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PennEast Pipeline Expected to Drive \$1.6 Billion Economic Impact, Supporting More Than 12,000 Jobs

Drexel University Analysis Details Economic Impact of PennEast Construction and Ongoing Operations

WYOMISSING, Pa. – The design and construction of the [PennEast Pipeline](#) will generate approximately \$1.6 billion in additional wages, revenues and investments to regional and state economies of Pennsylvania and New Jersey, according to a new Drexel University study released today.

“PennEast Pipeline Project Economic Impact Analysis,” co-authored by Econsult Solutions, finds that the proposed project would have a major, positive impact on the economies of the two states in which it would be built and operated.

According to researchers, design and construction of the PennEast Pipeline would support approximately 12,160 jobs and an associated \$740 million in wages. Additionally, the ongoing operation of the pipeline would generate approximately \$23 million in annual economic impact, supporting 98 jobs with \$8.3 million in wages. Even greater economic impact from ongoing operations would be realized from the new supply of natural gas to PennEast customers in the Pennsylvania and New Jersey markets.

“Drexel’s analysis illustrates the substantial economic benefit of the PennEast Pipeline,” said Peter Terranova, chairman of the PennEast Pipeline board of managers. “As a large infrastructural improvement project, it will support thousands of jobs and generate more than a billion and a half dollars of economic activity in Pennsylvania and New Jersey. The sustained long-term value of PennEast also would be realized in the form of lower energy bills to consumers.”

“This project will deliver what our region is most sorely in need of: jobs,” said Fred Potter, president of Teamsters Local Union 469 in New Jersey. “This project will put several hundred New Jersey tradesmen to work at a time when our economy is dependent on getting people back to work.”

Key findings from the analysis include:

- The design and construction of the project will require an investment of \$1.19 billion by PennEast through the end of 2017.
- The majority of the direct expenditures will be in Pennsylvania and New Jersey, with some materials and labor sourced from other states.

- The multi-year construction phase of the project is expected to result in direct, indirect and induced economic impact of \$1.6 billion and associated 12,160 jobs in Pennsylvania and New Jersey; the six-county region of the project is expected to recognize the majority of this impact.
- The ongoing operations of the project will generate an annual expenditure of \$13.2 million by PennEast, resulting in an expected \$23 million in annual economic impact and supporting 98 jobs; the six-county region of the project is expected to recognize the majority of this annual impact.
- The study focuses on the supported workforce resulting from the project and its estimated contribution of more than \$17.5 million in personal income taxes during construction. Significant other federal, state and local taxes also would be generated, though not quantified in the report.
- Numerous industries would benefit from the construction and on-going operations of the pipeline, including professional services and retail establishments.

“Using detailed construction and operations budget projections, our team designed a model to estimate the economic impact the design and construction activity, as well as ongoing pipeline operations, would generate,” said Stephen Mullin, president of Econsult Solutions.

“We find that the immediate construction and labor impacts of the PennEast Pipeline Project are substantial and would greatly benefit local communities through construction, labor and project management jobs,” said Vibhas Madan, professor of economics at Drexel University LeBow College of Business. “Construction and ongoing operations of the project would be economically beneficial to the counties the pipeline would cross, as well as to both states as a whole. Lower energy bills lead to an increase in disposable income for consumers, allowing for additional spending in the economy. For instance, we estimate that every \$10 million in increased disposable income, derived from lower energy prices, would generate a total economic impact of \$13.5 million and support 90 jobs.”

The complete economic impact analysis is available at penneastpipeline.com/economic-impact-analysis/. The approximately 110-mile, 36-inch diameter PennEast Pipeline will transport approximately one billion cubic feet of clean, natural gas per day – enough to serve approximately 4.7 million homes. It will run from Dallas, Luzerne County, in northeastern Pennsylvania, to Transco’s pipeline interconnection near Pennington, Mercer County, New Jersey.

“The PennEast Pipeline will provide affordable energy and security for years to come benefitting, families, manufacturers and power generators,” said Terranova. “We’re extremely excited to better understand the overall economic benefits the region will realize due to this project.”

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About PennEast Member Companies:

AGL Resources www.aglresources.com

AGL Resources (NYSE: GAS) is an Atlanta-based energy services holding company with operations in natural gas distribution, retail operations, wholesale services and midstream operations. AGL Resources serves approximately 4.5 million utility customers through its regulated distribution subsidiaries in seven states. The company also serves approximately 630,000 retail energy customers and approximately 1.2 million customer service contracts through its SouthStar Energy Services joint venture and Pivotal Home Solutions, which market natural gas and related home services. Other non-utility businesses include asset management for natural gas wholesale customers through Sequent Energy Management and ownership and operation of natural gas storage facilities. AGL Resources is a member of the S&P 500 Index. For more information, visit www.aglresources.com.

NJR Pipeline Company www.njresources.com

NJR Pipeline Company is a subsidiary of New Jersey Resources (NYSE: NJR), a Fortune 1000 company that provides safe and reliable natural gas and clean energy services, including transportation, distribution and asset management. NJR Pipeline is part of NJR's strong financial profile and ongoing commitment to invest in and own midstream assets, including natural gas storage and transportation pipelines. NJR's midstream assets are currently comprised of a 5.53 percent stake in Iroquois Pipeline and a 50 percent stake in Steckman Ridge, a 12 Bcf storage field in south central Pennsylvania, and now equity ownership in the PennEast Pipeline.

Public Service Enterprise Group www.pseg.com

Public Service Enterprise Group (NYSE: PEG) is a publicly traded diversified energy company with annual revenues of \$10 billion. Its operating subsidiaries are: PSEG Power, Public Service Electric and Gas Company (PSE&G) and PSEG Long Island.

South Jersey Industries www.sjindustries.com

South Jersey Industries (NYSE: SJI), an energy services holding company based in Folsom, NJ, operates its business through two primary subsidiaries. South Jersey Gas, one of the nation's fastest growing natural gas utilities, delivers clean, efficient natural gas and promotes energy efficiency to over 365,000 customers in southern New Jersey. SJI's non-regulated businesses, under South Jersey Energy Solutions, promote efficiency, clean technology and renewable energy by developing, owning and operating on-site energy production facilities - including Combined Heat and Power, Solar, and District Heating and Cooling projects; acquiring and marketing natural gas and electricity for retail customers; providing wholesale commodity marketing and risk management services; and offering HVAC and other energy-efficiency related services.

Spectra Energy Partners www.spectraenergypartners.com

Spectra Energy Partners, LP (NYSE: SEP) is a Houston-based master limited partnership, formed by Spectra Energy Corp (NYSE: SEP). SEP is one of the largest pipeline MLPs in the United States and connects growing supply areas to high-demand markets for natural gas, natural gas liquids, and crude oil. These assets include more than 17,000 miles of transmission and gathering pipelines, approximately 150 billion cubic feet of natural gas storage, and approximately 4.8 million barrels of crude oil storage.

UGI Energy Services, LLC www.ugies.com

UGI Energy Services is a subsidiary of UGI Corporation (NYSE:UGI). UGI Energy Services markets natural gas, electricity and liquid fuels to approximately 30,000 business, commercial, industrial, institutional and government customers in nine states and Washington, DC. In addition, it stores and delivers natural gas and generates electricity. The UGI name has been known in the region for more than 130 years and is an integral part of the community. Its name is a brand built on a solid reputation for safe and reliable distribution of natural gas. UGI prides itself on being an active and responsible member of the community.