a subsidiary of Enbridge Inc. (20% interest). PennEast is managed by UGI Energy Services, LLC, pursuant to a Project Management Agreement.

The names, titles, and mailing addresses of the persons to whom all correspondence and communications concerning this 2020 Amendment Application should be addressed are as follows:

⁶ PennEast's state authorizations for New Jersey and Pennsylvania are included as Exhibit B in the 2015 Certificate Application filed in Docket No. CP15-558-000 and incorporated by reference herein.

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*Persons designated to receive service pursuant to Rule 2010 of the Commission's Rules of Practice and Procedure. PennEast respectfully requests that the Commission waive Rule 203(b)(3) in order to allow all designated representatives to be included on the Commission's official service list.

II. BACKGROUND

PennEast developed the Project in response to market demands in New Jersey, Pennsylvania, and New York, and interest from shippers that require transportation capacity to accommodate increased receipts of natural gas into the region. The Project will bring lower cost natural gas produced in the Marcellus Shale region in northeastern Pennsylvania to homes and businesses in New Jersey, Pennsylvania, New York, and surrounding states.

On September 24, 2015, PennEast filed its 2015 Certificate Application with the Commission, pursuant to Section 7(c) of the Natural Gas Act,⁷ seeking authorization to

⁷ 15 U.S.C. § 717f(c) (2018).

construct and operate the Project (Docket No. CP15-558-000). The Commission issued a final environmental impact statement (“FEIS”) on April 7, 2017.⁸ On January 19, 2018, the Commission issued the Certificate Order, which granted PennEast the Certificate to construct the Project.⁹

In the Certificate Order, the Commission held that the Project is in the public convenience and necessity. The Commission concluded that the benefits of the Project outweigh adverse effects to existing shippers, other pipelines and their captive customers, and landowners and surrounding communities, and that PennEast’s proposed mitigation plan and Commission staff’s (“Staff’s”) recommendations in the FEIS will reduce any adverse environmental impacts to acceptable levels.¹⁰ The Commission found that “PennEast has sufficiently demonstrated that there is market demand for the [P]roject,” in part due to its execution of long-term, binding precedent agreements with 12 shippers for approximately 90% of the firm transportation capacity to be created by the Project.¹¹ Further, the Commission concurred with the conclusions of the FEIS that “the Project, if constructed and operated as described in the FEIS, constituted an environmentally acceptable action,” because the environmental recommendations in the FEIS will reduce environmental impacts to acceptable levels.¹² Multiple parties sought rehearing of the Certificate Order; the Commission denied these requests in its Rehearing Order.¹³

⁸ Final Environmental Impact Statement, Docket No. CP15-558-000 (issued Apr. 7, 2017).

⁹ *PennEast Pipeline Co., LLC*, 162 FERC ¶ 61,053 (2018), *order on reh’g*, 164 FERC ¶ 61,098 (2018).

¹⁰ *Id.* at P 2.

¹¹ *Id.* at PP 28-36.

¹² *Id.* at PP 216-19.

¹³ *PennEast Pipeline Company, LLC*, 164 FERC ¶ 61,098 (2018).

On February 1, 2019, PennEast filed an Application for Amendment to the Certificate of Public Convenience and Necessity (“2019 Amendment Application”) in Docket No. CP19-78-000,¹⁴ proposing four (4) route modifications to the Pennsylvania portion of the Project to address agency concerns, improve construction feasibility, or accommodate customer commitments (“Modifications”). On September 20, 2019, Commission Staff issued its environmental assessment (“EA”) for the Modifications,¹⁵ in which Commission Staff concluded that approval of the Modifications, with appropriate mitigating measures, would not constitute a major federal action significantly affecting the quality of the human environment. Commission Staff requested comments on the EA by October 21, 2019. As of the filing date of this 2020 Amendment Application, the Commission has not issued an order on the 2019 Amendment Application.¹⁶

PennEast has worked in good faith and has used its best efforts to obtain all of the approvals required for construction of the Project. However, PennEast has encountered unforeseen delays in acquiring the New Jersey Authorizations, which in turn stands to delay the construction and operation of the entire Project, including the Pennsylvania portion of the Project that is otherwise not affected by and is independent of the New Jersey Authorizations. Accordingly, PennEast is seeking authorization to construct and operate the Project in two (2) phases, to allow PennEast to meet the requirements of its firm shippers who will utilize the Phase 1 facilities, while allowing PennEast to continue

¹⁴ *PennEast Pipeline Co., LLC*, Application for Amendment to Certificate of Public Convenience and Necessity, Docket No. CP19-78-000 (submitted Feb. 1, 2019).

¹⁵ *PennEast Pipeline Co., LLC*, PennEast Pipeline Project Amendment Environmental Assessment, Docket No. CP19-78-000 (issued Sept. 20, 2019).

¹⁶ Phase 1, as proposed herein, would include the Modifications proposed in the 2019 Amendment Application, to the extent such Modifications are approved by the Commission.

to work towards acquiring the New Jersey Authorizations. Once PennEast has acquired the New Jersey Authorizations, PennEast will construct and operate Phase 2.

III. DESCRIPTION OF AMENDMENT

A. Phase-In of Approved Facilities

1. Request to Phase the Project In-Service Date

In this 2020 Amendment Application, PennEast seeks to revise its Certificate to construct, own and operate a portion of its Certificated Route and Project facilities, as well as the Church Road Interconnects – the Phase 1 facilities – and to place such facilities into service on November 1, 2021, and to construct, own and operate the remainder of the certificated Project facilities – the Phase 2 facilities – upon receipt of the New Jersey Authorizations.

Phasing the in-service date of the Project is necessary due to unforeseen delays in acquiring the New Jersey Authorizations. PennEast is in the process of obtaining the necessary governmental approvals to construct the Phase 1 facilities, and the construction and operation of these Phase 1 facilities are in no way contingent on or otherwise impacted by the New Jersey Authorizations or the ultimate construction of the Phase 2 facilities. Authorizing PennEast to phase the Project's in-service date will enable PennEast to meet the requirements of its Phase 1 firm shippers in the timeframe agreed upon for this portion of the Project while PennEast continues to work towards acquiring the New Jersey Authorizations, which are required only for Phase 2. Once PennEast has acquired the New Jersey Authorizations, PennEast will construct and operate Phase 2.

2. Project Need

PennEast has received significant interest for the Phase 1 Capacity for firm transportation service from the Project receipt points to the new delivery points at the Church Road Interconnects. Specifically, with respect to Phase 1 service, PennEast has executed precedent agreements with four shippers for approximately 340,000 Dth/d of capacity for long-term, firm transportation service as part of the Phase 1 service. In addition, PennEast is negotiating with additional shippers for a significant quantity of capacity for long-term, firm transportation service as part of the Phase 1 service. Following execution of precedent agreements with these additional entities, PennEast will have precedent agreements in place for a substantial amount of the Phase 1 Capacity.¹⁷ These long-term firm service commitments are not dependent on the construction of the Phase 2 facilities and will remain in effect if the Phase 2 facilities are not ultimately constructed.

Phase 1 is a stand-alone project and is not dependent on the construction of Phase 2. Most, but not all, of the expected Phase 1 shippers have precedent agreements for service on the full Project path. While these shippers remain committed to full Project service, their decision to take Phase 1 service to delivery points on Phase 1 is not dependent on the construction of Phase 2.

B. Description of the Phase 1 and Phase 2 Facilities

As described above, PennEast proposes to construct the Project in two (2) phases. The Phase 1 facilities include the certificated PennEast mainline and aboveground facilities for the Certificated Route between MP 0.0R1 and MP 68.2R2, two (2) of the

¹⁷ PennEast will supplement the record when additional precedent agreements are executed.

three (3) certificated compressor units at the Kidder Compressor Station,¹⁸ and the proposed Church Road Interconnects. The proposed Church Road Interconnects would be a metering and regulation (“M&R”) station at the PennEast mainline with two (2) separate interconnections and measurement facilities, to interconnect with Columbia Gas Transmission, LLC (“Columbia Gas”) and Adelphia Gateway, LLC (“Adelphia”), respectively, including appurtenant facilities for both such interconnects, in Northampton County, Pennsylvania. The Phase 1 facilities would include the Modifications proposed in the 2019 Amendment Application and any variances pursuant to Environmental Condition No. 5 of the Certificate Order, to the extent such Modifications or variances are approved by the Commission. However, PennEast’s construction of the Project as proposed in the 2020 Amendment Application is based upon the Certificated Route and is independent of the authorizations sought in the 2019 Amendment Application. The pipeline route for Phase 1 will include the route the Commission has certificated at the time PennEast proposes to commence construction of Phase 1. The Phase 1 facilities and provision of Phase 1 service are also independent of the Phase 2 facilities, and will be constructed and operated irrespective of whether the Phase 2 facilities are constructed.

The Phase 2 facilities consist of the certificated PennEast mainline, lateral pipelines, the third compressor unit at the Kidder Compressor Station, and aboveground facilities between MP 68.2R2 and MP 114.02.¹⁹ The Phase 2 facilities would include any variances pursuant to Environmental Condition No. 5 of the Certificate Order to the extent such variances are approved by the Commission.

¹⁸ PennEast will install software controls to limit the total horsepower (“hp”) from these two (2) units to approximately 17,700 hp so that the Phase 1 Capacity will be 650,000 Dth/d.

¹⁹ In Phase 2, PennEast will remove the software controls limiting the horsepower from the two (2) compressor units installed at the Kidder Compressor Station as part of Phase 1.

A description of the Church Road Interconnects is included in the Environmental Report attached as Exhibit F-I, and the locations of the Phase 1 and Phase 2 facilities, including the demarcation between the Phase 1 and Phase 2 facilities, are illustrated in more detail in the map attached as Exhibit F.

IV. CERTIFICATE POLICY STATEMENT AND PUBLIC CONVENIENCE AND NECESSITY

The Commission established criteria for determining whether there is a need for a proposed project and whether the proposed project will serve the public interest in the Certificate Policy Statement.²⁰ The Certificate Policy Statement explains that, in deciding whether to authorize the construction of major new pipeline facilities, the Commission balances public benefits against any potential adverse consequences.²¹ The Commission's stated goal is to give appropriate consideration to the enhancement of competitive transportation alternatives, the possibility of over-building, subsidization by existing customers, the applicant's responsibility for unsubscribed capacity, the avoidance of unnecessary disruptions of the environment, and the unneeded exercise of eminent domain in evaluating new pipeline construction.²² Once the applicant demonstrates that the benefits to be achieved by a project will outweigh the potential effects and that the applicant has attempted to minimize any adverse effects, the Commission will find that the project is required by the public convenience and necessity.²³

²⁰ See *Certification of New Interstate Natural Gas Pipeline Facilities*, 88 FERC ¶ 61,227 (1999), *order clarifying Statement of Policy*, 90 FERC ¶ 61,128 (2000), *order further clarifying Statement of Policy*, 92 FERC ¶ 61,094 (2000).

²¹ *Tennessee Gas Pipeline Co.*, 92 FERC ¶ 61,142, pp. 61,519-20 (2000).

²² *Id.*

²³ *Certificate Policy Statement*, 88 FERC at p. 61,746.

The Commission has already applied the Certificate Policy Statement to the Project, and concluded that there is a need for the Project and that it will serve the public interest.²⁴ In applying the Certificate Policy Statement to the 2020 Amendment Application, the Commission does not need to revisit this finding but, instead, should evaluate the public benefits of the stand-alone Phase 1 facilities against any potential adverse consequences of PennEast's proposal to phase construction of the Project, including the construction of the Church Road Interconnects. As demonstrated herein, the construction and operation of the Project in phases meet the criteria of the Certificate Policy Statement, and approval of PennEast's proposal will serve the public interest and is required by the public convenience and necessity.

Under the Certificate Policy Statement, the threshold requirement for existing pipelines that propose a new construction project is that the pipeline must be prepared to financially support the project without relying on subsidization from existing customers. PennEast is a new pipeline company that has no existing customers. As such, the threshold requirement of no subsidization is not applicable to PennEast.

The next step in the Certificate Policy Statement analysis is to identify potentially adverse effects of the project on the existing customers of the pipeline proposing the project, existing pipelines in the market and their captive customers, and to determine whether the applicant has made efforts to eliminate or minimize those adverse effects.²⁵ Phasing of the Project will not result in impacts to existing customers, because PennEast is a new pipeline company that has no existing customers. The proposed phasing will have no adverse impact on existing pipelines or their customers, and Phase 1 will not

²⁴ Certificate order at PP 2, 28-36, and 216-19.

²⁵ *Certificate Policy Statement*, 88 FERC at p. 61,746.

replace service that is already provided by another pipeline. Instead, the Phase 1 facilities would provide new incremental capacity to meet market demand, as reflected by PennEast's agreements with the Phase 1 shippers. For the foregoing reasons, the Project will have no adverse effect on existing customers or existing pipelines and their customers.

Next, the Commission looks at potential adverse impacts to landowners and communities. As part of its proposal to construct the Project in phases, the Church Road Interconnects are the only additional facilities PennEast is proposing to construct and operate. As demonstrated in the Environmental Report, provided as Exhibit F-I hereto, the potential for adverse impacts to landowners and communities from the Church Road Interconnects is minimal. The Church Road Interconnects will be constructed on land owned by PennEast, there is only one (1) abutting landowner and potential impacts to the landowner from the construction and operation of the Church Road Interconnects are limited, and PennEast has taken steps to further minimize impacts from the construction and operation of the Church Road Interconnects. Accordingly, the potential impacts to landowners and communities of constructing the Project in phases is minimal and has been adequately mitigated.²⁶

When determining whether a proposed project is needed and will serve the public interest, the Commission balances the public benefits to be achieved by the project against the residual adverse effects of the proposed project on the relevant interests listed above.²⁷ The construction of the Project in phases will provide the interstate capacity

²⁶ PennEast will provide timely notification to affected landowners, as well as to the local community, pursuant to Section 157.6(d) of the Commission's regulations. 18 C.F.R. § 157.6(d) (2019).

²⁷ Certificate Policy Statement, at p. 61,745.

necessary for the Phase 1 shippers to satisfy their own demand. Phase 1 will also allow natural gas users in Pennsylvania and the surrounding states to access stable, low cost supplies that will create pipeline diversity and increase the overall reliability of the region's natural gas transmission grid by providing a new pipeline alternative. In addition, Phase 1 will benefit the region's distribution infrastructure by reducing system constraints and increasing operational flexibility. Given PennEast's mitigation efforts, and the minimal residual adverse impact on one abutting landowner, the benefits associated with Phase 1 far outweigh Phase 1's potential adverse effects, which have been or will be significantly mitigated through PennEast's efforts.

PennEast's proposal satisfies the criteria of the Certificate Policy Statement, and the construction and operation of the Phase 1 facilities as proposed herein are in the public interest and required by the public convenience and necessity. Phase 1 will provide numerous benefits to Phase 1 shippers and the surrounding region as discussed herein. Phase 1's benefits far outweigh Phase 1's potential adverse impacts, which have been or will be significantly mitigated through PennEast's efforts, as described in this 2020 Amendment Application. For the foregoing reasons, PennEast respectfully submits that granting the authorizations requested herein is in the public interest, and is required by the public convenience and necessity.

V. ENVIRONMENTAL IMPACT

In the Certificate Order, the Commission "agree[d] with Commission staff's conclusion in the [FEIS] that the [P]roject will result in some adverse environmental impacts, but that these impacts will be reduced to acceptable levels with the implementation of the applicant's proposed mitigation and staff's recommendations" as

stipulated in the Certificate Order.²⁸ PennEast is proposing only minor modifications to the Project consisting of the Church Road Interconnects; with the limited exception of these minor modifications, phasing the Project will not otherwise alter the facilities or locations of facilities authorized in the Certificate Order and as proposed to be modified in the 2019 Amendment Application, which itself separately discusses the environmental impacts related thereto.

PennEast's Environmental Report, included herewith as Exhibit F-I, provides the information necessary for the Commission to complete its environmental analysis of the environmental impacts associated with the construction and operation of the Church Road Interconnects. As the Environmental Report shows, the environmental impacts associated with the construction and operation of the Church Road Interconnects are limited and can be adequately mitigated. Under these circumstances, approval of the proposed facilities described herein will not be a major federal action significantly affecting the quality of the human environment.

VI. RATES AND TARIFF

A. Initial Recourse Rates

In connection with PennEast's request to phase the in-service date of the certificated Project facilities, PennEast is providing revised Exhibits K, N, and P. PennEast is proposing to establish separate initial recourse rates for the period of time between the in-service date of the Phase 1 facilities and the in-service date of the Phase 2 facilities (such rates, the "Phase 1 Initial Recourse Rates"), and to revise the initial recourse rates that will become effective once the Phase 2 facilities are in service (such

²⁸ Certificate Order at P 2.

rates, the “Revised Project Initial Recourse Rates”). For the Phase 1 Initial Recourse Rates, as shown on Exhibit P, PennEast proposes an initial maximum monthly recourse reservation rate of \$16.3710 per Dth per month and an initial usage charge of \$0.0036 per Dth delivered for firm transportation service under Rate Schedule FTS, and an initial rate of \$0.5419 per Dth for interruptible service under Rate Schedule ITS and for interruptible parking and lending service under Rate Schedule PAL, based on a 100% load factor equivalent of its Rate Schedule FTS rates. For the Revised Project Initial Recourse Rates, as shown on Exhibit P, PennEast proposes an initial maximum monthly recourse reservation rate of \$18.6933 per Dth per month and an initial usage charge of \$0.0032 per Dth delivered for firm transportation service under Rate Schedule FTS, and an initial rate of \$0.6178 per Dth for interruptible service under Rate Schedule ITS and for interruptible parking and lending service under Rate Schedule PAL, based on a 100% load factor equivalent of its Rate Schedule FTS rates.

PennEast is also providing revised Exhibits K, N, and P to reflect updated Project cost data. Consistent with prior cases, PennEast is updating its cost estimate to provide the most current, accurate, and reliable cost information available.²⁹ As shown on Exhibit K, the Phase 1 Initial Recourse Rates will include the costs for the Phase 1 facilities. The Revised Project Initial Recourse Rates are derived to reflect the existing Phase 1 rates plus the capital costs and additional operating and other related costs associated with the Phase 2 facilities. PennEast’s capital cost estimate for the certificated Project facilities, stated in Exhibit K to the 2015 Certificate Application, totaled \$1.13 billion in 2015

²⁹ See *Algonquin Gas Transmission, LLC*, Docket No. CP06-76-003 (Sept. 25, 2008) (unpublished letter order) (approving an amendment to a certificate to adjust the Project recourse rate based on increased costs). See also *Golden Pass Pipeline L.P.*, 117 FERC ¶ 61,015 at P 5 (2006) (approving revised initial rates due to increased costs).

dollars. While a reasonable estimate at the time, this estimate has been affected by many events since then. As represented in the revised Exhibit K attached hereto, the current capital cost estimate for Phase 1 is approximately \$835 million, and the current capital cost estimate for the entire Project is approximately \$1.67 billion.³⁰

As a result of both the phasing of and the increased costs for the Project, PennEast proposes to revise the certificated initial incremental recourse rates for service on the Phase 1 and Phase 2 facilities as reflected in the *pro forma* tariff records included in Exhibit P hereto.³¹ The proposed Phase 1 Initial Recourse Rates and the Revised Project Initial Recourse Rates, and the support for the derivation of such rates, are set forth in Exhibit P hereto. The only changes in the proposed recourse rates on Exhibit P are those necessary to reflect the proposed changes in this 2020 Amendment Application, including the new Exhibit K costs.

The Phase 1 Initial Recourse Rates and the Revised Project Initial Recourse Rates are designed on the same basis as the rates approved by the Commission in the Certificate Order. Specifically, the rates reflect the current federal corporate income tax rate of 21% and a capital structure that includes 50% equity-50% debt.³² In addition, PennEast has adjusted the capital dollars for Phase 1 and the entire Project to reflect (i) current year dollars, and (ii) an updated estimate of construction costs.

³⁰ For purposes of calculating the Allowance for Funds Used During Construction rate for the Phase 1 and Phase 2 facilities, PennEast used the same debt-to-equity capital structure and costs of debt and equity as modified and approved by the Commission in the Certificate Order.

³¹ PennEast is herein filing, on a *pro forma* basis, only the revised statement of rates to its *pro forma* FERC Gas Tariff included in its 2015 Certificate Application ("Tariff"), to reflect the Phase 1 Initial Recourse Rates (including clean tariff sheets) and the Revised Project Initial Recourse Rates (including clean and redlined tariff sheets). Separately, PennEast will make its compliance filing of the full proposed effective Tariff, including the applicable statement of rates, as well as the changes to the Tariff the Commission required in the Certificate Order, within 30 to 60 days prior to the commencement of any service on the Project, as required by the Certificate Order. *See* Certificate Order at Ordering Paragraph (G).

³² Certificate Order at PP 58, 66.

Consistent with the 2015 Certificate Application, and as approved in the Certificate Order, PennEast will continue to allocate costs to interruptible service.³³ PennEast has allocated approximately \$6.0 million of its cost of service to interruptible services in its Phase 1 Initial Recourse Rates and approximately \$11.6 million of its cost of service to interruptible services in its Revised Project Initial Recourse Rates.³⁴ Consistent with Commission policy, PennEast has not proposed to share interruptible revenues with its shippers.³⁵

PennEast proposes to continue to use an in-kind fuel tracking mechanism to recover fuel and lost and unaccounted for gas (“L&U”) through a fuel retainage percentage (“FRP”) similar to that approved in the Certificate Order. Since PennEast is proposing to construct and operate the compressor station as part of Phase 1, PennEast proposes to use the approved initial FRP rate of 0.51% and an initial L&U rate of 0.00%, for Phase 1 service and full Project service.

B. Negotiated Rates

PennEast will provide service to the Project shippers, including the Phase 1 shippers, at negotiated rates in accordance with the negotiated rate authority set forth in Section 3.1 of Rate Schedule FTS and Section 24 of the General Terms and Conditions of PennEast’s proposed Tariff. Consequently, the cost of pipeline transportation will not change for these shippers as a result of the changes in the recourse rates proposed by

³³ Certificate Order at P 52.

³⁴ PennEast retained the same quantity of imputed billing determinants for the entire Project as approved by the Commission in the Certificate Order, and then calculated imputed billing determinants for Phase 1 using the ratio of the Phase 1 Capacity to the Project capacity.

³⁵ See *Gulf Shore Energy Partners, LP*, 142 FERC ¶ 61,227 at P 14 (2013) (citing *Fayetteville Express Pipeline LLC*, 129 FERC ¶ 61,235 at P 29 (2009); *Midcontinent Express Pipeline LLC*, 124 FERC ¶ 61,089 at P 93 (2008); *Cameron Interstate Pipeline, LLC*, 117 FERC ¶ 61,297 at P 22 & n.22 (2006)).

PennEast herein.³⁶ PennEast will file tariff records reflecting its negotiated rate agreements with its shippers within 30 to 60 days prior to when the underlying negotiated rates are proposed to become effective.

VII. OTHER AUTHORIZATIONS

With the exception of this 2020 Amendment Application, PennEast knows of no other applications pending or required before the Commission under the NGA for the proposed changes described herein. PennEast's 2019 Amendment Application, which is pending in Docket No. CP19-78-000, will affect the facilities to be constructed as part of the Project but a Commission order addressing that application is independent of this 2020 Amendment Application because the 2020 Amendment Application proposes only to construct the route certificated at the time PennEast commences construction of Phase 1. All of the required federal authorizations, including those delegated to a state authority, are set forth in Exhibit J attached hereto.

VIII. FORM OF NOTICE

In accordance with Section 157.6(b)(7) of the Commission's regulations,³⁷ PennEast has included herewith a Form of Notice of this 2020 Amendment Application suitable for publication in the *Federal Register*.

IX. LIST OF EXHIBITS

Pursuant to Section 157.6(b)(6) of the Commission's regulations,³⁸ set forth below are the exhibits included in this 2020 Amendment Application. PennEast requests

³⁶ In accordance with the cost tracker provision in the negotiated rate letter agreements between PennEast and the Project shippers, the negotiated rates applicable to the Phase 1 shippers will be adjusted to reflect the increased costs associated with the Phase 1 facilities.

³⁷ 18 C.F.R. § 157.6(b)(7) (2019).

processing of this 2020 Amendment Application as an abbreviated application under Section 157.7 of the Commission's regulations.³⁹ As such, this 2020 Amendment Application omits exhibits that are unnecessary for review of the changes proposed herein and previously filed exhibits that remain unchanged. PennEast believes that this 2020 Amendment Application contains all the information necessary to support approval of the requested authorizations and requests waiver of any Commission requirement necessary to allow this proposal to be considered and approved by the Commission as filed.

Exhibit A Article of Incorporation and Bylaws

Omitted. Filed as Exhibit A of the 2015 Certificate Application in Docket No. CP15-558-000 and Exhibit A of the 2019 Amendment Application in Docket No. CP19-78-000, which are incorporated by reference herein.

Exhibit B State Authorization

Omitted. Filed as Exhibit B of the 2015 Certificate Application in Docket No. CP15-558-000 and incorporated by reference herein.

Exhibit C Company Officials

Attached.

Exhibit D Subsidiaries and Affiliation

Omitted. Filed as Exhibit D of the 2019 Amendment Application in Docket No. CP19-78-000 and incorporated by reference herein.

Exhibit E Other Pending Applications and Filings

This information is contained in Article VII of this 2020

³⁸ 18 C.F.R. § 157.6(b)(6) (2019).

³⁹ 18 C.F.R. § 157.7 (2019).

Amendment Application.

Exhibit F Location of Facilities

Attached.

Exhibit F-I Environmental Report

Attached hereto in Volumes II through IV.

- Volume II-A contains the public version of Exhibit F-I.
- Volume II-B contains the public maps and drawings of Exhibit F-I.
- Volume III contains privileged and confidential information and is comprised of Exhibit F-I, Appendix C (Landowner Lists) and Appendix E-2 (Cultural Resource Reports and Consultations).
- Volume IV contains Critical Energy Infrastructure Information (“CEII”) and is comprised of Exhibit F-I, Appendix A-5 (Plot Plan) and Exhibit F-I, Appendix H-2 (unredacted noise survey).

Exhibit G through G-II Flow Diagrams and Flow Diagram Data

Attached hereto in Volume IV and marked “CUI//CEII—Contains Critical Energy Infrastructure Information—Do Not Release.” The electronic versions of the hydraulic flow models supporting Exhibits G through G-II are available in electronic form only and are contained in Volume III and marked “CUI//PRIV—Contains Privileged Information—Do Not Release.” PennEast also requests privileged treatment as CEII of these hydraulic flow models.

Exhibit H Total Gas Supply

Not applicable. PennEast will provide only open-access, transportation-related services.

Exhibit I Market Data

Attached. This Exhibit I includes a copy of the PennEast precedent agreements for Phase 1, which contain privileged information, and is included in Volume III and marked “CUI//PRIV—Contains Privileged Information—Do Not Release.” The Project precedent agreements were filed as Exhibit I of the 2015 Certificate Application in Docket No. CP15-558-000 and are incorporated by reference herein.

Exhibit J Federal Authorizations

Attached.

Exhibit K Cost of Facilities

Attached.

Exhibit L Financing

Attached.

Exhibit M Construction, Operation and Management

Omitted. Filed as Exhibit M of the 2015 Certificate Application in Docket No. CP15-558-000 and incorporated by reference herein.

Exhibit N Revenues, Expenses and Income

Attached.

Exhibit O Depreciation and Depletion

Omitted. Filed as Exhibit O of the 2015 Certificate Application in Docket No. CP15-558-000 and incorporated by reference herein.

Exhibit P Rate Derivation and Tariff

A rate derivation for both the Phase 1 Initial Recourse Rates and the Revised Project Initial Recourse Rates, and *pro forma* tariff records reflecting both the Phase 1 Initial Recourse Rates and the Revised Project Initial Recourse Rates, are attached.

Exhibit Z-1 Form of Protective Agreement

Attached.

Exhibit Z-2 Fuel Study

Attached.

**X.
OTHER**

PennEast requests that the Commission grant this 2020 Amendment Application in accordance with the shortened procedures set forth in Rules 801 and 802 of the Commission’s Rules of Practice and Procedure.⁴⁰ If the Commission utilizes the shortened procedures, PennEast requests that the intermediate decision procedure required by Rules 801 and 802 be omitted and PennEast waives oral hearing and an opportunity for filing exceptions. PennEast requests that the Commission grant any additional waivers that the Commission may deem necessary to grant the relief and amend the certificate and approvals requested herein.

PennEast is marking the hydraulic flow models in Volume III and the contents of Volume IV as “CUI//CEII” because they contain specific engineering, vulnerability, and detailed design information that could be useful to a person in planning an attack on critical infrastructure. PennEast requests that this information be treated as CEII for five (5) years, unless re-designated by the CEII Coordinator.

⁴⁰ 18 C.F.R. §§ 385.801, 385.802 (2019).

XI. CONCLUSION

WHEREFORE, for the foregoing reasons, PennEast respectfully requests that the Commission issue an order amending the Certificate granted in the Certificate Order, to authorize PennEast to construct, own and operate the Project in two phases, including new interconnection facilities in Pennsylvania, and authorize PennEast to charge the Initial Phase 1 Recourse Rates and the Revised Initial Project Recourse Rates, as described herein. PennEast requests that the Commission grant any other authorizations and waivers the Commission deems necessary to issue an order granting the authorizations requested in this 2020 Amendment Application, including for PennEast to implement the proposed phased approach set forth herein. PennEast respectfully requests that the Commission issue its order by October 1, 2020, to provide PennEast with the time required to construct Phase 1 of the Project with these changes and to place the Phase 1 facilities into service to meet the timing needs of its Phase 1 shippers.

PennEast Pipeline Company, LLC
By: UGI Energy Services, LLC,
Its Project Manager

/s/ Jeffrey D. England
Jeffrey D. England
Project Manager


January 30, 2020

VERIFICATION

THE COMMONWEALTH OF PENNSYLVANIA)
)
COUNTY OF BERKS)

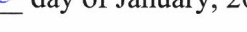
Jeffrey D. England, being first duly sworn, states that he is the Project Manager for PennEast Pipeline Company, LLC; that he is authorized to execute this Verification; that he has read the foregoing application and is familiar with the contents thereof; and that all allegations of fact therein contained are true and correct to the best of his knowledge and belief.

PennEast Pipeline Company, LLC
By: UGI Energy Services, LLC,
Its Project Manager


Jeffrey D. England
Project Manager

Subscribed and sworn to before me this 30th day of January, 2020.

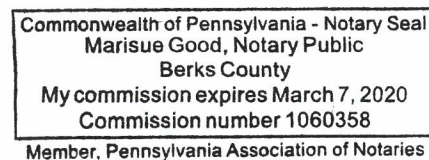
____ day of January, 2020.



Notary Public,
Commonwealth of Pennsylvania

My Commission Expires:

March 7, 2020



PennEast Pipeline Company, LLC

PennEast Pipeline Project

DOCKET No. CP20-____-000

Exhibit C

Company Officials

**PennEast Pipeline Company, LLC
Company Officials**

<u>Name</u>	<u>Member Company</u>	<u>Title</u>
Anthony C. Cox	UGI PennEast, LLC	Manager / Chairman
David C. Johnson	NJR Pipeline Company	Manager
David Irucci	SJI Midstream, LLC	Manager
Richard M. Paglia	Spectra Energy Partners, LP	Manager
Dat T. Tran	Red Oak Enterprise Holdings, Inc.	Manager

PennEast Pipeline Company, LLC

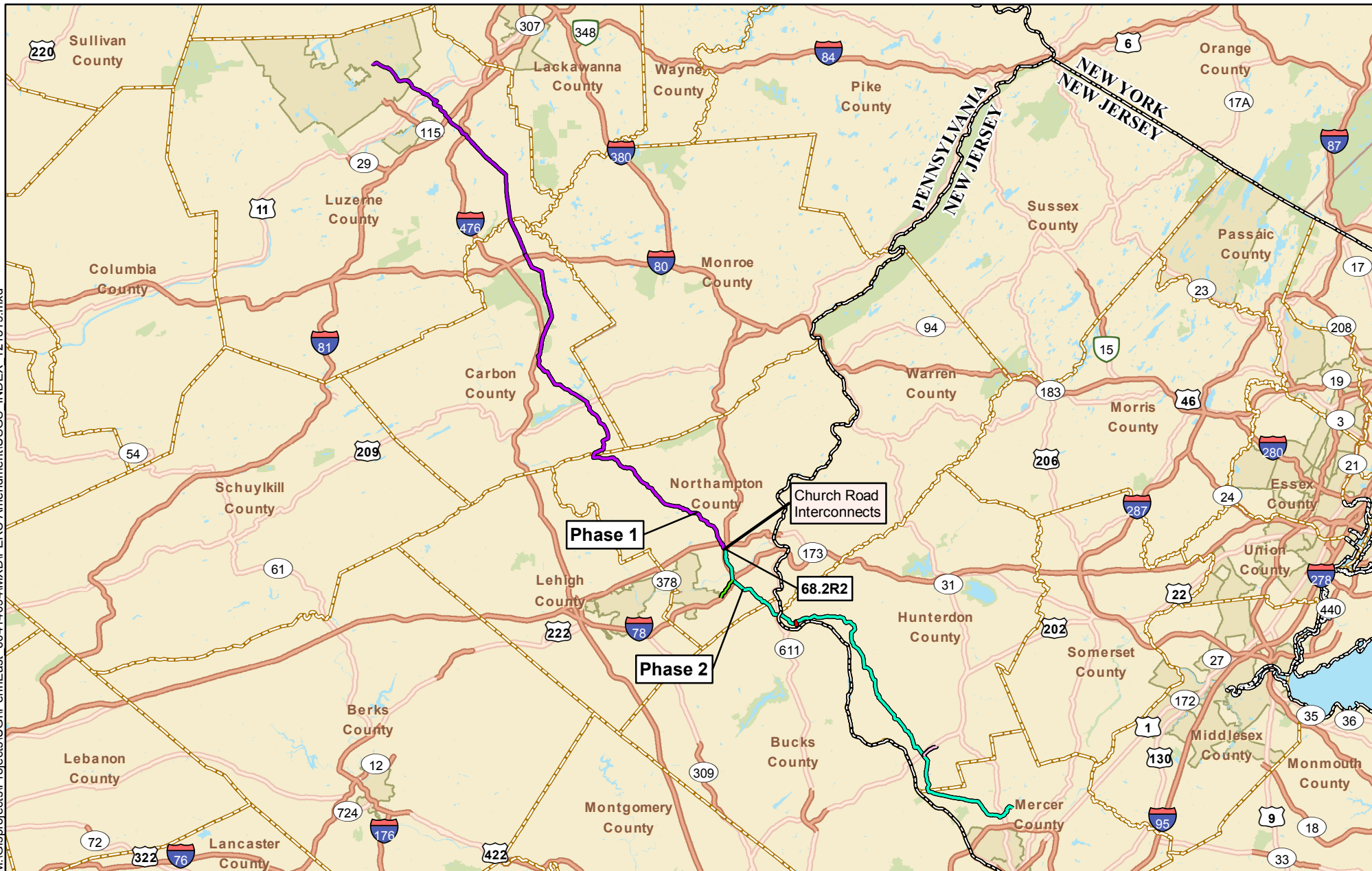
PennEast Pipeline Project

DOCKET NO. CP20-____-000

Exhibit F

Location of Facilities

M:\GIS\Projects\UG\PennEast 60414094\MXD\FERC Amendment\USGS INDEX 121319.mxd



	HELLERTOWN LATERAL		HIGHWAY
	GILBERT LATERAL		WATERBODY
	LAMBERTVILLE LATERAL		PARKS
	CERTIFICATED ROUTE (PHASE 1)		CITY AREA
	CERTIFICATED ROUTE (PHASE 2)		COUNTY BOUNDARY
	INTERSTATE		STATE BOUNDARY

PENNEAST PIPELINE PROJECT USGS PROJECT OVERVIEW

PENNSYLVANIA & NEW JERSEY



ABSOLUTE SCALE:
1:800,000

REFERENCE SCALE:
1 IN = 13 MI



AECOM

DRAWN BY: CDW

CHECKED BY: NB

APPROVED BY: SB

REV. DATE: 1/23/2020

REVISION:

DESC: ISSUED FOR FERC

PAGE: INDEX

PennEast Pipeline Company, LLC
PennEast Pipeline Project

DOCKET No. CP20-____-000

Exhibit J

Federal Authorizations

Federal Agency, State Agency (acting pursuant to delegated Federal authority) Permits, Licenses, Authorizations, and Consultations Required for the Proposed Church Road Interconnects			
Agency	Permit/Approval/Consultation	Date Submitted/ Anticipated Submittal Date	Date Received / Anticipated Receipt Date
U.S. Fish and Wildlife Service – Pennsylvania	Endangered Species Act (ESA), Section 7 Consultation and Clearance	January 2020	First Quarter 2020
Pennsylvania Department of Environmental Protection (PADEP) (Northeast and Southeast Regional Offices)	CWA, Section 401 Water Quality Certification	February 2016	February 2017
	Plan Approval and Operating Permit for a Non-Major Source	March 3, 2016	Second Quarter 2020
Pennsylvania State Historic Preservation Office (PASHPO)	National Historic Preservation Act, Section 106 Consultation	January 2020	First Quarter 2020

PennEast Pipeline Company, LLC

PennEast Pipeline Project

DOCKET No. CP20-____-000

Exhibit K

Cost of Facilities

PennEast Pipeline Project
Phase 1
Docket No. CP20-_____-000

EXHIBIT K
Cost of Facilities

Line No.	Description (A)	Pipeline	Compressor	Meter	Total
1	Right of Way	\$ 60,402,690	\$ 999,000	\$ 1,320,088	\$ 62,721,778
2	Materials	69,932,300	37,228,835	28,304,001	135,465,136
3	Installation	345,040,755	35,280,744	36,477,958	416,799,457
4	Inspection	13,295,896	3,759,850	4,141,520	21,197,266
5	Engineering	19,468,299	2,625,792	9,161,552	31,255,643
6	Survey	14,628,071	171,666	260,360	15,060,097
7	Environmental	19,337,919	338,671	575,741	20,252,331
8	Line Pack	600,000	-	-	600,000
9	Other	20,060,492	1,783,155	445,789	22,289,436
10	Total	\$ 562,766,422	\$ 82,187,713	\$ 80,687,009	\$ 725,641,144
11	Escalation				
12	AFUDC	109,448,168			109,448,168
13	Total Phase 1 Costs	\$ 672,214,591	\$ 82,187,713	\$ 80,687,009	\$ 835,089,312

PennEast Pipeline Project
Phases 1 and 2
Docket No. CP20-_____-000

EXHIBIT K
Cost of Facilities

Line No.	Description (A)	Pipeline	Compressor	Meter	Total
1	Right of Way	\$ 117,487,646	\$ 999,000	\$ 2,698,978	\$ 121,185,624
2	Materials	122,440,824	49,146,200	44,174,150	215,761,174
3	Installation	698,552,221	35,280,744	100,220,776	834,053,741
4	Inspection	22,929,867	3,759,850	6,122,696	32,812,413
5	Engineering	38,487,325	2,625,792	18,111,682	59,224,799
6	Survey	24,785,099	171,666	401,509	25,358,274
7	Environmental	71,509,251	338,671	734,300	72,582,222
8	Line Pack	1,000,000	-	-	1,000,000
9	Other	62,417,305	1,783,155	891,578	65,092,038
10	Total	<u>\$ 1,159,609,538</u>	<u>\$ 94,105,078</u>	<u>\$ 173,355,669</u>	<u>\$ 1,427,070,285</u>
11	Escalation				-
12	AFUDC	240,331,565	-	-	240,331,565
13	Total Revised Project Costs	<u>\$ 1,399,941,103</u>	<u>\$ 94,105,078</u>	<u>\$ 173,355,669</u>	<u>\$ 1,667,401,850</u>

PennEast Pipeline Company, LLC

PennEast Pipeline Project

DOCKET No. CP20-____-000

Exhibit L

Financing

PennEast Proposed Financing

Table of Contents

Schedule

Explanatory Notes 1

Phase 1 Initial Recourse Rates

Proposed Financing Profile 2
Pro Forma Statement of Cash Flow..... 3
Pro Forma Statement of Income and Expenses 4
Pro Forma Balance Sheet 5

Revised Project Initial Recourse Rates

Proposed Financing Profile 6
Pro Forma Statement of Cash Flow..... 7
Pro Forma Statement of Income and Expenses 8
Pro Forma Balance Sheet 9

Description of PennEast Proposed Financing
Preliminary Statement

PennEast has been formed to construct, own and operate the PennEast Pipeline Project which is the subject of this application and currently has no other business activity.

As approved by the Commission in the Certificate Order, PennEast initially will capitalize the Project with 100% equity, but anticipates that 50% of the required capital will be furnished by the sponsors of PennEast as equity and 50% will consist of non-recourse or limited recourse debt. The terms and conditions applicable to the long-term debt, such as price, maturity and rate, will depend upon the financial market conditions existing at the time the debt is raised. For the purpose of presentation in this Exhibit L, and consistent with the rate design approved in the Certificate Order, it is assumed that the long-term debt will have an overall debt cost of 6.0% and a term of ten (10) years. However, it is the intent of PennEast to seek the most favorable terms available in the marketplace at the time of financing. As approved in the Certificate Order, PennEast proposes a return on equity of 14.0%.

Summary of Outstanding and
Proposed Securities and Liabilities

PennEast has no previously issued debt outstanding. PennEast anticipates it will initially capitalize the Project with 100% equity. PennEast anticipates financing 50% (approximately \$420 million for Phase 1 and \$800 million for Phases 1 and 2 combined) of the total cost of the Project with debt. The cost of this debt is assumed to be 6.0%.

Disposition of Proposed Securities

It is not yet known whether PennEast will dispose of its debt securities by private sale, competitive bidding or otherwise, nor is it known to whom such securities will be sold or issued. These decisions will be made when the debt financing is secured, based upon financial markets at those times.

Estimated Sales Price and Net
Proceeds From Proposed Financing

The estimated net proceeds to PennEast from the debt portion of the proposed financing plan will be approximately \$420 million for Phase 1 and approximately \$800 million for the entire Project. The gross sales price or amount at the time of equity funds will be identical to the net proceeds for Phase 1 and the entire Project, since the equity funds will be provided by the members of PennEast.

The estimated net proceeds from the equity portion (including capitalized return) of the proposed financing plan will be approximately \$420 million for Phase 1 and approximately \$800 million for the entire Project. The gross sales price of equity funds will be identical to the net

proceeds for Phase 1 and the entire Project, since the equity funds will be provided by the members of PennEast.

Estimated Expenses, Fees and Commissions
In Connection with Proposed Financing

The expense for obtaining the long-term debt will be determined by the condition of the financial markets at that time. These expenses include, but are not limited to, fees or commissions, legal fees, printing costs and miscellaneous expenses.

Statement of Restrictions
As to Issuance of Securities

There are currently no restrictions in place that would prevent PennEast from obtaining the debt or issuing the debt securities contemplated herein. However, the actions contemplated herein will require the consent of the members of PennEast, as will the issuance of any additional debt or equity securities.

Statement of Anticipated Cash Flows

Statements of anticipated cash flows for Phase 1 and the entire Project are shown as Schedule 3 and Schedule 7, respectively, in this Exhibit L.

Debt Repayment Schedule

The approximately \$420 million long-term debt for Phase 1 and the approximately \$800 million long-term debt for the entire Project is anticipated to have a term of ten (10) years from the in-service date. PennEast anticipates that it will pay down its debt annually to consistently maintain its capital structure.

Statement of Income and Balance Sheet

No recent balance sheet and income statement is available, as PennEast has had no prior business activity. Pro Forma Statements of Income are provided for Phase 1 and the entire Project in Schedules 4 and 8, respectively, and Pro Forma Balance Sheets are provided for Phase 1 and the entire Project in Schedules 5 and 9, respectively, in this Exhibit L.

PennEast Pipeline Project
Phase 1
Docket No. CP20-_____-000

EXHIBIT L
Proposed Financing Profile (\$000)
Calculation of Pre-Tax Return

Schedule 2

Line No.	Description (A)	Percent (B)	Cost (C)	Weighted (D)
1	Debt	50.00%	6.00%	3.00%
2	Equity	50.00%	14.00%	7.00%
3	Total Return			10.00%
4	Total Income Tax Allowance		28.89%	2.84%
5	Total Pre-Tax Return			12.84%
6	Equity Pre-Tax Return			9.84%
7	Year 1 Rate Base			\$ 808,183
8	Equity Return			\$ 56,573
9	Equity AFUDC			1,930
10	Pre-Tax Return Allowance		71.11%	\$ 82,273

PennEast Pipeline Project
Phase 1
Docket No. CP20-_____-000

EXHIBIT L
Pro Forma Statement of Cash Flows (\$000)
First Three Years of Operation

Schedule 3

Line No.	Description (A)	Construction Amount (B)	Year 1 (C)	Year 2 (D)	Year 3 (E)
1	Beginning Cash Balance	\$ -	\$ -	\$ -	\$ -
	<u>Funds Provided</u>				
2	Net Income	\$ -	\$ 58,503	\$ 59,155	\$ 59,430
3	Depreciation	-	22,795	22,795	22,795
4	Deferred Taxes	-	4,463	13,502	11,594
5	Debt Financing	362,821	-	-	-
6	Equity Contributions	362,821	-	-	-
7	Total Funds Provided	<u>\$ 725,641</u>	<u>\$ 85,761</u>	<u>\$ 95,453</u>	<u>\$ 93,819</u>
	<u>Funds Applied</u>				
8	Capital Expenditures	\$ 725,641	\$ -	\$ -	\$ -
9	Debt Repayment	-	13,453	18,149	17,194
10	Working Capital	-	352	-	-
11	Total Funds Applied Before Dividends	<u>\$ 725,641</u>	<u>\$ 13,805</u>	<u>\$ 18,149</u>	<u>\$ 17,194</u>
12	(Contribution) Distribution to Partners	-	71,956	77,304	76,625
13	Total Funds Applied	<u>\$ 725,641</u>	<u>\$ 85,761</u>	<u>\$ 95,453</u>	<u>\$ 93,819</u>
14	Ending Cash Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PennEast Pipeline Project
Phase 1
Docket No. CP20-_____-000

EXHIBIT L
Pro Forma Statement of Income and Expenses (\$000)
First Three Years of Operation

Schedule 4

Line No.	Description (A)	Year 1 (B)	Year 2 (C)	Year 3 (D)
1	Operating Revenue	\$ 134,276	\$ 134,276	\$ 134,276
	<u>Operating Expenses</u>			
2	Operation and Maintenance Expense	\$ 6,588	\$ 6,752	\$ 7,391
3	Depreciation Expense	22,795	22,795	22,795
4	Taxes Other Than Income	305	311	318
5	Total Operating Expenses	<u>\$ 29,687</u>	<u>\$ 29,859</u>	<u>\$ 30,504</u>
6	Operating Income Before Interest Charges	\$ 104,589	\$ 104,418	\$ 103,772
7	Interest Expense	22,315	21,226	20,195
8	Income Before Income Taxes	<u>\$ 82,273</u>	<u>\$ 83,191</u>	<u>\$ 83,578</u>
9	Provision for Income Taxes	23,771	24,036	24,147
10	Net Income	<u><u>\$ 58,503</u></u>	<u><u>\$ 59,155</u></u>	<u><u>\$ 59,430</u></u>
	<u>Income Tax Provision Calculation:</u>			
11	Income Before Income Taxes	<u>\$ 82,273</u>	<u>\$ 83,191</u>	<u>\$ 83,578</u>
12	State Income Tax Rate 1/	9.99%	9.99%	9.99%
13	State Income Taxes	<u>\$ 8,219</u>	<u>\$ 8,311</u>	<u>\$ 8,349</u>
14	Adjusted Income Before Income Taxes	\$ 82,273	\$ 83,191	\$ 83,578
15	Less: State Income Taxes	8,219	8,311	8,349
16	Adjusted Income Before Federal Income Taxes	<u>\$ 74,054</u>	<u>\$ 74,880</u>	<u>\$ 75,228</u>
17	Federal Income Tax Rate	21.00%	21.00%	21.00%
18	Federal Income Taxes	<u>\$ 15,551</u>	<u>\$ 15,725</u>	<u>\$ 15,798</u>
19	Total Income Taxes	<u><u>\$ 23,771</u></u>	<u><u>\$ 24,036</u></u>	<u><u>\$ 24,147</u></u>
20	Composite Tax Rate	28.89%	28.89%	28.89%
21	Tax Depreciation Rate	5.00%	9.50%	8.55%
22	Accelerated Depreciation	36,313	67,597	60,993
23	Deferred Taxes	\$ 4,463	\$ 13,502	\$ 11,594

1/ PA State Income Tax Rate = 9.99%

PennEast Pipeline Project
Phase 1
Docket No. CP20-_____-000

EXHIBIT L
Pro Forma Balance Sheet (End of Year) (\$000)
First Three Years of Operation

Schedule 5

Line No.	Description (A)	Construction Amount (B)	Year 1 (C)	Year 2 (D)	Year 3 (E)
	<u>Assets and Other Debits</u>				
1	Gross Plant	\$ -	\$ 835,089	\$ 835,089	\$ 835,089
2	Construction Work in Progress	835,089	-	-	-
3	Less: Accumulated Depreciation	-	22,795	45,590	68,385
4	Net Gas Plant	\$ 835,089	\$ 812,294	\$ 789,499	\$ 766,704
5	Working Capital	-	352	352	352
6	Total Assets and Other Debits	<u>\$ 835,089</u>	<u>\$ 812,646</u>	<u>\$ 789,851</u>	<u>\$ 767,056</u>
	<u>Long-Term Liabilities and Equity</u>			\$ 771,886	
7	Long-Term Debt	\$ 417,545	\$ 404,092	\$ 385,943	\$ 368,749
8	Deferred Income Taxes	-	4,463	17,965	29,559
9	Partner's Equity	\$ 417,545	\$ 404,092	\$ 385,943	\$ 368,749
10	Total Long-Term Liabilities and Equity	<u>\$ 835,089</u>	<u>\$ 812,646</u>	<u>\$ 789,851</u>	<u>\$ 767,056</u>
11	Debt/Equity Ratio	50.00%	50.00%	50.00%	50.00%
	<u>Partners Equity Reconciliation</u>				
12	Beginning Partner Equity	\$ -	\$ 417,545	\$ 404,092	\$ 385,943
13	Contribution	417,545	-	-	-
14	Net Income	-	58,503	59,155	59,430
15	(Distribution) Contribution	-	\$ (71,956)	\$ (77,304)	\$ (76,625)
16	Ending Partner Equity	<u>\$ 417,545</u>	<u>\$ 404,092</u>	<u>\$ 385,943</u>	<u>\$ 368,749</u>

PennEast Pipeline Project
Phases 1 and 2
Docket No. CP20-_____-000

EXHIBIT L
Proposed Financing Profile (\$000)
Calculation of Pre-Tax Return

Schedule 6

Line No.	Description (A)	Percent (B)	Cost (C)	Weighted (D)
1	Debt	50.00%	6.00%	3.00%
2	Equity	50.00%	14.00%	7.00%
3	Total Return			10.00%
4	Total Income Tax Allowance		29.49%	2.93%
5	Total Pre-Tax Return			12.93%
6	Equity Pre-Tax Return			9.93%
7	Year 1 Rate Base			\$ 1,543,228
8	Equity Return			\$ 108,026
9	Equity AFUDC			4,243
10	Pre-Tax Return Allowance		70.51%	\$ 159,221

PennEast Pipeline Project
Phases 1 and 2
Docket No. CP20-_____-000

EXHIBIT L
Pro Forma Statement of Cash Flows (\$000)
First Three Years of Operation

Schedule 7

Line No.	Description (A)	Construction* Amount (B)	Year 1 (C)	Year 2 (D)	Year 3 (E)
1	Beginning Cash Balance	\$ -	\$ -	\$ 0	\$ 0
	<u>Funds Provided</u>				
2	Net Income	\$ -	\$ 112,269	\$ 113,542	\$ 114,736
3	Depreciation	-	44,949	44,949	44,949
4	Deferred Taxes	-	16,270	23,699	20,223
5	Debt Financing	350,715	-	-	-
6	Equity Contributions	350,715	-	-	-
7	Total Funds Provided	<u>\$ 701,429</u>	<u>\$ 173,487</u>	<u>\$ 182,189</u>	<u>\$ 179,908</u>
	<u>Funds Applied</u>				
8	Capital Expenditures	\$ 701,429	\$ -	\$ -	\$ -
9	Debt Repayment	-	30,309	34,324	32,586
10	Working Capital	-	600	-	-
11	Total Funds Applied Before Dividends	<u>\$ 701,429</u>	<u>\$ 30,909</u>	<u>\$ 34,324</u>	<u>\$ 32,586</u>
12	(Contribution) Distribution to Partners	-	142,578	147,865	147,322
13	Total Funds Applied	<u>\$ 701,429</u>	<u>\$ 173,487</u>	<u>\$ 182,189</u>	<u>\$ 179,908</u>
14	Ending Cash Balance	<u>\$ -</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

* For Phase 2 only

PennEast Pipeline Project
Phases 1 and 2
Docket No. CP20-_____-000

Schedule 8

EXHIBIT L
Pro Forma Statement of Income and Expenses (\$000)
First Three Years of Operation

Line No.	Description (A)	Year 1 (B)	Year 2 (C)	Year 3 (D)
1	Operating Revenue	\$ 260,854	\$ 260,854	\$ 260,854
	<u>Operating Expenses</u>			
2	Operation and Maintenance Expense	\$ 10,478	\$ 10,740	\$ 11,009
3	Depreciation Expense	44,949	44,949	44,949
4	Taxes Other Than Income	4,152	4,144	4,137
5	Total Operating Expenses	<u>\$ 59,579</u>	<u>\$ 59,833</u>	<u>\$ 60,094</u>
6	Operating Income Before Interest Charges	\$ 201,275	\$ 201,020	\$ 200,759
7	Interest Expense	42,054	39,995	38,039
8	Income Before Income Taxes	<u>\$ 159,221</u>	<u>\$ 161,026</u>	<u>\$ 162,720</u>
9	Provision for Income Taxes	46,952	47,484	47,984
10	Net Income	<u><u>\$ 112,269</u></u>	<u><u>\$ 113,542</u></u>	<u><u>\$ 114,736</u></u>
	<u>Income Tax Provision Calculation:</u>			
11	Income Before Income Taxes	\$ 159,221	\$ 161,026	\$ 162,720
12	State Income Tax Rate 1/	10.75%	10.75%	10.75%
13	State Income Taxes	<u>\$ 17,108</u>	<u>\$ 17,302</u>	<u>\$ 17,484</u>
14	Adjusted Income Before Income Taxes	\$ 159,221	\$ 161,026	\$ 162,720
15	Less: State Income Taxes	17,108	17,302	17,484
16	Adjusted Income Before Federal Income Taxes	<u>\$ 142,112</u>	<u>\$ 143,724</u>	<u>\$ 145,236</u>
17	Federal Income Tax Rate	21.00%	21.00%	21.00%
18	Federal Income Taxes	<u>\$ 29,844</u>	<u>\$ 30,182</u>	<u>\$ 30,499</u>
19	Total Income Taxes	<u><u>\$ 46,952</u></u>	<u><u>\$ 47,484</u></u>	<u><u>\$ 47,984</u></u>
20	Composite Tax Rate	29.49%	29.49%	29.49%
21	Tax Depreciation Rate 2/	5.00%	9.50%	8.55%
22	Accelerated Depreciation 3/	96,691	121,764	109,870
23	Deferred Taxes 3/	\$ 16,270	\$ 23,699	\$ 20,223

1/ PA State Income Tax Rate = 9.99%; NJ State Income Tax Rate = 11.5%

2/ MACRS rates for first 3 years of Phase II

3/ Includes Phase I accelerated depreciation and deferred taxes.

PennEast Pipeline Project
Phases 1 and 2
Docket No. CP20-_____-000

EXHIBIT L
Pro Forma Balance Sheet (End of Year) (\$000)
First Three Years of Operation

Schedule 9

Line No.	Description (A)	Construction Amount (B)	Year 1 (C)	Year 2 (D)	Year 3 (E)
	<u>Assets and Other Debits</u>				
1	Gross Plant	\$ 835,089	\$ 1,667,402	\$ 1,667,402	\$ 1,667,402
2	Construction Work in Progress	832,313	-	-	-
3	Less: Accumulated Depreciation	45,590	90,539	135,488	180,437
4	Net Gas Plant	<u>\$ 1,621,812</u>	<u>\$ 1,576,863</u>	<u>\$ 1,531,914</u>	<u>\$ 1,486,965</u>
5	Working Capital	-	600	600	600
6	Total Assets and Other Debits	<u><u>\$ 1,621,812</u></u>	<u><u>\$ 1,577,463</u></u>	<u><u>\$ 1,532,514</u></u>	<u><u>\$ 1,487,565</u></u>
	<u>Long-Term Liabilities and Equity</u>				
7	Long-Term Debt	\$ 801,923	\$ 771,614	\$ 737,290	\$ 704,704
8	Deferred Income Taxes	17,965	34,235	57,934	78,157
9	Partner's Equity	<u>\$ 801,923</u>	<u>\$ 771,614</u>	<u>\$ 737,290</u>	<u>\$ 704,704</u>
10	Total Long-Term Liabilities and Equity	<u><u>\$ 1,621,812</u></u>	<u><u>\$ 1,577,463</u></u>	<u><u>\$ 1,532,514</u></u>	<u><u>\$ 1,487,565</u></u>
11	Debt/Equity Ratio	50.00%	50.00%	50.00%	50.00%
	<u>Partners Equity Reconciliation</u>				
12	Beginning Partner Equity	\$ -	\$ 801,923	\$ 771,614	\$ 737,290
13	Contribution	801,923	-	-	-
14	Net Income	-	112,269	113,542	114,736
15	(Distribution) Contribution	<u>\$ -</u>	<u>\$ (142,578)</u>	<u>\$ (147,865)</u>	<u>\$ (147,322)</u>
16	Ending Partner Equity	<u><u>\$ 801,923</u></u>	<u><u>\$ 771,614</u></u>	<u><u>\$ 737,290</u></u>	<u><u>\$ 704,704</u></u>

PennEast Pipeline Company, LLC

PennEast Pipeline Project

DOCKET No. CP20-____-000

Exhibit N

Revenues, Expenses and Income

PennEast Pipeline Project
Phase 1
Docket No. CP20-_____-000

EXHIBIT N
Revenue - Expenses - Income

Line No.	Description (A)	Year 1 (B)	Year 2 (C)	Year 3 (D)
1	Reservation Billing Determinants	8,165,163	8,165,163	8,165,163
2	Reservation Rate	<u>\$ 16.3710</u>	<u>\$ 16.3710</u>	<u>\$ 16.3710</u>
3	Revenues	<u>\$ 133,671,476</u>	<u>\$ 133,671,476</u>	<u>\$ 133,671,476</u>
4	Usage Determinants	166,075,000	166,075,000	166,075,000
5	Usage Rate	<u>\$ 0.0036</u>	<u>\$ 0.0036</u>	<u>\$ 0.0036</u>
6	Usage Revenues	<u>\$ 604,738</u>	<u>\$ 604,738</u>	<u>\$ 604,738</u>
7	Total Revenues	<u>\$ 134,276,214</u>	<u>\$ 134,276,214</u>	<u>\$ 134,276,214</u>
8	Operation & Maintenance Expense	\$ 6,587,664	\$ 6,752,356	\$ 7,390,925
9	Depreciation Expense	22,795,153	22,795,153	22,795,153
10	Taxes Other Than Income	304,528	311,082	317,795
11	Total Expenses	<u>\$ 29,687,345</u>	<u>\$ 29,858,590</u>	<u>\$ 30,503,872</u>
12	Gross Income	\$ 104,588,869	\$ 104,417,624	\$ 103,772,342
13	Interest Expense	<u>22,315,396</u>	<u>21,226,483</u>	<u>20,194,816</u>
14	Taxable Income	\$ 82,273,473	\$ 83,191,141	\$ 83,577,526
15	Income Taxes	<u>23,770,534</u>	<u>24,035,668</u>	<u>24,147,302</u>
16	Net Income	<u><u>\$ 58,502,939</u></u>	<u><u>\$ 59,155,474</u></u>	<u><u>\$ 59,430,224</u></u>

PennEast Pipeline Project
Phases 1 and 2
Docket No. CP20-_____-000

EXHIBIT N
Revenue - Expenses - Income

Line No.	Description (A)	Year 1 (B)	Year 2 (C)	Year 3 (D)
1	Reservation Billing Determinants	13,905,900	13,905,900	13,905,900
2	Reservation Rate	\$ 18.6933	\$ 18.6933	\$ 18.6933
3	Revenues	\$ 259,946,598	\$ 259,946,598	\$ 259,946,598
4	Usage Determinants	282,838,500	282,838,500	282,838,500
5	Usage Rate	\$ 0.0032	\$ 0.0032	\$ 0.0032
6	Usage Revenues	\$ 907,108	\$ 907,108	\$ 907,108
7	Total Revenues	\$ 260,853,706	\$ 260,853,706	\$ 260,853,706
8	Operation & Maintenance Expense	\$ 10,478,422	\$ 10,740,382	\$ 11,008,892
9	Depreciation Expense	44,948,899	44,948,899	44,948,899
10	Taxes Other Than Income	4,151,758	4,143,970	4,136,531
11	Total Expenses	\$ 59,579,078	\$ 59,833,252	\$ 60,094,322
12	Gross Income	\$ 201,274,628	\$ 201,020,454	\$ 200,759,384
13	Interest Expense	42,054,053	39,994,623	38,039,456
14	Taxable Income	\$ 159,220,575	\$ 161,025,831	\$ 162,719,928
15	Income Taxes	46,951,839	47,484,183	47,983,747
16	Net Income	\$ 112,268,736	\$ 113,541,649	\$ 114,736,180

PennEast Pipeline Company, LLC

PennEast Pipeline Project

DOCKET No. CP20-____-000

Exhibit P

Rate Derivation and Tariff

Rates and Tariffs
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Explanatory Notes

Rate Derivation

PennEast has calculated its maximum rates for FTS, ITS and PAL services to be consistent with the Certificate Order and to account for both the phasing of and the increased costs for the Project, as reflected on Schedules 2 and 10 of this Exhibit P. PennEast's maximum rates were developed using the Commission's Straight Fixed-Variable ("SFV") rate design methodology. The vast majority of PennEast's costs other than retainage and L&U, however, are fixed costs. As a result, variable costs make up only a very small portion of the total cost-of-service, approximately \$605,000 and \$907,000 in total per year for Phase 1 and the entire Project (Phases 1 and 2 combined), respectively.

The total cost of service was used by PennEast to develop the FTS reservation and usage rates. Consistent with the 2015 Certificate Application, and as approved in the Certificate Order, PennEast proposes to continue to allocate costs to interruptible service. Specifically, PennEast will assign approximately \$6.0 million of costs to interruptible services in its Phase 1 initial recourse rates, and \$11.6 million of costs to interruptible services in its revised Project initial recourse rates, which is reflected as 30,430 Dth and 51,825 Dth of imputed billing determinants for interruptible services for the Phase 1 and revised Project initial recourse rates, respectively.¹

For both the Phase 1 and revised Project initial recourse rates, the applicable reservation rate for firm transportation service under Rate Schedule FTS was developed by dividing PennEast's applicable reservation cost of service by volume determinants totaling PennEast's total Phase 1 capacity of 650,000 Dth per day and total Project capacity of 1,107,000 Dth per day plus the applicable imputed billing determinants for interruptible service, times 12 (number of months in a year), as shown on lines 5 through 9 of Schedules 2 and 10 of this Exhibit P, respectively.

For both the Phase 1 and revised Project initial recourse rates, the rates for interruptible transportation service under Rate Schedule ITS and for interruptible parking and lending service under Rate Schedule PAL are based on a 100% load factor equivalent to the respective Rate Schedule FTS rates.

The usage rate for FTS service was developed by dividing PennEast's applicable usage cost of service by a design determinant equal to PennEast's total Phase 1 capacity of 650,000 Dth per day or total Project capacity of 1,107,000 Dth per day, times 365 (number of days in a year), times a 70% load factor.

¹ PennEast retained the same quantity of imputed billing determinants for the entire Project as approved by the Commission in the Certificate Order, and then calculated imputed billing determinants for Phase 1 using the ratio of the Phase 1 Capacity to the Project capacity.

The usage rates for ITS and PAL services were set to equal the 100% load factor rate for FTS service.

Explanatory Notes

Cost of Service

PennEast's cost of service is based on its total capital cost as presented in Exhibit K. Specifically, the Phase 1 initial recourse rates will include the costs for the Phase 1 facilities, and the revised Project initial recourse rates are derived to reflect the existing Phase 1 rates plus the capital costs and additional operating and other related costs associated with the Phase 2 facilities. Consistent with the depreciation rates approved by the Commission in the Certificate Order, PennEast proposes to use a 2.5% depreciation rate for pipeline facilities and a 4.0% depreciation rate for compression and metering facilities.

PennEast's proposed 10.0% overall rate of return for both Phase 1 and the entire Project was calculated on Schedules 9 and 17 of this Exhibit P, based on the 50% equity / 50% debt structure as directed by the Commission in the Certificate Order. A debt cost of 6.0% was applied for both Phase 1 and the entire Project, as described in Exhibit L.

A return on equity of 14.0% for both Phase 1 and the entire Project, consistent with the return on equity approved by the Commission in the Certificate Order.

Income taxes have been included in PennEast's cost of service. Income taxes for both Phase 1 and the entire Project have been calculated as shown on Schedules 8 and 16 of this Exhibit P, using a 21% federal corporate income tax rate for Phase 1 and the entire Project, and a 9.99% composite state income tax rate for Phase 1 and a 10.75% composite state income tax rate for Phase 2.

An estimate of operation and maintenance expenses for both Phase 1 and the entire Project was included based on an estimate of direct operation and maintenance expenses for similar facilities. Additional administrative and general expenses for both Phase 1 and the entire Project have been included based on forecasted overhead costs.

Explanatory Notes

PennEast Tariff

Included in Exhibit P hereto are the Statement of Rates tariff records for the Phase 1 and revised Project initial recourse rates proposed herein. As directed by the Commission in Paragraph (G) of the Certificate Order, PennEast will file revised actual tariff records reflecting tariff language that fully complies with the requirements in the Certificate Order, and the tariff records included herein to the extent approved by the Commission, not less than 30 days and not more than 60 days prior to the commencement of service consistent with Part 154 of the Commission's regulations.

PennEast Pipeline Project
Phase 1
Docket No. CP20-_____-000

EXHIBIT P
Derivation of Rate

Schedule 2

Line No.	Description (A)	Amount (B)
1	Cost of Service (Year 1)	
2	Reservation Cost of Service	\$ 133,671,476
3	Usage Cost of Service	<u>604,738</u>
4	Total Cost of Service	\$ 134,276,214
	Billing Determinants (Daily)	
5	Firm	650,000
6	Imputed IT	<u>30,430</u>
7	Total	680,430
8	Reservation Design Determinants	8,165,163
9	Reservation Rate \$/dth per Month	<u>\$ 16.3710</u>
10	Usage Determinants (dth) @ 70% LF	166,075,000
11	Usage Rate \$/dth	<u>\$ 0.0036</u>
12	Daily Reservation Rate \$/dth	<u>\$ 0.5382</u>
13	Interruptible Transportation Rate \$/dth (100% Load Factor)	<u>\$ 0.5419</u>

PennEast Pipeline Project
Phase 1
Docket No. CP20-_____-000

EXHIBIT P
Summary Cost of Service

Schedule 3

Line No.	Description (A)	Year 1 (B)	Year 2 (C)	Year 3 (D)
1	Operation & Maintenance Expense	\$ 6,587,664	\$ 6,752,356	\$ 7,390,925
2	Depreciation Expense	\$ 22,795,153	\$ 22,795,153	\$ 22,795,153
3	Taxes Other Than Income	\$ 304,528	\$ 311,082	\$ 317,795
4	Income Taxes	\$ 23,770,534	\$ 22,738,174	\$ 21,760,086
5	Return	\$ 80,818,335	\$ 77,188,624	\$ 73,749,734
6	Total Cost of Service	<u>\$ 134,276,214</u>	<u>\$ 129,785,388</u>	<u>\$ 126,013,693</u>

PennEast Pipeline Project
Phase 1
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EXHIBIT P
Operations and Maintenance Expenses

Schedule 4
Page 1 of 2

Line No.	Description (A)	Year 1 (B)	Year 2 (C)	Year 3 (D)
	Operation & Maintenance Expenses			
1	Pipeline O&M	\$ 1,657,092	\$ 1,698,520	\$ 1,740,983
2	Compressor Station O&M	2,970,205	3,044,460	3,120,571
3	Metering & Regulation O&M	1,245,248	1,276,380	1,308,289
4	Total O&M	<u>\$ 5,872,545</u>	<u>\$ 6,019,359</u>	<u>\$ 6,169,843</u>
5	Administrative & General	<u>\$ 715,119</u>	<u>\$ 732,996</u>	<u>\$ 1,221,082</u>
6	Total Operating Expenses	<u><u>\$ 6,587,664</u></u>	<u><u>\$ 6,752,356</u></u>	<u><u>\$ 7,390,925</u></u>

PennEast Pipeline Project
Phase 1
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EXHIBIT P
Operations and Maintenance Expenses

Schedule 4
Page 2 of 2

Transmission Expenses

Operation	Acct. No.		
Operation Supervision and Engineering	850.0	\$	57,578
System Control and Load Dispatching	851.0	\$	287,892
Communication System Expenses	852.0		
Compressor Stations - Labor	853.0	\$	1,010,970
Compressor Stations - M&O	853.0	\$	332,316
Compressor Stations - M&O - Variable	853.0	\$	604,738
Gas for Compressor Station Fuel	854.0		
Other Fuel and Power for Compressor Stations	855.0		
Mains Expenses	856.0	\$	356,276
Measuring and Regulating Station Expenses	857.0	\$	659,824
Transmission and Compression of Gas by Others	858.0		
Other Expenses	859.0	\$	95,004
Rents	860.0		
Total Operation		\$	3,404,599

Maintenance

Maintenance of Supervision and Engineering	861.0	\$	76,138
Maintenance of Structures and Improvements	862.0		
Maintenance of Mains	863.0	\$	820,037
Maintenance of Compressor Station Equipment	864.0	\$	1,022,180
Maintenance of Measuring and Regulating Station Equipment	865.0	\$	509,286
Maintenance of Communication Equipment	866.0		
Maintenance of Other Equipment	867.0	\$	40,305
Total Maintenance		\$	2,467,947

Administrative and General Expenses

Operation			
Administrative and General Salaries	920.0	\$	507,837
Office Supplies & Expenses	921.0		
Administrative Expenses Transferred - Credit	922.0		
Outside Services Employed	923.0	\$	71,973
Property Insurance	924.0	\$	135,309
Injuries and Damages	925.0		
Employee Pensions and Benefits	926.0		
Franchise Requirements	927.0		
Regulatory Commission Expenses	928.0		
Duplicate Charges - Credit	929.0		
Miscellaneous General Expenses	930.2		
Rents	931.0		
Total Operation		\$	715,119

Maintenance

Maintenance of General Plant	935.0		
TOTAL		\$	6,587,664

PennEast Pipeline Project
Phase 1
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EXHIBIT P
Depreciation Expense and Other Taxes

Schedule 5

Line No.	Description (A)	Year 1 (B)	Year 2 (C)	Year 3 (D)
	Depreciable Plant			
1	Pipeline	\$ 705,627,986	\$ 705,627,986	\$ 705,627,986
2	Compression & M&R	\$ 128,861,327	\$ 128,861,327	\$ 128,861,327
3	Line Pack	\$ 600,000	\$ 600,000	\$ 600,000
	Depreciable Rate			
4	Pipeline	2.50%	2.50%	2.50%
5	Compression & M&R	4.00%	4.00%	4.00%
6	Line Pack	0.00%	0.00%	0.00%
	Depreciation Expense			
7	Pipeline	\$ 17,640,700	\$ 17,640,700	\$ 17,640,700
8	Compression & M&R	\$ 5,154,453	\$ 5,154,453	\$ 5,154,453
9	Line Pack	\$ -	\$ -	\$ -
10	Total Depreciation Expense	<u>\$ 22,795,153</u>	<u>\$ 22,795,153</u>	<u>\$ 22,795,153</u>
11	Taxes Other Than Income			
	Property Taxes			
12	Assessed Value	\$ -	\$ -	\$ -
13	Tax Rate	0.00%	0.00%	0.00%
14	Property Taxes	<u>\$ 70,482</u>	<u>\$ 71,184</u>	<u>\$ 71,900</u>
	Payroll Taxes			
15	Labor Costs	\$ 3,059,432	\$ 3,135,918	\$ 3,214,316
16	Tax Rate	7.65%	7.65%	7.65%
17	Payroll Taxes	<u>\$ 234,047</u>	<u>\$ 239,898</u>	<u>\$ 245,895</u>

PennEast Pipeline Project
Phase 1
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EXHIBIT P
Rate Base and Return

Schedule 6

Line No.	Description (A)	Year 1 (B)	Year 2 (C)	Year 3 (D)
1	Gas Plant in Service	\$ 835,089,312	\$ 835,089,312	\$ 835,089,312
2	Accumulated Depreciation	<u>(22,795,153)</u>	<u>(45,590,305)</u>	<u>(68,385,458)</u>
3	Net Plant in Service	\$ 812,294,160	\$ 789,499,007	\$ 766,703,854
	Working Capital			
4	Materials & Supplies	\$ 352,304	\$ 352,304	\$ 352,304
5	Line Pack	\$ -	\$ -	\$ -
6	Accumulated Deferred Income Taxes	<u>(4,463,115)</u>	<u>(17,965,067)</u>	<u>(29,558,819)</u>
7	Total Rate Base	<u><u>\$ 808,183,348</u></u>	<u><u>\$ 771,886,244</u></u>	<u><u>\$ 737,497,338</u></u>
8	Rate of Return	10.00%	10.00%	10.00%
9	Return Allowance	<u><u>\$ 80,818,335</u></u>	<u><u>\$ 77,188,624</u></u>	<u><u>\$ 73,749,734</u></u>

PennEast Pipeline Project
Phase 1
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EXHIBIT P
Deferred Income Taxes

Schedule 7

Line No.	Description (A)	Year 1 (B)	Year 2 (C)	Year 3 (D)
1	Depreciable Plant for Tax Purposes	\$ 757,885,136	\$ 757,885,136	\$ 757,885,136
2	Tax Depreciation Rates (15 Yr. MACRS)	5.00%	9.50%	8.55%
3	Tax Depreciation	<u>\$ 36,312,575</u>	<u>\$ 67,597,379</u>	<u>\$ 60,992,809</u>
4	Depreciable Plant for Book Purposes	\$ 757,885,136	\$ 757,885,136	\$ 757,885,136
5	Book Depreciation Rate	2.75%	2.75%	2.75%
6	Book Depreciation	<u>\$ 20,865,048</u>	<u>\$ 20,865,048</u>	<u>\$ 20,865,048</u>
7	Timing Difference	\$ (15,447,527)	\$ (46,732,331)	\$ (40,127,761)
8	Deferred Taxes @ 28.8921%	<u><u>\$ (4,463,115)</u></u>	<u><u>\$ (13,501,952)</u></u>	<u><u>\$ (11,593,753)</u></u>

PennEast Pipeline Project
Phase 1
Docket No. CP20-_____-000

EXHIBIT P
Income Taxes

Schedule 8

Line No.	Description (A)	Year 1 (B)	Year 2 (C)	Year 3 (D)
1	Return	\$ 80,818,335	\$ 77,188,624	\$ 73,749,734
	Adjustments:			
2	Interest & Debt Expense	\$ (24,245,500)	\$ (23,156,587)	\$ (22,124,920)
3	Amortization of Equity AFUDC	1,930,104	1,930,104	1,930,104
4	Total Adjustments	<u>\$ (22,315,396)</u>	<u>\$ (21,226,483)</u>	<u>\$ (20,194,816)</u>
5	Net Taxable Income	\$ 58,502,939	\$ 55,962,141	\$ 53,554,918
6	Effective Tax Rate	28.89%	28.89%	28.89%
7	Pre-Tax Gross Up Factor	1.4063	1.4063	1.4063
8	Pre-Tax Return on Equity	\$ 82,273,473	\$ 78,700,315	\$ 75,315,005
9	Total Income Tax	<u>\$ 23,770,534</u>	<u>\$ 22,738,174</u>	<u>\$ 21,760,086</u>

PennEast Pipeline Project
Phase 1
Docket No. CP20-_____-000

EXHIBIT P
Rate of Return

Schedule 9

Line No.	Description (A)	Capitalization Ratio (B)	Component Cost (C)	Return Component (D)
1	Long-Term Debt	50.00%	6.00%	3.00%
2	Equity	<u>50.00%</u>	14.00%	<u>7.00%</u>
3	Total	100.00%		10.00%

PennEast Pipeline Project
Phases 1 and 2
Docket No. CP20-_____-000

EXHIBIT P
Derivation of Rate

Schedule 10

Line No.	Description (A)	Amount (B)
1	Cost of Service (Year 1)	
2	Reservation Cost of Service	\$ 259,946,598
3	Usage Cost of Service	<u>907,108</u>
4	Total Cost of Service	\$ 260,853,706
	Billing Determinants (Daily)	
5	Firm	1,107,000
6	Imputed IT	<u>51,825</u>
7	Total	<u>1,158,825</u>
8	Reservation Design Determinants	13,905,900
9	Reservation Rate \$/dth per Month	<u>\$ 18.6933</u>
10	Usage Determinants (dth) @ 70% LF	282,838,500
11	Usage Rate \$/dth	<u>\$ 0.0032</u>
12	Daily Reservation Rate \$/dth	<u>\$ 0.6146</u>
13	Interruptible Transportation Rate \$/dth (100% Load Factor)	<u>\$ 0.6178</u>

PennEast Pipeline Project
Phases 1 and 2
Docket No. CP20-_____-000

EXHIBIT P
Summary Cost of Service

Schedule 11

Line No.	Description (A)	Year 1 (B)	Year 2 (C)	Year 3 (D)
1	Operation & Maintenance Expense	\$ 10,478,422	\$ 10,740,382	\$ 11,008,892
2	Depreciation Expense	\$ 44,948,899	\$ 44,948,899	\$ 44,948,899
3	Taxes Other Than Income	\$ 4,151,758	\$ 4,143,970	\$ 4,136,531
4	Income Taxes	\$ 46,951,839	\$ 44,942,202	\$ 43,034,308
5	Return	\$ 154,322,789	\$ 147,458,022	\$ 140,940,800
6	Total Cost of Service	<u>\$ 260,853,706</u>	<u>\$ 252,233,476</u>	<u>\$ 244,069,430</u>

PennEast Pipeline Project
Phases 1 and 2
Docket No. CP20-_____-000

EXHIBIT P
Operations and Maintenance Expenses

Schedule 12
Page 1 of 2

Line No.	Description (A)	Year 1 (B)	Year 2 (C)	Year 3 (D)
	Operation & Maintenance Expenses			
1	Pipeline O&M	\$ 2,877,979	\$ 2,949,929	\$ 3,023,677
2	Compressor Station O&M	4,455,307	4,566,690	4,680,857
3	Metering & Regulation O&M	1,924,054	1,972,155	2,021,459
4	Total O&M	<u>\$ 9,257,340</u>	<u>\$ 9,488,774</u>	<u>\$ 9,725,993</u>
5	Administrative & General	<u>\$ 1,221,082</u>	<u>\$ 1,251,609</u>	<u>\$ 1,282,899</u>
6	Total Operating Expenses	<u><u>\$ 10,478,422</u></u>	<u><u>\$ 10,740,382</u></u>	<u><u>\$ 11,008,892</u></u>

EXHIBIT P
Operations and Maintenance Expenses

Schedule 12
Page 2 of 2

Transmission Expenses

Operation

	Acct. No.		
Operation Supervision and Engineering	850.0	\$	100,000
System Control and Load Dispatching	851.0	\$	500,000
Communication System Expenses	852.0		
Compressor Stations - Labor	853.0	\$	1,516,455
Compressor Stations - M&O	853.0	\$	498,474
Compressor Stations - M&O - Variable	853.0	\$	907,108
Gas for Compressor Station Fuel	854.0		
Other Fuel and Power for Compressor Stations	855.0		
Mains Expenses	856.0	\$	618,768
Measuring and Regulating Station Expenses	857.0	\$	1,021,790
Transmission and Compression of Gas by Others	858.0		
Other Expenses	859.0	\$	165,000
Rents	860.0		
Total Operation		\$	5,327,594

Maintenance

Maintenance of Supervision and Engineering	861.0	\$	132,234
Maintenance of Structures and Improvements	862.0		
Maintenance of Mains	863.0	\$	1,424,212
Maintenance of Compressor Station Equipment	864.0	\$	1,533,271
Maintenance of Measuring and Regulating Station Equipment	865.0	\$	770,030
Maintenance of Communication Equipment	866.0		
Maintenance of Other Equipment	867.0	\$	70,000
Total Maintenance		\$	3,929,747

Administrative and General Expenses

Operation

Administrative and General Salaries	920.0	\$	842,857
Office Supplies & Expenses	921.0		
Administrative Expenses Transferred - Credit	922.0		
Outside Services Employed	923.0	\$	131,328
Property Insurance	924.0	\$	246,897
Injuries and Damages	925.0		
Employee Pensions and Benefits	926.0		
Franchise Requirements	927.0		
Regulatory Commission Expenses	928.0		
Duplicate Charges - Credit	929.0		
Miscellaneous General Expenses	930.2		
Rents	931.0		
Total Operation		\$	1,221,082

Maintenance

Maintenance of General Plant	935.0		
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TOTAL \$ **10,478,422**

PennEast Pipeline Project
Phases 1 and 2
Docket No. CP20-_____-000

EXHIBIT P
Depreciation Expense and Other Taxes

Schedule 13

Line No.	Description (A)	Year 1 (B)	Year 2 (C)	Year 3 (D)
	Depreciable Plant			
1	Pipeline	\$ 1,447,145,020	\$ 1,447,145,020	\$ 1,447,145,020
2	Compression & M&R	\$ 219,256,830	\$ 219,256,830	\$ 219,256,830
3	Line Pack	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
	Depreciable Rate			
4	Pipeline	2.50%	2.50%	2.50%
5	Compression & M&R	4.00%	4.00%	4.00%
6	Line Pack	0.00%	0.00%	0.00%
	Depreciation Expense			
7	Pipeline	\$ 36,178,626	\$ 36,178,626	\$ 36,178,626
8	Compression & M&R	\$ 8,770,273	\$ 8,770,273	\$ 8,770,273
9	Line Pack	\$ -	\$ -	\$ -
10	Total Depreciation Expense	<u>\$ 44,948,899</u>	<u>\$ 44,948,899</u>	<u>\$ 44,948,899</u>
11	Taxes Other Than Income			
	Property Taxes			
12	Assessed Value	\$ -	\$ -	\$ -
13	Tax Rate	0.00%	0.00%	0.00%
14	Property Taxes	<u>\$ 3,765,687</u>	<u>\$ 3,748,248</u>	<u>\$ 3,730,915</u>
	Payroll Taxes			
15	Labor Costs	\$ 5,046,679	\$ 5,172,846	\$ 5,302,168
16	Tax Rate	7.65%	7.65%	7.65%
17	Payroll Taxes	<u>\$ 386,071</u>	<u>\$ 395,723</u>	<u>\$ 405,616</u>

PennEast Pipeline Project
Phases 1 and 2
Docket No. CP20-_____-000

EXHIBIT P
Rate Base and Return

Schedule 14

Line No.	Description (A)	Year 1 (B)	Year 2 (C)	Year 3 (D)
1	Gas Plant in Service	\$ 1,667,401,850	\$ 1,667,401,850	\$ 1,667,401,850
2	Accumulated Depreciation	<u>(90,539,204)</u>	<u>(135,488,103)</u>	<u>(180,437,002)</u>
3	Net Plant in Service	\$ 1,576,862,646	\$ 1,531,913,747	\$ 1,486,964,849
	Working Capital			
4	Materials & Supplies	\$ 600,000	\$ 600,000	\$ 600,000
5	Line Pack	\$ -	\$ -	\$ -
6	Accumulated Deferred Income Taxes	<u>(34,234,758)</u>	<u>(57,933,523)</u>	<u>(78,156,845)</u>
7	Total Rate Base	<u><u>\$ 1,543,227,888</u></u>	<u><u>\$ 1,474,580,224</u></u>	<u><u>\$ 1,409,408,003</u></u>
8	Rate of Return	10.00%	10.00%	10.00%
9	Return Allowance	<u><u>\$ 154,322,789</u></u>	<u><u>\$ 147,458,022</u></u>	<u><u>\$ 140,940,800</u></u>

PennEast Pipeline Project
Phases 1 and 2
Docket No. CP20-_____-000

EXHIBIT P
Deferred Income Taxes

Schedule 15

Line No.	Description (A)	Year 1 (B)	Year 2 (C)	Year 3 (D)
1	Depreciable Plant for Tax Purposes	\$ 1,497,690,505	\$ 1,497,690,505	\$ 1,497,690,505
2	Tax Depreciation Rates (15 Yr. MACRS)	5.00%	9.50%	8.55%
3	Tax Depreciation 1/	<u>\$ 96,690,669</u>	<u>\$ 121,764,224</u>	<u>\$ 109,870,211</u>
4	Depreciable Plant for Book Purposes	\$ 1,497,690,505	\$ 1,497,690,505	\$ 1,497,690,505
5	Book Depreciation Rate	3.00%	3.00%	3.00%
6	Book Depreciation 2/	<u>\$ 44,948,899</u>	<u>\$ 44,948,899</u>	<u>\$ 44,948,899</u>
7	Timing Difference	\$ (55,984,554)	\$ (81,058,109)	\$ (69,164,096)
8	Deferred Taxes @ 29.48855%	<u>\$ (16,269,691)</u>	<u>\$ (23,698,765)</u>	<u>\$ (20,223,322)</u>

1/ Includes Phase I tax depreciation

2/ Include Phase I book depreciation

PennEast Pipeline Project
Phases 1 and 2
Docket No. CP20-_____-000

EXHIBIT P
Income Taxes

Schedule 16

Line No.	Description (A)	Year 1 (B)	Year 2 (C)	Year 3 (D)
1	Return	\$ 154,322,789	\$ 147,458,022	\$ 140,940,800
	Adjustments:			
2	Interest & Debt Expense	\$ (46,296,837)	\$ (44,237,407)	\$ (42,282,240)
3	Amortization of Equity AFUDC	4,242,784	4,242,784	4,242,784
4	Total Adjustments	<u>\$ (42,054,053)</u>	<u>\$ (39,994,623)</u>	<u>\$ (38,039,456)</u>
5	Net Taxable Income	\$ 112,268,736	\$ 107,463,399	\$ 102,901,344
6	Effective Tax Rate	29.49%	29.49%	29.49%
7	Pre-Tax Gross Up Factor	1.4182	1.4182	1.4182
8	Pre-Tax Return on Equity	\$ 159,220,575	\$ 152,405,601	\$ 145,935,651
9	Total Income Tax	<u>\$ 46,951,839</u>	<u>\$ 44,942,202</u>	<u>\$ 43,034,308</u>

PennEast Pipeline Project
Phases 1 and 2
Docket No. CP20-_____-000

EXHIBIT P
Rate of Return

Schedule 17

Line No.	Description (A)	Capitalization Ratio (B)	Component Cost (C)	Return Component (D)
1	Long-Term Debt	50.00%	6.00%	3.00%
2	Equity	<u>50.00%</u>	14.00%	<u>7.00%</u>
3	Total	100.00%		10.00%

STATEMENT OF TRANSPORTATION RATES

Rate Schedule -----	Maximum Rate Per Dth -----	Minimum Rate Per Dth -----
RATE SCHEDULE FTS 1/ -----		
1. Capacity Reservation Rate Per Month Per Dth of MDQ	\$16.3710	\$0.0000
2. Authorized Overrun Per Day Per Dth	\$0.5419	\$0.0036
3. Usage Rate Per Dth Within Tolerances	\$0.0036	\$0.0036
4. Usage Rate Per Dth Outside Tolerances	\$0.5419	\$0.0036
RATE SCHEDULE ITS 1/ -----		
1. Usage Rate Per Dth	\$0.5419	\$0.0036
RATE SCHEDULE PAL -----		
1. Usage Rate Per Dth	\$0.5419	\$0.0036

1/ Backhaul rate is equal to the forward haul rate.

Issued on:
Effective on:

STATEMENT OF CAPACITY RELEASE RATES

Rate Schedule -----	Maximum Rate Per Dth -----	Minimum Rate Per Dth -----
MAXIMUM DAILY CAPACITY RELEASE RATE 1/ -----		
1. Capacity Reservation Rate Per Day Per Dth of MDQ	\$0.5382	\$0.0000
2. Usage Rate Per Dth	\$0.0036	\$0.0036
3. Authorized Overrun Per Day Per Dth	\$0.5419	\$0.0036

1/ Backhaul rate is equal to the forward haul rate.

Issued on:
Effective on:

STATEMENT OF ADDITIONAL CHARGES AND SURCHARGES

ADDITIONAL CHARGES AND
SURCHARGES APPLICABLE TO
FTS and ITS SERVICE

- | | | |
|----|--|-------|
| 1. | Fuel Retainage Percentage (%) 1/ | 0.81% |
| 2. | Lost and Unaccounted for Gas Percentage (%) 2/ | 0.00% |

- 1/ Fuel Retainage Percentage will not be applied to Backhaul transportation.
- 2/ Lost and Unaccounted for Gas Percentage will be applied to Backhaul transportation.

STATEMENT OF TRANSPORTATION RATES

Rate Schedule -----	Maximum Rate Per Dth -----	Minimum Rate Per Dth -----
RATE SCHEDULE FTS 1/ -----		
1. Capacity Reservation Rate Per Month Per Dth of MDQ	\$18.6933	\$0.0000
2. Authorized Overrun Per Day Per Dth	\$0.6178	\$0.0032
3. Usage Rate Per Dth Within Tolerances	\$0.0032	\$0.0032
4. Usage Rate Per Dth Outside Tolerances	\$0.6178	\$0.0032
RATE SCHEDULE ITS 1/ -----		
1. Usage Rate Per Dth	\$0.6178	\$0.0032
RATE SCHEDULE PAL -----		
1. Usage Rate Per Dth	\$0.6178	\$0.0032

1/ Backhaul rate is equal to the forward haul rate.

Issued on:
 Effective on:

STATEMENT OF CAPACITY RELEASE RATES

Rate Schedule -----	Maximum Rate Per Dth -----	Minimum Rate Per Dth -----
MAXIMUM DAILY CAPACITY RELEASE RATE 1/ -----		
1. Capacity Reservation Rate Per Day Per Dth of MDQ	\$0.6146	\$0.0000
2. Usage Rate Per Dth	\$0.0032	\$0.0032
3. Authorized Overrun Per Day Per Dth	\$0.6178	\$0.0032

1/ Backhaul rate is equal to the forward haul rate.

Issued on:
Effective on:

STATEMENT OF ADDITIONAL CHARGES AND SURCHARGES

ADDITIONAL CHARGES AND
SURCHARGES APPLICABLE TO
FTS and ITS SERVICE

- | | | |
|----|--|-------|
| 1. | Fuel Retainage Percentage (%) 1/ | 0.81% |
| 2. | Lost and Unaccounted for Gas Percentage (%) 2/ | 0.00% |

- 1/ Fuel Retainage Percentage will not be applied to Backhaul transportation.
- 2/ Lost and Unaccounted for Gas Percentage will be applied to Backhaul transportation.

STATEMENT OF TRANSPORTATION RATES

Rate Schedule -----	Maximum Rate Per Dth -----	Minimum Rate Per Dth -----
RATE SCHEDULE FTS 1/ -----		
1. Capacity Reservation Rate \$0.0000 Per Month Per Dth of MDQ	\$16.0799	<u>18.6933</u>
2. Authorized Overrun <u>\$0.0032</u> Per Day Per Dth	\$0.5310	\$0.0024 <u>0.6178</u>
3. Usage Rate Per Dth <u>\$0.0032</u> Within Tolerances	\$0.0024	\$0.0024 <u>0.0032</u>
4. Usage Rate Per Dth <u>\$0.0032</u> Outside Tolerances	\$0.5310	\$0.0024 <u>0.6178</u>
RATE SCHEDULE ITS 1/ -----		
1. Usage Rate Per Dth <u>\$0.0032</u>	\$0.5310	\$0.0024 <u>0.6178</u>
RATE SCHEDULE PAL -----		
1. Usage Rate Per Dth <u>\$0.0032</u>	\$0.5310	\$0.0024 <u>0.6178</u>

1/ Backhaul rate is equal to the forward haul rate.

Issued on:
Effective on:

STATEMENT OF CAPACITY RELEASE RATES

Rate Schedule -----	Maximum Rate Per Dth -----	Minimum Rate Per Dth -----
MAXIMUM DAILY CAPACITY RELEASE RATE 1/ -----		
1. Capacity Reservation Rate \$0.0000 Per Day Per Dth of MDQ	\$0.5287	<u>0.6146</u>
2. Usage Rate Per Dth <u>\$0.0032</u>	\$0.0024	\$0.0024 <u>0.0032</u>
3. Authorized Overrun <u>\$0.0032</u> Per Day Per Dth	\$0.5310	\$0.0024 <u>0.6178</u>

1/ Backhaul rate is equal to the forward haul rate.

Issued on:
Effective on:

STATEMENT OF ADDITIONAL CHARGES AND SURCHARGES

ADDITIONAL CHARGES AND
SURCHARGES APPLICABLE TO
FTS and ITS SERVICE

- | | | |
|----|--|-------|
| 1. | Fuel Retainage Percentage (%) 1/ | 0.81% |
| 2. | Lost and Unaccounted for Gas Percentage (%) 2/ | 0.00% |

- 1/ Fuel Retainage Percentage will not be applied to Backhaul transportation.
- 2/ Lost and Unaccounted for Gas Percentage will be applied to Backhaul transportation.

PennEast Pipeline Company, LLC

PennEast Pipeline Project

DOCKET NO. CP20-____-000

Exhibit Z-1

Form of Protective Order

PROTECTIVE AGREEMENT

This Protective Agreement (“Protective Agreement”), is made and entered into as of _____, 20__ (“Effective Date”), by and between PennEast Pipeline Company, LLC, a Delaware limited liability company (“PennEast”) and [Counterparty], a [jurisdiction and organization type] (“Participant,” and together with PennEast, the “Parties”).

WHEREAS, an application to amend PennEast’s Certificate of Public Convenience and Necessity for the PennEast Pipeline Project (“Project”) is currently pending before the Federal Energy Regulatory Commission (“Commission”) in Docket No. CP20-____-000 (“2020 Amendment Proceeding”);

WHEREAS, pursuant to Section 388.112(b) of the Commission’s regulations, 18 C.F.R. § 388.112(b) (2019), this Protective Agreement will apply to requests for a copy of the complete, non-public version of any document filed by PennEast as privileged or as Critical Energy Infrastructure Information (“CEII”) in the 2020 Amendment Proceeding; and

WHEREAS, Participant is submitting this Protective Agreement as part of its request pursuant to 18 C.F.R. § 388.112(b)(iii) for a complete, non-public version of [name of document(s)] included in the Commission’s eLibrary under Accession No[s]. [_____] (“Protected Materials”) subject to the terms of this Protective Agreement;

NOW, THEREFORE, PennEast and Participant agree as follows:

1. This Protective Agreement shall govern the use of all Protected Materials produced by, or on behalf of, PennEast to Participant hereunder. Notwithstanding any order terminating the Amended Certificate Proceeding, this Protective Agreement shall remain in effect until specifically modified or terminated by (i) written agreement of the Parties, (ii) the Commission or (iii) any applicable Presiding Administrative Law Judge (“Presiding Judge”) (which includes the Chief Administrative Law Judge).

2. This Protective Agreement applies to the Protected Materials, as defined in the recitals to this Protective Agreement. Notwithstanding anything herein to the contrary, PennEast’s delivery of Protected Materials to Participant pursuant to this Protective Agreement shall not affect the Protected Materials’ protected status under the Commission’s regulations and Freedom of Information Act, 5 U.S.C. 552 (“FOIA”).

3. Definitions -- For purposes of this Protective Agreement:

- (a) The term “Notes of Protected Materials” means memoranda, handwritten notes, or any other form of information (including electronic form) which copies or discloses materials described in the Protected Materials. Except as specifically provided in this Protective

Agreement, Notes of Protected Materials are subject to the same terms and restrictions as the Protected Materials under this Protective Agreement.

- (b) The term “Non-Disclosure Certificate” shall mean the certificate annexed to this Protective Agreement by which the Reviewing Representative(s) of the Participant who have been granted access to Protected Materials shall certify their understanding that such access to Protected Materials is provided pursuant to the terms and restrictions of this Protective Agreement, and that such Reviewing Representative has read the Protective Agreement and agrees to be bound by it.
- (c) The term “Non-Disclosure Certificate of Marketing Personnel” shall mean the attached certificate by which representatives of Participants who are Marketing Personnel pursuant to Paragraph 23 acknowledge that they are prohibited from reviewing Protected Materials that are marked “Not Available to Marketing Personnel” pursuant to Paragraph 23, shall certify their agreement that they shall neither have access to, nor disclose, the contents of the Protected Materials that are marked “Not Available to Marketing Personnel,” any notes or other memoranda, or any other form of information that copies or discloses Protected Materials that are marked as “Not Available to Marketing Personnel,” and that such Reviewing Representative has read the Protective Agreement and agrees to be bound by it.
- (d) The term “Reviewing Representative” shall mean a person who has signed a Non-Disclosure Certificate or a Non-Disclosure Certificate of Marketing Personnel, as applicable, and who is: (i) an attorney who has made an appearance in this 2020 Amendment Proceeding for Participant; (ii) attorneys, paralegals, and other employees associated for purposes of this 2020 Amendment Proceeding with an attorney described in Paragraph 3(d)(i); (iii) an expert or an employee of an expert retained by Participant for the purpose of advising, preparing for or testifying in this 2020 Amendment Proceeding; or (iv) employees or other representatives of Participant appearing in this 2020 Amendment Proceeding with significant responsibility for this docket.

4. Protected Materials shall be made available under the terms of this Protective Agreement only to Participant’s Reviewing Representatives; provided that if the Protective Materials include rates, rate-related provisions and/or credit support provisions, PennEast may redact the rates, rate-related provisions and credit support provisions from the version of the Protected Materials provided to Participant’s Reviewing Representatives. In the event that PennEast redacts any such information, if requested by Participant the Parties shall meet to

discuss the terms and conditions under which one or more of Participant's Reviewing Representatives may be provided such redacted information. If no agreement is reached, Participant may submit such dispute to the Commission or the Presiding Judge, if any, for resolution.

5. Protected Materials shall remain available to Participant until the later of the date that an order terminating this 2020 Amendment Proceeding becomes no longer subject to judicial review, or the date that any other Commission proceeding relating to the Protected Materials is concluded and no longer subject to judicial review. If requested to do so in writing after that date, Participant shall, within fifteen (15) days of such request, return the Protected Materials (excluding Notes of Protected Materials) to PennEast, or shall destroy the materials, except that copies of filings, official transcripts and exhibits in this proceeding that contain Protected Materials, and Notes of Protected Materials may be retained, if they are maintained in accordance with Paragraph 6, below. Within such time period, Participant, if requested to do so, shall also submit to PennEast an affidavit stating that, to the best of its knowledge, all Protected Materials and all Notes of Protected Materials, including those materials designated "Not Available to Marketing Personnel," have been returned or have been destroyed or will be maintained in accordance with Paragraph 6. To the extent Protected Materials are not returned or destroyed, they shall remain subject to the Protective Agreement.

6. All Protected Materials shall be maintained by Participant in a secure place. Access to those materials shall be limited to those Reviewing Representatives specifically authorized pursuant to Paragraphs 8-9.

7. Protected Materials shall be treated as confidential by Participant and by the Reviewing Representative in accordance with the Non-Disclosure Certificate executed pursuant to Paragraph 9. Protected Materials shall not be used by Participant or a Reviewing Party except as necessary for the conduct of the 2020 Amendment Proceeding, nor shall they be disclosed in any manner to any person except a Reviewing Representative of Participant who is engaged in the conduct of the 2020 Amendment Proceeding and who needs to know the information in order to carry out that person's responsibilities in the 2020 Amendment Proceeding. Reviewing Representatives may make copies of Protected Materials, but such copies become Protected Materials. Reviewing Representatives may make notes of Protected Materials, which shall be treated as Notes of Protected Materials if they disclose the contents of Protected Materials.

8. (a) A Reviewing Representative may not use information contained in any Protected Materials obtained through this proceeding to give Participant, any customer or potential customer of PennEast or any competitor of PennEast a commercial advantage or for any other purpose other than the prosecution or defense of the proceedings conducted under this 2020 Amendment Proceeding.

(b) Subject to the provisions of Paragraph 23 regarding access to Protected Materials that are Not Available to Marketing Personnel, in the event that Participant wishes to designate as a Reviewing Representative a person not described in Paragraph 3(d) above, Participant shall seek agreement from PennEast. If an agreement is reached, that person shall be a Reviewing Representative pursuant to Paragraph 3(d) above with respect to those materials. If no agreement is reached, Participant may submit the disputed designation to the Commission or the Presiding Judge, if any, for resolution.

9. (a) A Reviewing Representative shall not be permitted to inspect, participate in discussions regarding, or otherwise be permitted access to Protected Materials pursuant to this Protective Agreement unless that Reviewing Representative has first executed (i) a Non-Disclosure Certificate or (ii) a Non-Disclosure Certificate for Marketing Personnel, as applicable; provided, that if an attorney qualified as a Reviewing Representative has executed such a certificate, the paralegals, secretarial and clerical personnel employed by the same entity as the attorney and under the attorney's instruction, supervision or control need not do so. A copy of each Non-Disclosure Certificate shall be provided to counsel for PennEast prior to disclosure of any Protected Material to that Reviewing Representative.

(b) Attorneys qualified as Reviewing Representatives are responsible for ensuring that persons under their instruction, supervision or control comply with this Protective Agreement.

10. Subject to Paragraph 4 above and to the provisions of Paragraph 23 regarding access to Protected Materials that are Not Available to Marketing Personnel, any Reviewing Representative may disclose Protected Materials to any other Reviewing Representative of Participant as long as the disclosing Reviewing Representative and the receiving Reviewing Representative both have executed a Non-Disclosure Certificate. In the event that any Reviewing Representative to whom the Protected Materials are disclosed ceases to be engaged in this 2020 Amendment Proceeding, or is employed or retained for a position whose occupant is not qualified to be a Reviewing Representative under Paragraph 3(d), access to Protected Materials by that person shall be terminated. Even if no longer engaged in this 2020 Amendment Proceeding, every person who has executed a Non-Disclosure Certificate shall continue to be bound by the provisions of this Protective Agreement and the certification.

11. Subject to Paragraph 18, the Commission or Presiding Judge, if any, shall resolve any disputes arising under this Protective Agreement. Prior to presenting any dispute under this Protective Agreement to the Commission or Presiding Judge, the Parties shall use their best efforts to resolve it.

12. All copies of all documents reflecting Protected Materials, including the portion of the hearing testimony, exhibits, transcripts, briefs and other documents which refer to Protected Materials, shall be filed and served in sealed envelopes or other appropriate containers

endorsed to the effect that they are sealed pursuant to this Protective Agreement. Such documents shall be marked "PROTECTED MATERIALS" and shall be filed under seal and served under seal upon the Commission, the Presiding Judge, if any, and the other Party. Any such documents containing Critical Energy Infrastructure Information shall be additionally marked "Contains Critical Energy Infrastructure Information – Do Not Release". For anything filed under seal, redacted versions or, where an entire document is protected, a letter indicating such, will also be filed with the Commission and served on the other Party and the Presiding Judge, if any. Counsel shall take all reasonable precautions necessary to assure that Protected Materials are not distributed to unauthorized persons.

13. If Participant desires to include, utilize or refer to any Protected Materials or information derived therefrom in any submission during this proceeding in such a manner that might require disclosure of such material to other participants in the 2020 Amendment Proceeding, Participant shall first notify counsel for PennEast and the Commission or Presiding Judge, if any, of such desire, identifying with particularity each of the Protected Materials. Thereafter, use of such Protected Materials will be governed by procedures determined by the Commission or Presiding Judge, if any.

14. Nothing in this Protective Agreement shall be construed as precluding PennEast from objecting to the use of Protected Materials on any legal grounds.

15. Nothing in this Protective Agreement shall preclude Participant from requesting the Commission, the Presiding Judge, if any, or any other body having appropriate authority, to find that this Protective Agreement should not apply to all or any materials previously designated as Protected Materials pursuant to this Protective Agreement.

16. [Intentionally omitted]

17. All Protected Materials filed with the Commission, the Presiding Judge, if any, or any other judicial or administrative body, in support of, or as a part of, a motion, other pleading, brief, or other document, shall be filed and served in sealed envelopes or other appropriate containers bearing prominent markings indicating that the contents include Protected Materials subject to this Protective Agreement.

18. If the Commission or Presiding Judge, if any, finds at any time in the course of this proceeding that all or part of the Protected Materials need not be protected, those materials shall, nevertheless, be subject to the protection afforded by this Protective Agreement for three (3) business days from the date of issuance of the Commission or Presiding Judge's determination, and if PennEast files an interlocutory appeal or, if applicable, requests that the issue be certified to the Commission, for an additional seven (7) business days. PennEast has not waived its rights to seek additional administrative or judicial remedies after any decision

respecting Protected Materials or Reviewing Representatives. The provisions of 18 C.F.R. §§ 388.112 and 388.113 shall apply to any requests under the FOIA for Protected Materials in the files of the Commission.

19. Nothing in this Protective Agreement shall be deemed to preclude either Party from independently seeking through discovery in any other administrative or judicial proceeding information or materials produced in this proceeding under this Protective Agreement.

20. PennEast does not waive its right to pursue any other legal or equitable remedies that may be available in the event of actual or anticipated disclosure of Protected Materials.

21. Participant shall not disclose the contents of Protected Materials or any other form of information that copies or discloses Protected Materials to anyone other than in accordance with this Protective Agreement and only use such contents and information in connection with this 2020 Amendment Proceeding. Any violation of this Protective Agreement and of any Non-Disclosure Certificate executed hereunder shall constitute a breach of the Protective Agreement.

22. PennEast may physically mark with the words "Not Available to Marketing Personnel" any Protected Materials that PennEast believes in good faith would, if disclosed to Reviewing Representatives without added precautions beyond Paragraphs 1-21 of this Protective Agreement, subject PennEast, or third party(ies), to undue risk of competitive disadvantage or business injury. Such information may include, but is not limited to (a) non-public business development, acquisition, or marketing data, pricing strategies, plans or activities; (b) non-public financial data, or strategic business or financial plans or activities; or (c) negotiations of services, prices and rates, the public disclosure of which PennEast in good faith believes would competitively harm PennEast or one of more third parties (hereinafter "Market Sensitive Information"). Any challenge to such designation may be made as provided in this Protective Agreement for challenges to designations of Protected Materials.

23. (a) Solely with respect to Protected Materials that have been marked "Not Available to Marketing Personnel" and information derived therefrom, and subject to the other terms of this Paragraph 23, a Reviewing Representative shall not be any employee or agent of a receiving Participant whose duties include: (1) the marketing of natural gas or natural gas transportation or storage services or facilities, or management or supervisory responsibility thereof; or (2) the development, planning, construction, marketing or operation of a pipeline or a prospective pipeline that competes, may compete with PennEast, or management or supervisory responsibility thereof; or (3) the provision of consulting services related to the development, planning, construction, marketing or operation of a pipeline or a prospective pipeline, or the acquisition of or marketing of pipeline capacity that currently competes, or may potentially compete, with PennEast regarding the provision of natural gas transportation or storage services; or (4) management responsibility regarding other business activities in which use of

Market Sensitive Information could be reasonably expected to cause competitive harm to PennEast (collectively, "Marketing Duties" and persons whose duties or responsibilities include Marketing Duties are referred to herein as "Marketing Personnel").

(b) Notwithstanding the foregoing, a person who otherwise would be disqualified as Marketing Personnel may serve as a Reviewing Representative upon agreement of PennEast, in the absence of such agreement, upon entry of an order of the Presiding Judge or the Commission authorizing such person to serve as a Reviewing Representative. Any request for an agreement or order under the preceding sentence shall be subject to the following conditions: (i) the Participant who employs or has retained the person in question must certify in writing to PennEast that the certifying Participant's ability to participate effectively in this proceeding would be prejudiced if it was unable to rely on the assistance of the particular Reviewing Representative; (ii) the Participant claiming such prejudice must identify by name and job title the particular Reviewing Representative required and must describe the person's duties and responsibilities for the requesting Participant; (iii) the Participant claiming such prejudice must acknowledge in writing to PennEast that access to the Protected Materials which are Not Available to Marketing Personnel shall be restricted only to such access necessary for the litigation of this proceeding, absent prior written consent of PennEast or authorization of the Commission or the Presiding Judge with opportunity for PennEast to seek review of such decision as provided in this Protective Agreement; (iv) such Participant must acknowledge in writing that any other use of Protected Materials which are Not Available to Marketing Personnel shall constitute a violation of this Protective Agreement; and (v) prior to having access to any Protected Materials which are Not Available to Marketing Personnel, the Marketing Personnel who is authorized to act as a Reviewing Representative must execute and deliver to PennEast a Non-Disclosure Certificate Regarding Market Sensitive Information acknowledging his or her familiarity with the contents of this Protective Agreement and the particular restrictions set forth in this paragraph regarding such Protected Materials. Such agreement by PennEast shall not be unreasonably withheld, delayed or conditioned. Provided that Protected Materials are clearly and correctly labeled, compliance with this Protective Agreement shall be the responsibility of the receiving Participant. Materials marked as "Not Available to Marketing Personnel" shall be returned or destroyed at the conclusion of this proceeding as otherwise provided in this Protective Agreement.

(c) Notwithstanding the above, in-house and outside counsel for Participant and experts who are not Marketing Personnel may serve as a Reviewing Representative of Market Sensitive Information, provided such persons abide by the restrictions in this Protective Agreement and do not disclose such Market Sensitive Information to Marketing Personnel. Subject to the preceding sentence, in the event that any person who has been a Reviewing Representative subsequently is assigned to perform any Marketing Duties, such Reviewing Representative immediately shall cease accessing Protected Materials that are marked "Not Available to Marketing Personnel" or information derived therefrom and shall immediately dispose of any

Protected Materials of other Participants in his/her possession that are marked "Not Available to Marketing Personnel" or information derived therefrom and shall continue to comply with the requirements of the Non-Disclosure Certificate and this Protective Agreement with respect to any Protected Materials to which such person previously had access.

24. If Participant is required by process of law to disclose the contents of Protected Materials, Participant agrees to timely notify PennEast of any such request prior to making any disclosure, and to take all reasonable steps to ensure that such information or materials will be accorded confidential treatment, in accordance with this Protective Agreement, FERC's procedures set forth at 18 C.F.R. §§ 388.112 and 388.113, as well as in FERC's policies set forth by various orders of FERC. Further, Participant agrees to limit disclosures only to information that is necessary to be responsive to any such request.

IN WITNESS WHEREOF, the Parties hereto have caused this Protective Agreement to be duly executed in several counterparts by their proper officers duly authorized as of the Effective Date.

**PENNEAST PIPELINE COMPANY, LLC
BY: UGI ENERGY SERVICES, LLC,
ITS PROJECT MANAGER**

By _____
Title _____

[COUNTERPARTY]

By _____
Title _____

NON-DISCLOSURE CERTIFICATE

I hereby certify my understanding that access to Protected Materials is provided to me pursuant to the terms and restrictions of the Protective Agreement between PennEast Pipeline Company, LLC and [Counterparty] dated _____, 20____, that I have been given a copy of and have read the Protective Agreement, and that I agree to be bound by it. I understand that the contents of the Protected Materials, any notes or other memoranda, or any other form of information that copies or discloses Protected Materials shall not be disclosed to anyone other than in accordance with that Protective Agreement. I acknowledge that a violation of this certificate constitutes a breach of the Protective Agreement.

By: _____
Printed Name: _____
Title: _____
Representing: _____
Date: _____

NON-DISCLOSURE CERTIFICATE OF MARKETING PERSONNEL

I hereby certify my understanding that access to Protected Materials is provided to me pursuant to the terms and restrictions of the Protective Agreement between PennEast Pipeline Company, LLC and [Counterparty] dated _____, 20____, that I have been given a copy of and have read the Protective Agreement, and that I agree to be bound by it. I acknowledge that my duties and responsibilities include “Marketing Duties” as described in Paragraph 23 of the Protective Agreement and, as such, I understand that I shall neither have access to, nor disclose, the contents of the Protected Materials that are marked “Not Available to Marketing Personnel,” or any notes, other memoranda, or any other form of information that copies or discloses Protected Materials that are marked “Not Available to Marketing Personnel.” I acknowledge that a violation of this certificate constitutes a breach of the Protective Agreement.

By: _____
Printed Name: _____
Title: _____
Representing: _____
Date: _____

PennEast Pipeline Company, LLC

PennEast Pipeline Project

DOCKET No. CP20-____-000

Exhibit Z-2

Fuel Study

**PHASE 1 FUEL DERIVATION
PENNEAST PIPELINE COMPANY, LLC**

The PennEast Pipeline Project's total Phase 1 Fuel Retainage (%) will include PennEast's fuel requirements to provide deliveries on the PennEast facilities through approximate milepost 68. This Exhibit Z-2 provides an explanation of the derivation of the Fuel Retainage.

The calculated fuel rates are based on compression fuel used based on a forward flow, daily maximum design capacity at 64% load factor. The PennEast fuel requirement is determined based on fuel required to operate the two gas turbine-driven Solar Mars 100 compressor units to be located at the proposed compressor station in Carbon County, Pennsylvania, as well as its station heaters.⁴⁸

The anticipated fuel usage calculated for PennEast is based on a forward flow, design day capacity of 650,000 Dth/d at 64% load factor and derived as follows:

Projected Fuel	= 3,335 Dth/d
Fuel Rate	= $3,335 / (3,335 + 650,000) = 0.51\%$
L&U ⁴⁹	= 0.00%
Total Fuel and L&U	= 0.51%

Annual Tracking

In the Certificate Order issued in Docket No. CP15-558-000, the Commission approved PennEast's *pro forma* tariff, which includes an annual tracker mechanism. Each year, PennEast will make a fuel tracker filing pursuant to Section 20 of the General Terms and Conditions of PennEast's Tariff and Section 4 of the NGA to true-up any differences between the fuel retained from shippers and the actual fuel consumed and L&U.

⁴⁸ PennEast will install software controls to limit the total horsepower ("hp") from these two (2) units to approximately 17,700 hp so that the Phase 1 Capacity will be 650,000 Dth/d.

⁴⁹ As reflected in Article VI, Section A of the 2020 Amendment Application, PennEast is proposing an initial L&U percentage of 0.0% because, prior to placing the proposed facilities into service, PennEast has no basis for calculating lost and unaccounted-for quantities.

PennEast Pipeline Company, LLC

PennEast Pipeline Project

DOCKET No. CP20-____-000

NOTICE

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

PennEast Pipeline Company, LLC

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)
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Docket No. CP20-____-000

**NOTICE OF ABBREVIATED APPLICATION FOR AMENDMENT TO CERTIFICATE
OF PUBLIC CONVENIENCE AND NECESSITY AND RELATED AUTHORIZATIONS
OF PENNEAST PIPELINE COMPANY, LLC**

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Take notice that on January 30, 2020, PennEast Pipeline Company, LLC (“PennEast”) filed with the Federal Energy Regulatory Commission (“Commission” or “FERC”) an application under Section 7(c) of the Natural Gas Act and Part 157 of the Commission’s rules and regulations to amend the certificate of public convenience and necessity and related authorizations for the proposed PennEast Pipeline Project (“Project”). On January 19, 2018, the Commission granted certificates and related authorizations for the Project (“Certificate Order”). In the amendment application, PennEast has proposed to construct, own and operate the Project in two phases. The facilities proposed to be located in Pennsylvania through approximate milepost (“MP”) 68, including two of the compressor units at the Kidder Compressor Station, as well as new interconnection facilities in Pennsylvania, are included as part of the first phase (“Phase 1”). The facilities proposed to be located downstream of approximate MP 68, including facilities proposed to be located in New Jersey, as well as the third compressor unit at the Kidder Compressor Station, are included as part of the second phase (“Phase 2”). PennEast also requested authorization to charge its proposed initial recourse rates for service on the Phase 1 facilities and its revised initial recourse rates for service on the entire Project following completion of Phase 2.

PennEast requests that the Commission issue these authorizations and waivers by October 1, 2020. Any questions regarding this application should be directed to the following:

Jeffrey D. England
Project Manager
PennEast Pipeline Company, LLC
835 Knitting Mills Way
Wyomissing, PA 19610
Phone: (610) 373-7999
Email: jengland@ugies.com

Any person desiring to intervene or to protest this filing must file in accordance with Rules 211 and 214 of the Commission’s Rules of Practice and Procedure (18 C.F.R. §§ 385.211, 385.214). Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to

become a party must file a notice of intervention or motion to intervene, as appropriate. Such notices, motions, or protests must be filed on or before the comment date. Anyone filing a motion to intervene or protest must serve a copy of that document on the Applicant. On or before the comment date, it is not necessary to serve motions to intervene or protests on persons other than the Applicant.

The Commission encourages electronic submission of protests and interventions in lieu of paper using the “eFiling” link at <http://www.ferc.gov>. Persons unable to file electronically should submit an original and five (5) copies of the protest or intervention to the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426.

This filing is accessible on-line at <http://www.ferc.gov>, using the “eLibrary” link and is available for review in the Commission’s Public Reference Room in Washington, DC. There is an “eSubscription” link on the web site that enables subscribers to receive email notification when a document is added to a subscribed docket(s). For assistance with any FERC Online service, please email FERCOnlineSupport@ferc.gov, or call (866) 208-3676 (toll free). For TTY, call (202) 502-8659.

Comment Date: 5:00 pm Eastern Time on **(insert date)**.

Kimberly D. Bose
Secretary