



FACT SHEET ON SOUTH JERSEY GAS' PIPELINE RELIABILITY PROJECT APPLICATION

The Proposed Project:

- South Jersey Gas proposes to construct a new, 22 mile, 24-inch natural gas transmission pipeline.
- The purpose of the pipeline is to reinforce the South Jersey Gas system by interconnecting with the company's existing system and providing an alternate natural gas supply route for more than 142,000 customers in Cape May and Atlantic counties who are currently served by a single pipeline, making them less vulnerable to a service outage in the event of an accident or natural disaster.
- The pipeline will also provide the B.L. England electric generation facility in Beesley's Point with the natural gas supply needed to stop burning coal, which supports the goals of New Jersey's 2011 Energy Master Plan and air pollution regulations.

Filing with the Pinelands Commission:

- South Jersey Gas has filed an amendment to the pending application with the Pinelands Commission.
- The pipeline complies with the Pinelands regulation requiring that the pipeline be "intended to primarily serve the Pinelands" because:
 - The contractual agreement between South Jersey Gas and RC Cape May Holdings requires the pipeline to be used to supply natural gas to the B.L. England plant, located in the Pinelands, on at least 350 days out of the year.
 - PJM Interconnection and the Department of Environmental Protection both have determined that absent significant electric transmission system improvements, repowering the B.L. England facility is necessary to avoid electric reliability violations inside the Pinelands and the surrounding region.
 - A repowered B.L. England plant will supply about 86 percent of its electric output to the Pinelands once the Oyster Creek Nuclear Plant retires in 2019.
 - A repowered B. L. England plant will help to reinforce electric reliability and reduce electricity congestion charges within the service territory of Atlantic City Electric, which supplies about 73 percent of all Pinelands residents, including the entire population of Atlantic and Cape May counties.
 - A repowered B.L. England facility will dramatically reduce harmful air pollution within the Pinelands
- The company is waiting to hear from the Pinelands Commission on the next steps.

The Pipeline's Route:

- The 22-mile, 24-inch high pressure natural gas transmission line would run from just outside Millville in Maurice River Township, Cumberland County, to Beesley's Point in Upper Township, Cape May County.

- Approximately 20 miles of the pipeline, including the entire portion within the Pinelands, are within cleared public right-of-way of existing roads.
- Approximately two miles are across private property within Atlantic City Electric's existing power line corridor that has already been and will remain cleared whether or not this pipeline is built.
- Approximately 10 of those miles travel within the Pinelands Forest Area, beneath the pavement or cleared shoulder of NJ State Highway Routes 49 and 50.
- The pipeline will run within rights-of-way of public roads, including NJ State Highway Routes 49 and 50 and Tuckahoe Road (County Route 631). This means the pipeline will run under and next to these already paved roadways and will not cut into protected areas of the Pinelands.
- A detailed alternatives analysis of eight different routes shows that the selected route is by far the least environmentally damaging. This fact was verified by the NJ Department of Environmental Protection in a letter sent to the Company in May 2015.
- South Jersey Gas has also filed a petition for an order with the NJ Board of Public Utilities which will prohibit the company from making service connections to the pipeline in the Forest Area, as a means of protection against secondary impacts and development.

Reliability:

- Approximately 142,000 commercial and residential customers in Atlantic and Cape May counties will benefit from this pipeline, including 64,000 customers in Cape May County and more than 28,000 in the Pinelands.
- The existing South Jersey Gas system only has one feed into Cape May County.
- Like any pipeline system, this single feed is vulnerable to damage from careless third-party excavators, severe weather, sabotage or other external forces.
- A disruption in natural gas service, like what occurred in Ocean County following Superstorm Sandy or from a third-party excavator, could severely interrupt service for multiple months at a time, placing public health and safety at risk.
- Adding a second pipeline will allow service to be provided from an alternate direction in the event of a failure, reinforcing the South Jersey Gas system and providing customers with increased reliability.
- The proposed pipeline will enhance the area's access to safe and reliable energy.

Repowering B.L. England:

- B.L. England is located in a critical electric congestion area and it is the only significant electricity generator in Southeastern NJ.
- Absent significant electric transmission system enhancements, the need for B.L. England is crucial to electric reliability with the 2019 retirement of the Oyster Creek Nuclear Generating Station – a 615 megawatt baseload plant that supplies the Pinelands.
- In addition, converting B.L. England to natural gas will dramatically reduce air emissions from the facility.