

# News Release

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## **Constitution Pipeline Challenges Decision by New York State to Block Federally Approved Pipeline**

- *NYSDEC decision blocks millions of New York and New England consumers from lower cost energy*
- *Thousands of New York jobs delayed and threatened by the decision*
- *State and regional leaders say decision impacts economic development, school funding*
- *Decision slows U.S. transition from coal to natural gas; Slows carbon reductions and adoption of more renewable resources*

ALBANY, N.Y. – Constitution Pipeline Company, LLC today announced that it has appealed the New York State Department of Environmental Conservation’s (NYSDEC) refusal to grant the company’s request for a Section 401 Water Quality Certification under the Clean Water Act. The appeal was filed with the United States Circuit Court of Appeals for the Second Circuit and contends, among other things, that the refusal is arbitrary and capricious and constitutes an impermissible challenge to the Federal Energy Regulatory Commission’s Certificate of Public Convenience and Necessity which was issued to the company in December 2014.

Also today, the company filed an action with the U.S. District Court for the Northern District of New York seeking a declaration that the State of New York’s authority to exercise permitting jurisdiction over certain other environmental matters is preempted by federal law.

“Upon its review of the evidence, we believe the court will agree that this permit denial was arbitrary and unjustified and improperly relies on the same failed arguments that the NYSDEC made during the FERC certificate proceeding regarding the pipeline route and stream crossings. The NYSDEC’s allegation that it did not receive the necessary information is inaccurate as demonstrated by extensive and comprehensive technical materials submitted by Constitution for the record. We believe this allegation was intended to distract stakeholders from the application of a fair technical and regulatory review of the merits of Constitution’s application for a water quality certification. We are ultimately seeking to have the court overturn this veiled attempt by the state to usurp the federal government’s authority and essentially “veto” a FERC-certificated energy infrastructure project,” the project sponsors said in a joint statement.

The project sponsors continued, “We would like to express our appreciation to the many project supporters in New York who have expressed disappointment in the state’s decision, which blocks millions of northeastern consumers from accessing lower-cost energy while ultimately slowing the

region's capabilities in transitioning from coal and fuel oil to natural gas, as well as its ability to integrate more renewable energy sources into its power portfolio."

To see what others are saying about the state's decision, visit [www.constitutionpipeline.com](http://www.constitutionpipeline.com).

Denial of the 401 Water Quality Certification by NYSDEC further delays the potential for Constitution Pipeline to help facilitate local natural gas service to homes and businesses in Southern New York by Leatherstocking Gas Company, LLC.

The permit denial will also delay about 2,400 direct and indirect jobs that would be created during pipeline construction, generating \$130 million in labor income for the region. The decision could also cost local governments approximately \$13 million in annual property tax revenue.

The Federal Energy Regulatory Commission on Dec. 2, 2014 issued its certificate of public convenience and necessity for the Constitution Pipeline. In its final environmental review of the proposed Constitution Pipeline, FERC concluded that environmental impacts would be reduced to "less than significant levels" with the implementation of proposed mitigation measures by the company and recommendations by FERC.

#### **Constitution Pipeline Company**

Constitution Pipeline Company, LLC is owned by subsidiaries of [Williams Partners L.P.](#) (NYSE:WPZ), [Cabot Oil & Gas Corporation](#) (NYSE:COG), [Piedmont Natural Gas Company, Inc.](#) (NYSE:PNY), and [WGL Holdings, Inc.](#) (NYSE:WGL). The 125-mile pipeline project is proposed to connect domestic natural gas production in northeastern Pennsylvania with northeastern markets during the second half of 2017. Additional information about the Constitution Pipeline can be found at [www.constitutionpipeline.com](http://www.constitutionpipeline.com).

*Portions of this document may constitute "forward-looking statements" as defined by federal law. Although the company believes any such statements are based on reasonable assumptions, there is no assurance that actual outcomes will not be materially different. Any such statements are made in reliance on the "safe harbor" protections provided under the Private Securities Reform Act of 1995. Additional information about issues that could lead to material changes in performance is contained in the company's annual reports filed with the Securities and Exchange Commission.*