

Factbook: Dominion Cove Point Expansion Project

Compiled for

BOCC

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Facility Overview, Capacity & Operational Description

Facility Capacity & Operation

Cove Point has a storage capacity of 5 billion cubic feet (BCF) and a daily send-out capacity of 1 BCF – enough to run about 3.4 million homes every day. The terminal connects, via its own pipeline, to the major Mid-Atlantic gas transmission systems of Transcontinental Gas Pipeline, Columbia Gas Transmission and Dominion Transmission.

Project Description

Dominion plans to nearly double capacity at Cove Point to move more natural gas into high-demand Mid-Atlantic and Northeast markets. The terminal expansion project includes associated pipeline projects. Dominion will ask the Federal Energy Regulatory Commission (FERC) to approve an increase in the plant's daily output capacity from 1 BCF per day to 1.8 BCF per day. Storage capacity at the terminal would increase to about 14.6 BCF; Dominion Cove Point now has 5 BCF of LNG tank storage, with another 2.8 BCF that is already under construction and scheduled to be completed in 2005.

Construction of new LNG storage tanks will begin as soon as regulatory approval is received and will take about three years to complete. Construction of the pipelines in Maryland and Pennsylvania will be timed to go into service no later than at the completion of the new LNG facilities, which is anticipated to be in late 2008.

FERC Project Identification

The FERC Docket number is PF04-15-000.

Project Updates

Maintained on www.dom.com and www.ferc.gov. Information will be added as posted.

(8/17/04) - The Federal Energy Regulatory Commission approves pre-filing review request and establishes Docket Number PF04-15-000. Tetra Tech FW selected as third-party contractor to prepare environmental impact statement. www.dom.com/about/gas-transmission/covepoint/expansion/pdf/prefiling_auth_ltr.pdf

Project Timeline To Date: *(updated: 1/06)PLEASE UPDATE*

Pipeline Public Open House Meetings	March 2004
Individually Contact Affected Landowners	March/April 2004
Engineering Surveys and Studies	May/June/July 2004

Federal Energy Regulatory Commission Application	September 2004
Begin Easement Acquisition	Early to mid-2005
Construct LNG Facilities	Begin as soon as regulatory approval received
FERC's Approval of Dominion Cove Point LNG Expansion	June 16, 2006 (announcement) <i>Link Above</i>
Construct Pipeline Facilities	Begin construction summer 2006
Ready for Service	Fall 2008

Economic Impact

The 2004 economic impact study, prepared by RESI economic research and policy institute affiliated with Towson University, Towson, Md., outlines how the proposed expansion of Cove Point will provide major economic benefits to Southern Maryland, including creation of hundreds of new jobs, stronger economic activity and significantly more revenues for state and local governments.

The RESI study found that the project would create a total of 392 new jobs in the region – including 244 during the four-year construction phase and 148 once the expanded terminal and associated pipeline began operation. The new employment will boost the region's annual payroll by an average of \$7.9 million during the construction phase and an average of \$5.1 million during the operations phase. The operations-phase jobs include 38 high-wage positions directly associated with the terminal and pipeline that are more than double the Calvert County average and almost 80 percent higher than the statewide average.

RESI forecast that the construction phase would produce an additional \$18.3 million annually in regional economic output. The benefits would be even greater once operations began, with an additional \$42.8 million in annual economic output.

RESI forecast that the construction phase would produce an additional \$1.2 million in tax revenues annually, while the operations phase would generate an additional \$16.7 million per year in tax payments to state and local governments. The study said the expected tax revenue stream would far exceed the cost of the new services governments would have to provide due to the expansion project. RESI forecast a net positive fiscal impact of \$91.2 million over the projected life span of the project, including its construction and operations phases.

The Cove Point expansion represents a total new investment of approximately \$550 million in Southern Maryland by Dominion. The project includes increasing the storage and output capacity at the Dominion Cove Point terminal and construction of a new pipeline to make Cove

Point gas supplies more available to the growing Mid-Atlantic and Northeastern markets. The pipeline will parallel an existing line through Calvert, Prince George's and Charles counties. The expansion project is scheduled for completion in 2008.

Landowners' Rights

Landowners affected by a proposed natural gas pipeline regulated by FERC have certain rights. These rights range from being able to look at project correspondence to becoming an intervener and being able to appeal any FERC decisions in Federal court. These rights include:

- Accessing and inspecting all public documents associated with the proposed project;
- Making your concerns known in writing to FERC and its staff;
- Participating in informational meetings held in the vicinity of the proposed project area;
- Participating in site visits in the vicinity of the proposed project area;
- Filing comments on draft Environmental Assessments and Environmental Impact Statements;
- Becoming an "intervener" or "party" on a specific proposed project; and
- Having FERC's decision reviewed in Federal court (you must be an intervener to do this).

To learn more, see "Citizens' Guides" on FERC's web site at www.ferc.gov or call 1-866-208-3372.

History of Cove Point

In the 1970s, the former Consolidated Natural Gas Company, parent of what is now Dominion Transmission, partnered with the Columbia Gas System. Together, they built Cove Point to receive, store and process supplies of LNG from such producing countries as Trinidad and Algeria.

Cove Point received ship-borne LNG imports between 1978 and 1980. At that time, increased natural gas production in the United States, spurred by wellhead price deregulation under the Natural Gas Policy Act of 1978, reduced the need for LNG imports, which were more expensive relative to the new domestic gas supplies.

In 1988, Consolidated sold its interest in the terminal and the Cove Point pipeline to Columbia. In 1995, Columbia Gas reopened the facility for storage and peak-shaving operations. The facility was used to liquefy, store and distribute domestic natural gas for use in the growing Mid-Atlantic region.

Williams purchased Cove Point from Columbia in 2000. Dominion subsequently purchased Cove Point from Williams in 2002 for \$217 million. Growing national demand for natural gas, fueled in part by increasing use of natural gas-fired electrical generation plants, once again has required increased imports of LNG. Dominion received its first shipment in the summer of 2003.

FERC

The Federal Energy Regulatory Commission (FERC) is an independent agency that regulates the interstate transmission of natural gas, oil, and electricity; FERC also regulates natural gas and hydropower projects. (*FERC Section Source: FERC website, www.ferc.gov*).

Economic Regulation

- Transmission and sale of natural gas for resale in interstate commerce;
- Transmission of oil by pipeline in interstate commerce;
- Transmission and wholesale sales of electricity in interstate commerce;
- Administers accounting and financial reporting regulations and conduct of regulated companies.

Infrastructure Regulation

- Licenses and inspects private, municipal, and state hydropower projects;
- Approves the siting of and abandonment of interstate natural gas facilities, including pipelines, storage and liquefied natural gas; and
- Oversees environmental matters related to natural gas and hydropower projects and major electricity policy initiatives.

Areas considered outside of FERC's jurisdiction are:

Economic Regulation

- Retail electricity and natural gas sales to consumers;
- Oil company mergers and acquisitions;
- Regulation of municipal power systems, federal power marketing agencies like the Tennessee Valley Authority, and most rural electric cooperatives.

Infrastructure Regulation

- Approval to construct electric generation, transmission, or distribution facilities, except hydropower;
- Nuclear power plant regulation;
- Oversight of oil pipeline construction;
- Abandonment of service related to oil facilities;
- Pipeline safety or for pipeline transportation on or across the Outer Continental Shelf;
- Regulation of local distribution pipelines of natural gas; and
- Development and operation of natural gas vehicles.

How FERC is Appointed

FERC is composed of five commissioners appointed by the President of the United States with the advice and consent of the Senate. Commissioners serve five-year terms, and have an equal vote on regulatory matters.

To avoid any undue political influence or pressure, no more than three commissioners may belong to the same political party. There is no review of FERC decisions by the President or Congress, maintaining FERC's independence as a regulatory agency, and providing for fair and unbiased decisions. FERC is funded through costs recovered by the fees and annual charges from the industries it regulates. One member of FERC is designated by the President to serve as Chair and FERC's administrative head.

An Interstate Natural Gas Facility On My Land - What Do I Need To Know?

FERC is charged by Congress with evaluating whether interstate natural gas pipeline projects proposed by private companies should be approved. The Federal government does not propose, construct, operate, or own such projects. FERC's determination whether to approve such a project may affect you if your land is where a natural gas pipeline, other facilities, or underground storage fields might be located. FERC wants citizens to know:

- How FERC's procedures work;
- What rights you have;
- How the location of a pipeline or other facilities are decided; and
- What safety and environmental issues might be involved.

The Process: Background

FERC approves the location, construction, and operation of interstate pipelines, facilities and storage fields involved in moving natural gas across state boundaries. These pipelines crisscross the United States, moving nearly a quarter of the nation's energy long distances to markets in 48 states. They are vital to the economy. FERC also approves the abandonment of such facilities.

Associated with the pipelines, other above-ground facilities such as taps, valves, metering stations, or compressor stations may be involved. In the case of a natural gas storage field, there may be storage field pipelines and wells, or the company may only need subsurface storage rights to your property.

If a proposed pipeline route is on, or abuts, your land, you will probably first learn of this from the company concerned as it plans and studies the route. Once a company files an application for approval (a certificate) to build a pipeline project, it will mail you a copy of this brochure and other information (within three days of FERC issuing a Notice of Application). FERC staff prepares an environmental study of the proposal. For major construction projects, local media may be notified and public meetings may be held. You will have an opportunity to express your views and to have them considered. You will also have the opportunity to learn the views of other interested parties. FERC may approve the project, with or without modifications, or reject it. If it is approved and you fail to reach an easement agreement with the company, access to and compensation for use of your land will be set by a court.

Understandably, the location of pipelines and other facilities may be of concern to landowners. FERC's process for assessing pipeline applications is open and public, and designed to keep all parties informed.

This brochure generally explains FERC's certificate process and addresses some of the basic concerns of landowners. FERC's Office of External Affairs at 1-866-208-3372 will be happy to answer any further questions about the procedures involved. You may also check FERC's Internet website at www.ferc.gov.

How the Process Begins FAQs

How will I first hear about proposed facility construction?

If you are located in the vicinity of the project you may first learn of it through newspaper notices. If you are an owner of property that may be affected by the project, you will probably first hear of it from the pipeline company as it prepares environmental studies required for FERC application. It is also possible that the company may seek to obtain an easement from you prior to filing the application. In the case of a compressor station or liquefied natural gas (LNG) terminal, the pipeline company will often seek to purchase, or obtain an option to purchase, the property it wishes to use for the station or terminal. This usually occurs prior to the filing of the application.

For a storage field, rights on certain parcels of land may only involve subsurface storage rights. The company will also notify you of the filing of the application with FERC.

How can I obtain more details about the company's application?

A copy of the company's application can be obtained from the company if you are an intervenor (see next two questions and answers), although the company is not obligated to provide voluminous material or material that is difficult to reproduce. You may also obtain a copy for a nominal copying charge from FERC's Public Reference Room. Call 202-502-8371 for details. The application may also be obtained through FERC's website, www.ferc.gov, using the "eLibrary" link and the project's docket number. User assistance is available at 1-866-208-3676. Within three days of assignment of a docket number, the application will also be available in at least one location in each county in which the facility is located.

Note that in most cases you will not be able to view or print copies of maps or similar locational information from FERC's website. However, the website will provide instructions for obtaining the material.

This done, how do I make my views known?

You may contact the company through the contact person listed in the notification you receive from it. There are two ways to make your views known to FERC: first, if you want FERC to consider your views on the various environmental issues involved in the location of the facility, you can do so by simply writing a letter. FERC undertakes several levels of environmental analysis. FERC affords you the opportunity to comment at various stages in this process. Details are available from FERC's Office of External Affairs at 1-866-208-3372. Check FERC's website for details on filing electronically. By filing comments, your views will be considered and addressed in the environmental documents or a final order. Additionally, you will be placed on a mailing list to receive environmental documents in the case.

And the second way?

You may file to become what is known as an intervenor. You may obtain instructions on how to do this from the Office of External Affairs. Becoming an intervenor is not complicated and gives you official rights. As an intervenor, you will receive the applicant's filings and other Commission documents related to the case and materials filed by other interested parties. You

will also be able to file briefs, appear at hearings and be heard by the courts if you choose to appeal FERC's final ruling. However, along with these rights come responsibilities. As an intervenor, you will be obligated to mail copies of what you file to all the other parties at the time of filing. In major cases, there may be hundreds of parties.

You must normally file for intervenor status within 21 days of our notice of the application in the Federal Register, although FERC may accept late intervention if good reasons are given. You may also file for intervenor status for the purposes of environmental issues during the comment period for a draft environmental impact statement.

How is the pipeline route, compressor station or storage field location selected?

The pipeline company proposes the route or location, which is then examined by FERC. The applicant must study alternative routes or locations to avoid or minimize damage to the environment, and FERC, intervenors, or any commenter, may also suggest alternatives and modifications to reduce the effects on buildings, fences, crops, water supplies, soil, vegetation, wildlife, air quality, noise, safety, landowner interests, and more. FERC also considers whether the pipeline can be placed near or within an existing pipeline, power line, highway or railroad right-of-way. Storage fields are usually located in depleted oil or natural gas production fields or in salt deposits. Therefore, their location is fixed by geologic conditions. However, the facilities needed to develop and use a storage field can be moved to some extent.

How do pipelines obtain a right-of-way?

The pipeline company negotiates with landowners who are compensated for signing an easement document. Landowners may be paid for loss of certain uses of the land during and after construction, loss of any other resources, and any damage to property. If FERC approves the project and no agreement with the landowner is reached, the pipeline may acquire the easement under eminent domain (a right given to the pipeline company by statute to take private land for Commission-authorized use) with a court determining compensation under state law.

Who pays taxes on the right-of-way?

The landowner pays taxes on the right-of-way unless a local taxing authority grants relief. The pipeline simply has an easement across a portion of the land.

How large is the right-of-way and how is it maintained?

The permanent right-of-way is usually about 50 feet wide. Routine mowing or cutting of vegetation is done no more than once every three years. A ten-foot-wide corridor, centered on the pipeline, may be mowed or cut annually. In cropland and residential areas the right-of-way is maintained by the landowner consistent with the presence of a pipeline.

How large is a compressor station or storage field?

Usually the pipeline purchases ten to forty acres for a compressor station, of which about five acres are actually used for construction. A storage field could encompass many hundreds or even thousands of acres, depending on the geologic structure. Storage fields also frequently include a buffer zone or protection area forming a halo of some hundreds of acres surrounding the storage field itself.

Must the company obey local, county and state laws and zoning ordinances?

Generally, yes. If there is a conflict, however, between these ordinances and what FERC requires, FERC requirement prevails.

How close can I build to the facilities?

For a pipeline, usually up to the edge of the right-of-way.

For a compressor station, the site is usually owned by the company. If you own property adjacent to the site, you may build on it.

For storage fields, unless there are surface facilities, you may build anywhere on the surface. If you or someone else wishes to drill wells which would penetrate the storage formation, you must coordinate that activity with the company, and usually the state authority regulating well drilling.

What about bushes, trees, fences, driveways and so forth?

Trees with roots that may damage the pipeline or its coating and other obstructions that prevent observation from aircraft during maintenance are usually not allowed. Driveways and other improvements without foundations are normally allowed. All improvements are subject to the terms of the easement and are subject to negotiation as long as the pipeline maintenance and safety are not affected.

If the pipeline is being abandoned will it be removed from my property?

FERC may decide there are environmental or other conditions that should determine the disposition of the pipeline. If not, the easement agreement that you or previous owners of the land signed may stipulate whether the pipeline is to be removed. You may also come to some agreement with the company on what they will do with the pipeline. Usually, above-ground facilities are removed.

If a company abandons a pipeline, can it keep an easement on my property?

It depends on the terms of the easement and may be subject to negotiation between the landowner and the pipeline company. If there is more than one pipeline, the pipeline company will keep the easement.

Will I be notified if abandonment is proposed?

You will probably be notified by the company if it proposes to relinquish the easement as part of the abandonment and the easement is not being transferred to another company. Otherwise, you may be notified by FERC as part of the environmental analysis of the project.

What will happen to my property if a storage field is located beneath it?

Possibly nothing, since the storage field itself is usually thousands of feet beneath the ground surface. If the company proposes to construct field pipelines or a compressor station on your property the earlier discussion applies.

Wells are needed to inject and withdraw the stored natural gas or to monitor field conditions (observation wells). The wells require a surface site of roughly an acre for drilling and less than one tenth of an acre for the surface wellhead piping and other facilities.

If there are no facilities to be constructed on your property, the company will only need the storage rights to the geologic formation in which the natural gas would be stored. This is also the case for any property within any designated “buffer zone” or “protective area” around the actual storage field.

The Responsibilities of Gas Companies

Must companies post bonds to guarantee performance?

No, but FERC inspects the right-of-way during and after construction to ensure that the terms of its certificate have been met.

Can the pipeline company come on my land without my permission?

State or local trespass laws prevail until a certificate is issued by FERC. Some states have laws that allow a company to get access to property for survey purposes. Procedures vary by state. Once a certificate is issued or an easement/survey agreement or court order is obtained, the company may come onto your land. Usually the company will notify you in advance.

When can they start to build?

Construction cannot commence until FERC issues a certificate and the applicant accepts it. For most large pipelines, the time from filing an application to approval ranges from one year to two years. Once a certificate is issued, construction usually starts within a few weeks of the company having completed any outstanding studies or having met other preconditions set by FERC.

Why would the company approach me before the project is approved?

Because of planning and lead time the company may try to obtain easement agreements in advance. Also, a company must conduct environmental studies before it files an application with FERC. For these studies to be as complete as possible, the company will try to obtain access to all of the proposed right-of-way. If Commission approval is ultimately denied, or the route changes, the initial easement agreement with the landowner is usually void (depending on the wording of the right-of-way or access contract). Further, disputes over the wording of an easement agreement are subject to state law.

Can the company place more than one pipeline on my property? Can the pipeline and the easement be used for anything other than natural gas?

FERC grants a certificate and states that eminent domain may only be used for the proposed pipeline and related facilities in the exact location described and only for the transportation of natural gas. If the company wishes to install another natural gas pipeline under Commission jurisdiction, it must obtain additional approval from FERC. Other utilities may wish to use an adjacent or overlapping easement, but they would have to obtain approval from you or from another permitting authority which can grant eminent domain (usually the state). Of course, you may agree to other uses.

Can the company construct above-ground facilities on the right-of-way?

Yes, the company may construct any above-ground facilities approved by FERC and may construct certain auxiliary facilities for the purpose of more efficient or economical operation of the pipeline.

How close can the pipeline be to other pipelines or utility facilities?

Pipelines must be at least a foot from any underground structure and two to three feet below ground. Companies usually want their pipelines to be 25 feet from another pipeline. If space permits, pipelines can be placed in another utility's right-of-way.

Can I receive service from the pipeline?

No, not in most cases. Generally speaking, interstate pipelines are operating at pressures incompatible with direct residential use, which is provided by local distribution companies.

Can a pipeline be placed in a river or the ocean?

A pipeline can usually be placed in the ocean or across a river; however, it is usually not acceptable to place one longitudinally down a river or other stream. There are different environmental, cost, design and safety issues associated with construction in a water body.

What is LNG?

LNG

Liquefied natural gas (LNG) is nontoxic, odorless, non-explosive and nonflammable in its liquid state. In fact, it will burn only after it has been re-gasified and mixed in the proper proportion with air. Natural gas burns only within the narrow range of a 5 to 15 percent gas-to-air mixture. LNG has about 45 percent the density of water, so if spilled onto a waterway, it will stay on top of the water until it evaporates into the atmosphere.

Since commercial LNG transport began in 1959, LNG has been safely transported, stored and delivered to densely populated cities in the United States, Europe and Japan. During that time, more than 33,000 LNG carrier voyages, covering more than 60 million miles, have arrived safely without a significant accident or safety problem, either in port or on the high seas. Since reopening the Cove Point terminal in 2003, Dominion has maintained a safe and secure facility.

LNG ships are well-built, robust vessels with a double-hull design built to withstand the low-energy impacts common during harbor and docking operations. They are a common sight throughout much of the world. Japan, for example, receives 96 percent of its natural gas via LNG carriers.

LNG FAQs

What is LNG?

LNG is natural gas cooled and condensed into a liquid. It is mostly methane with small amounts of ethane, propane and other liquefied petroleum gases and is generally handled at slightly above atmospheric pressure, which requires a very low temperature.

Does natural gas smell?

Natural gas is odorless. An odorant, which smells like rotten eggs, is generally added for quick leak detection in more populated areas on interstate transmission pipelines and in local distribution pipelines in accordance with DOT safety regulations.

Why liquefy natural gas?

Converting natural gas to a liquid reduces its volume by about 600 to 1, which means one LNG tanker can transport enough LNG to equal 600 tanker ships carrying natural gas. Liquefying natural gas makes it feasible to transport natural gas by tanker and to store it in preparation for re-gasification and delivery to markets.

How is natural gas liquefied?

A large refrigeration system is used to liquefy natural gas by cooling it to about minus 260 degrees Fahrenheit.

Where does LNG come from?

LNG supplies come primarily from locations where large gas discoveries have been made, such as Algeria, Trinidad, Venezuela, Nigeria, Norway, Qatar, Oman and Australia. Some LNG is

produced in Alaska. Typically these locations are in remote areas that do not have high demand for natural gas, making LNG a very economically viable alternative.

How is LNG transported?

LNG is transported in large, specially designed ships. These ships are double-hulled and have a capacity of 138,000 cubic meters or more. The vessels are fitted with a special cargo containment system inside the inner hull to maintain the LNG at atmospheric pressure and minus 260 degrees Fahrenheit. There are about 130 ships currently in the LNG fleet and more than 50 additional ones are on order. LNG is pumped from ships at Cove Point's offshore dock through a series of pipes to insulated storage tanks; a portion of the pipes are underwater.

What facilities make up an LNG import terminal?

An LNG import terminal consists of docks for ships to bring LNG onshore, LNG storage tanks, vaporizers, and other equipment to turn LNG from a liquid back into natural gas. View a facility drawing.

Will LNG burn?

LNG itself does not burn because it does not contain oxygen. Natural gas burns only within the narrow range of a 5 to 15 percent gas-to-air mixture. If the fuel concentration is lower than 5 percent, it cannot burn because of insufficient fuel. If the fuel concentration is higher than 15 percent, it cannot burn because there is insufficient oxygen. For LNG to burn, it must be released, vaporize, mix with air in the ignitable ratio, and find an ignition source.

Will LNG explode?

LNG will not explode because it contains no oxygen to react with the fuel. Even LNG vapors in an open environment cannot explode because there is not enough oxygen to react with the fuel. LNG spill studies have shown that high winds rapidly dissipate the LNG vapor and low winds (or no wind) keep the flammable vapor cloud very close to the source.

Is an LNG spill detectable?

Within an LNG facility or onboard a ship, there are various types of hazard detectors used to alert personnel to a leak or spill. These could include detectors for the presence of gas, flame, smoke, high temperatures or low temperatures. While LNG vapors have no odor or color, if an LNG release occurred, LNG's low temperature will cause water vapor to condense in the air and form a visible white cloud that would be readily apparent.

Safety

Before reactivating the Cove Point plant, a thorough inspection of all plant components was conducted by the company, including both visual inspection and pressure testing. Dominion upgraded equipment wherever such improvements were needed.

Dominion has conducted a thorough security review of the facility and has implemented a plan that will provide for more than adequate security. The plan includes appropriate measures in light of the post-September 11, 2001, environment.

Maintaining LNG safety is a top priority for several Federal and State agencies, including the U.S. Coast Guard. The Coast Guard's jurisdiction includes the ship as it is in transit in the Chesapeake Bay and docked at the offshore platform, the equipment and piping on the offshore platform, and the piping leading from the platform to the tanks onshore.

Even before the ship enters the bay, the Coast Guard closely supervises it. A safety and security inspection is conducted prior to entering the bay. A safety zone around the ship is maintained by the Coast Guard and it is escorted in critical areas. The Coast Guard also maintains a continuous safety and security zone around the offshore platform whether a ship is present or not. Ultimately the Coast Guard conducts thorough inspections of all facets under their jurisdiction.

The U.S. Department of Transportation's Office of Pipeline Safety is another key agency. Its jurisdiction begins where the Coast Guard jurisdiction ends and includes the tanks, the plant process equipment and the pipeline. The OPS routinely conducts safety inspections and audits.

Finally, the Federal Energy Regulatory Commission (FERC), which approved the reactivation of Dominion Cove Point, monitors the facility. There were multiple conditions that FERC had to approve before the reactivated plant could begin service.

Important Safety Issues

The U.S. Department of Transportation (DOT) is responsible for setting the Federal safety standards for natural gas (and other) pipelines and related facilities. The Office of Pipeline Safety at DOT can be contacted at 202-366-4595 or at <http://ops.dot.gov/>.

Receiving and Storing Gas

At Cove Point, LNG is off-loaded at an offshore dock, stored for subsequent gasification and then delivered into the pipeline. A single ship can bring about 34 million gallons of LNG -- enough to meet the daily energy needs of more than 10 million homes.

In addition to linking natural gas supplies from non-U.S. sources with the high-growth natural gas markets in the Mid-Atlantic, Dominion Cove Point is positioned to serve existing Dominion

Energy gas-fired generation facilities. These include Possum Point, Remington and Ladysmith, as well as Dominion's Fairless Works project now under development in Pennsylvania.

Safety FAQs

What safety features are designed into LNG ships?

The ship's safety systems are divided into ship handling and cargo system handling. The ship-handling safety features include sophisticated radar and positioning systems that alert the crew to other traffic and hazards around the ship. Also, distress systems and beacons automatically send out signals if the ship is in difficulty. The cargo-system safety features include an extensive instrumentation package that safely shuts down the system if it starts to operate out of predetermined parameters. Ships are also equipped with gas- and fire-detection systems.

What safety features are designed into LNG import terminals?

At onshore facilities, safety features include methane detectors, Ultraviolet or Infrared (UV/IR) fire detectors, and closed-circuit TV. A vaporization system transforms the liquid into gas, and the send-out capacity is 1 billion cubic feet per day.

Other safety features include offsite monitoring, training requirements for personnel, and restricted access to terminal property. In addition, the stringent design parameters for LNG import terminals require that proper measures are in place in the unlikely event of a spill or equipment failure.

How safe is LNG compared to other substances handled in ports and land-based facilities?

LNG is not explosive, toxic, or carcinogenic. Vaporized LNG is lighter than air. If a spill occurs, the vapor will rise and dissipate, leaving no trace in the environment. Although portions of an LNG vapor cloud may be flammable, the flame speed of an unconfined cloud is slow and it will not explode. In contrast, gasoline and fuel oil are extremely flammable and, in their liquid state, are toxic. If these hydrocarbons are spilled, the environmental impact is severe.

What welding safety guidelines will be followed, i.e. frequency of inspection, type of inspection, etc.?

Every weld on the pipeline will be non-destructively tested according to API-1104. The currently accepted method is to use x-ray, but this method could be replaced in the future by other non-destructive procedures that would meet Federal DOT code.

How does your leak detection system work?

The natural gas pipeline system is monitored 24 hours a day by Gas Control Department personnel in Clarksburg, WV. They use computer-assisted control centers that can detect and understand changes in pressures and flows. The company's operational emphasis on safety includes compliance with the Code of Federal Regulations, 49 CFR Part 192, and involves regular patrols of the facilities by experienced observers in low-flying aircraft and routine ground patrols. After construction, an internal inspection tool, known as a smart pig, will be run on a

regular basis, probably every seven to 10 years; the existing pipeline was last inspected internally by a smart pig in summer of 2002.

How will a leak be handled once the pipelines are in use?

The company follows a procedure that outlines repair methods for various types of situations. The procedure is based on extensive research completed in the natural gas industry. The type of repair will vary with the situation. In most cases, the repair would likely involve removing the pipeline from service and replacing the leaking pipe joint.

How will a leak be identified and what is the maximum expected time between a leak and the ability to shut off the gas flow?

Leaks can be identified by various means, including aerial patrol, foot patrol, pressure monitoring, and third-party notifications. In most cases, the leak can be isolated within a short period of time by remotely operating the mainline shutoff valves.

What is the volume of gas that could potentially be leaked within that time frame?

The volume of gas escaping from a leak depends on the size of the hole, the pressure in the pipeline, and the amount of time the leak occurs. Every leak will have a different volume loss.

Describe your disaster response plan.

When Dominion gets a report of a gas emergency involving our facilities, they:

1. Identify the type of facility involved and the exact location. We also gather information on injuries, if any.
2. Act immediately to notify emergency response agencies and organizations in the area if necessary.
3. Isolate the affected facility and take all possible steps to stop gas flow at the point of the leak.
4. Designate a single company person as contact for all outside agencies and organizations.
5. Ask responding emergency units to establish perimeter control around the affected area once our personnel arrive at the scene of the problem.
6. Communicate and work with our designated company spokesman in responding to the situation.

When there is a fire:

1. Dominion does not attempt to extinguish the fire unless life is in danger.
2. We will do everything in our power to protect the area surrounding the fire.

When no fire is involved:

1. Remove any open flame or other possible sources of ignition from area and prohibit smoking.
2. Position apparatus at a safe distance and have all personnel in protective clothing.
3. Control any secondary fires.
4. Assist with personal injuries and coordinate evacuation, if it is necessary.
5. Assist Dominion personnel with access to valve locations as needed.

6. Non-company emergency personnel never attempt to operate any valve connected to natural gas lines or facilities.
7. If it is appropriate, Dominion helps with local news media.

In any emergency, accurate communication and quick cooperation between Dominion and fire or police units will be essential. When Dominion initially communicates with any emergency response units, we will indicate the facilities involved, the design and operating parameters, the nature of the product involved, and the details of our response to the situation. Normally we will dispatch personnel to the area immediately. We will also establish and maintain mobile communications with the site until the emergency has been resolved.

Usually any emergency or potential emergency will be detected and reported immediately through Dominion's ongoing monitoring of its facilities. However, there may be situations when emergency units may report emergencies where our facilities are directly or indirectly involved.

Generally the most effective way to respond to an emergency involving our facilities is to shut off the flow of the gas. Please remember that shutting off the flow is the responsibility of Dominion. Non-company personnel should never attempt to use valves and controls. Dominion's personnel know the piping systems involved and will make sure that correct actions are taken.

What types of safety problems will be communicated to the county and to whom?

Federal code requires notifications to DOT's Office of Pipeline Safety for incidents and safety-related conditions. Required local contacts would be made by the Company's Operations Department.

How will you notify landowners, fire crews, and county officials of problems?

Implementation of the Company's Emergency Plan will include a call to the local 911 Center (or first-responder fire department if there is no 911 service) and/or law enforcement notifying them of the situation and requesting assistance, if necessary. Company employees on the scene or local emergency personnel will notify nearby residents, who will be evacuated if the situation warrants. Nonresident landowners will be notified by phone or mail depending on the situation and the availability of the landowner. County officials, such as the emergency response coordinator, will be notified by company employees, either immediately or as soon as possible. The first priority of the company is to protect human life.

How do you train local fire departments and what type of material/funding will you provide?

Initially, local fire departments will be invited to the closest compressor station site for a tour. This will include a description of the properties of natural gas and the equipment used. In addition to a tour, we will conduct a "fire school," which allows the fire departments to experience a natural gas fire. No special materials are provided. Funding, in addition to tax dollars to the county, usually consists of an annual donation to the first-responder fire departments. After the initial training, all emergency personnel will be invited to an informational program every three years. Tours of facilities by emergency response groups are always available. Please call to make arrangements in advance.

Will fail-safe relief valves be mechanical or computerized?

Relief valves vent gas from the pipeline, and are located only at compressor stations. These valves are usually mechanical and are secondary safety devices. Computer controls are the first line of overpressure control. There will be valves that will vent gas from the pipeline, but they are called "blow-off" valves. At the blow-off valves, there are also valves in the pipeline, called "mainline" valves. These valves stop the flow of gas through the pipeline. Some of the main line and blow-off valves are planned to be remote controlled by company personnel, not computers.

How is safety maintained at mainline valves?

Mainline valve sites are fenced with a 6- or 8-foot high cyclone-type fence with gated entrance that is kept locked.

Are the mainline valves automatic shut-off activated by pressure loss?

No, the shutoff valves will be remote controlled with the ability to manually close the valves at the location.

What is the backup for computer or electrical failure if computerized?

Electronic data will be gathered from the pipeline and sent to the Gas Control Department in Clarksburg, W.Va. If there is a problem with the Gas Control center or the building it is in, a complete backup center is located at another local facility.

What other safety features (i.e., double-wall pipe, line volume and pressurization monitors) will be used?

The pipeline will not contain any double-wall piping. Volume flow on the pipeline will be maintained through compressor stations that are set up to pump specific volumes. Each compressor station is equipped with continuous pressure control equipment and engine shutdowns to ensure that the pipeline's maximum operating pressure is not exceeded.

Environmental Considerations

Environmental

Dominion Cove Point sits on 1,017 acres, of which 108 are developed, 800 are under conservation management, 190 acres are freshwater marsh and 80 acres make up a County park.

The offshore dock is accessible from the plant only through an underwater tunnel. When constructed, Cove Point worked with the environmental community to place the tunnel underwater and underground so it would reduce any impact on the Chesapeake Bay. Dock-related personnel use bicycles to travel back and forth to the dock. Dominion also is working with the environmental community to promote research and maintain endangered plants and animals in and around the property.

Dominion is a member of the Cove Point Natural Heritage Trust, a unique partnership with the Sierra Club and the Maryland Conservation Council. This Trust has ensured the environmental preservation of a significant portion of the more than one thousand acres owned by Dominion Cove Point.

Environmental FAQs

What if my property contains endangered species, wetlands, or archeological sites?

Endangered species must be protected from the effects of construction and this could affect the location of the pipeline or other facilities. In the case of wetlands, if proper crossing procedures are used and no alternatives are available, they may be used for a pipeline right-of-way. If an archeological or historic site is eligible for listing in the National Register of Historic Places, impact to it must be minimized. It will either be excavated and studied, or the pipeline will be rerouted to avoid it. Landowners who want them usually are permitted to keep any artifacts after they are properly studied, subject to state law.

Environmental studies were mentioned earlier. How do they work?

A Notice of Intent (NOI) to prepare an environmental assessment (EA) or an environmental impact statement (EIS) is issued for most major proposals. It is sent to federal, state and local agencies, local media and libraries, environmental groups, and, where FERC is able to identify them, the owners of any land that would be crossed. For some major projects the NOI may announce a schedule of public meetings along the proposed route. The NOI seeks comments from interested parties on the scope of the environmental document, and the comments must be submitted to FERC, normally within 30 days. After the comment period, FERC staff will prepare an EA or a Draft EIS outlining its findings and recommendations. For major proposals, further comments are sought during 45 days allotted for review of a Draft EIS or 30 days in the case of an EA. These comments are addressed in the Final EIS or the final order granting or denying the pipeline a certificate.

What environmental regulations cover the pipeline construction process?

We work with Federal, State and local agencies to design the pipeline route to assure that the impact on the natural and human environment is minimized. Among the federal programs or regulations that will be reviewed for any project impact and any related compliance are:

1. Endangered Species Act of 1973
2. National Historic Preservation Act of 1966
3. Coastal Zone Management Act of 1972
4. Clean Water Act (including the National Pollutant Discharge Elimination System program)
5. Clean Air Act
6. Archaeological and Historic Act of 1974
7. Wild and Scenic Rivers Act
8. National Wilderness Act
9. National Parks and Recreation Act of 1978
10. Magnuson-Stevens Fishery Conservation and Management Act
11. The project also will be reviewed for potential impacts under State and local regulatory programs for environmental issues related to streams, wetlands, threatened and endangered species, air, etc., including programs that implement the Federal programs listed above.

Where will the water for hydrostatic testing come from?

Water for hydrostatic testing will come from streams and rivers along the pipeline route. The actual water bodies to be used will be included in the FERC application. Withdrawal of water will be made in accordance with all State permit requirements.

Where will the hydrostatic test water go when testing is complete?

The water will be discharged back into a well-vegetated upland area, subject to landowner approval, in a manner to avoid erosion.

What is the process for hydrostatic testing?

Water is withdrawn from the predetermined water source through a screened intake hose, per any applicable State permits. Once the pipe segment to be tested is full of water, the pressure is pumped up to the required test pressure. The test is held for the required time, usually eight hours. After the pressure is relieved, the water is discharged through the erosion control structures required in the permits.

Right of Way Considerations

Securing Right-of-Way

FERC requires Dominion to explain to landowners the eminent domain process. Dominion makes every reasonable effort to avoid the use of eminent domain and attempts to secure all the property rights needed through binding, mutual agreements with landowners and seeks an easement.

The landowner owns the property when Dominion secures, by negotiated payment, an easement upon the property, but the landowner cannot undertake any activity within the easement that would conflict with Dominion's rights to utilize its easement rights. Activities that do not impact Dominion are allowed. The easement is a written document similar to a deed or lease. It is typically recorded at the county courthouse. When Dominion builds a permanent structure such as a compressor station, it seeks to secure the necessary property rights by deed, rather than by easement, so that Dominion has full and complete ownership.

On those rare occasions where Dominion cannot secure the property rights it needs by reaching an agreement with the affected landowner, a Federal law called "The Natural Gas Act" allows Dominion to secure the property by eminent domain. Efforts to obtain property through eminent domain begin with Dominion filing a "complaint" or "petition" with the appropriate court, which can be either a State court or a Federal district court.

Usually a bond or other type of financial security is deposited with the court, to ensure that the landowner will be paid for any property rights that are taken when the matter is finally decided. After various preliminary matters, a hearing is held before a judge, jury, "board of viewers" or "commission." The purpose of the hearing is to award the landowner "just compensation" for any property that is utilized for the project. Both the United States Constitution and State constitutions require the payment of just compensation to property owners who must give up some of their property for a public use, such as natural gas pipelines or other similar facilities.

After the award of just compensation, either Dominion or the affected landowner (or both) may ask an appellate court to review the award, to make sure the award complied with the appropriate body of law. Eventually the landowner receives the payment awarded by the court. In some states under some circumstances, landowners may also receive interest. Some states also allow reimbursement of certain costs incurred by the landowner, such as appraisal fees.

The eminent domain system has worked well for hundreds of years, allowing the construction of projects that fulfill a public need, including gas, electric and water service, highways and airports. Dominion will make every reasonable effort to reach a voluntary agreement with each affected landowner, rather than use eminent domain. Your attorney can advise you about easements and other property interests, can assist you in negotiations with GPC, and can represent you if eminent domain becomes necessary.

Right-of-Way FAQs

On existing fence crossings, will a gate or gap be left after construction to access and maintain the right-of-way?

Gates or gaps are the standard for access through fences on a pipeline right-of-way. If the fence is a property boundary, both landowners must agree for the gate or gap to be installed.

After construction, will you access my property from wherever you want, or will access be limited to the right-of-way?

Generally, Dominion will access the right-of-way from access roads and the right-of-way where easements have been purchased. Dominion does not have unlimited right to access your property.

What will be done to stop people from trespassing on the right-of-way after construction?

Dominion will replace any fencing that is disturbed during construction. In some cases, land agents are available to discuss specific concerns.

What if I don't sign the easement?

This means that you and Dominion have failed to reach an agreement for access to your property. Dominion has a good record of successfully negotiating easements - that is, in a very high percentage of cases, we find a way to design an agreement that works for both the company and the landowner. However, if an agreement is not reached, after receiving FERC approval for the project, Dominion would have the right to use the court system to gain access through eminent domain powers granted to it by the Federal Natural Gas Act.

Once the pipeline is in the ground, how close can I build a home?

Following construction, Dominion will have a 50-foot permanent easement - 25 feet on both sides of the centerline. A landowner can build up to, but not on the easement.

What is the size of the easement?

Generally, there will be a 75-foot wide construction right-of-way. The entire length of the pipeline will have a 50-foot wide permanent right-of-way—25 feet on both sides of the centerline. Land agents are available to discuss individual circumstances with landowners.

Can other utilities use this easement in the future?

Other utilities would need to negotiate a new easement with each landowner. The easement agreement that Dominion will have with each landowner will be for natural gas pipeline facilities only. Dominion cannot sublet the agreement to other companies or utilities.

Will I have to pay taxes on the money received for compensation?

It is best to consult your tax advisor.

Will I have to keep paying property taxes on the right-of-way?

Dominion will not own the land for the pipeline. We will hold only an easement for it. You still will have ownership and use of the right-of-way except that you will not be able to build on it.

When will I be paid for the easement?

Negotiations for the easement will include a detailed discussion on payments for the easement. Typically, Dominion will obtain an easement option and make a down payment on the full consideration. The balance of the consideration will be paid prior to installation of the pipeline.

Can I plant shrubs or trees on the right-of-way?

After construction, normal farming operations can resume. Landscaping can be planted within the right-of-way in yard areas. However, if Dominion should need access to the pipeline in these areas for maintenance work, these plants will have to be removed. It is best to discuss your plans with your land agent during easement negotiations.

Can I build a driveway over the pipeline?

If you have specific plans to build a driveway over the area of the pipeline right-of-way, you should show these to your land agent during negotiations for the easement. If, some time after construction, you have plans for a driveway installation, you must obtain prior approvals from Dominion.

Can I cross the right-of-way with logging trucks and heavy equipment?

Heavy equipment that crosses an unprotected pipeline can cause damage. Please advise your land agent during negotiations if you will have heavy equipment crossing the pipeline, and the pipeline can be constructed to accommodate this use. See the answer to the question above.

How will the easement be maintained and how often?

Maintenance will be done in accordance with FERC's Upland Erosion Control, Revegetation, and Maintenance Plan (12/2/94), as amended. This plan allows for the entire pipeline easement to be cut mechanically every three years, with designated wetlands not being mowed. Annually, a 10-foot wide section centered over the pipeline, can be mechanically cut. No maintenance would be done in agricultural areas.

Will herbicides be used?

There are no plans to use herbicides to maintain the easement.

Pipeline Considerations

Pipeline Safety

Safeguarding efforts continue when the pipe is installed. Markers alert the public to the presence of a pipeline, identify pipeline rights-of-way and provide an emergency phone number.

The safety of our pipeline system is and always has received high priority, and we at Dominion can boast a good safety record as a result. Of course, Dominion's goal is to either comply with or to exceed all the appropriate safety regulations and standards for the industry.

The two hazards for a pipeline are puncture and corrosion. Dominion uses pipelines made of only high-strength materials that meet or exceed the standards of the natural gas industry and Federal regulations. Our pipelines are made resistant to corrosion by cathodic protection. A small electrical current is run around buried pipe in our system to minimize the corrosive effects of the soil.

Even though pipelines operate underground and out of sight, they can be inspected from the inside using modern technology. Dominion uses "smart pigging" to measure and analyze conditions along the pipeline's inner and outer walls. The "pig" device travels through the pipelines and electronically reads and records the slightest change in pipe wall thickness. These changes can pinpoint potential problems before they become problems.

Throughout the pipeline system, the pressure of the gas in the pipes is monitored to make sure it remains well within the limits established by the U.S. Department of Transportation. Sophisticated computer and telecommunications equipment can detect fluctuations and control flows. Dominion's gas control centers operate 24 hours a day, seven days a week and know immediately if the pressure within a pipeline falls. In the event of such a pressure drop in one area, the control center acts to stop the gas flow to the problem area by selectively isolating sections of the pipeline. Inspections can then determine the cause of the problem and guide repairs.

This constant monitoring and rapid response to change ensures that the system operates safely and enhances the reliability of our service to customers.

Additionally, Dominion belongs to One-Call Systems that allow anyone planning to dig, excavate, blast or otherwise disturb the ground in the vicinity of the pipeline to make one telephone call to verify the location of a pipeline. In Maryland, the number is 1-800-257-7777. Dominion also communicates at least annually with persons living along our pipeline rights-of-way as well as with law enforcement, fire and government officials in the areas in which we operate facilities.

In addition, we patrol our pipelines in order to detect any activity that may be taking place along the pipeline. If we spot any unreported construction activity, we contact the contractor immediately to assure the safety of the surroundings of the line.

Right-of-way maintenance will include manual or mechanical grass mowing and trimming of trees.

Pipeline FAQs

Will my water well or spring be impacted by construction? Will you be responsible for any damages to my well or spring?

All wells within 150 feet of the construction will be tested both prior to and following construction. Dominion is responsible for any damage to your well that is caused by the pipeline construction.

How close to a house or other structure can you place the pipeline?

Generally speaking, the pipeline should not be closer than 25 feet to any structure. There are certain instances where construction constraints may necessitate the pipeline being closer than 25 feet to a structure, but these situations are few and will be discussed on a case-by-case basis with individual landowners.

What will be done with livestock during construction?

Where necessary, Dominion will construct temporary fencing and gates to contain and protect livestock from the construction process. Dominion will make sure landowners have access to livestock for feeding, watering, etc. Land agents are available to discuss these concerns.

What is the construction schedule?

Construction on the Cove Point Plant expansion will begin as soon as regulatory approval is received. Construction is scheduled to begin on the pipelines in the spring of 2006.

How long will construction take?

Construction at the plant is expected to take about three years. Generally, pipelines are constructed in a sequential process that includes the following steps:

1. Clearing and grading crew leads the construction spread.
2. Trenching crew will use a wheel trencher or backhoe to dig the pipe trench.
3. A stringing crew, using specialized trailers, will move the pipe from the storage yard to the pipeline right-of-way.
4. The pipe-bending crew will use a bending machine to make slight bends in the pipe to account for directional changes in the pipeline route and to conform to the topography.
5. The pipe gang and a welding crew will be responsible for welding, the process that joins the various sections of pipe together into one continuous length.
6. Line pipe is externally coated to inhibit corrosion by preventing moisture from coming into direct contact with the steel.
7. Lowering the welded pipe into the trench demands close coordination and skilled operators.
8. Once the pipe has been placed in the trench, the trench can be backfilled.

9. Before the pipeline is put into natural gas service, the entire length of the pipeline is pressure tested using water.
10. The final step in the construction process is restoring the land as closely as possible to its original condition.
11. Work will not occur on your property each day and there may be significant lapses between certain activities. The construction schedule for each property will vary depending on the size of the property, the amount of pipeline/easement on the property, topography, weather and other conditions.

How deep will the pipe be buried?

The pipeline will have a minimum of three feet of cover.

What kind of steel is the pipe made of?

The steel used to manufacture pipe for the pipelines will meet or exceed API - 5L specifications.

How far apart are the mainline valves?

The mainline valves will be spaced according to the Federal Department of Transportation (DOT) code. The spacing in the code is determined by the population density. In the least populated areas, every point on the line must be within 10 miles of a valve; the second least densely populated areas within 7.5 miles of a valve, the third least populated areas within 4 miles, and the most populated areas within 2.5 miles. The actual spacing is being determined and will be included in the FERC application.

How much space does a mainline valve require?

Typically, a 50 foot by 50 foot square, with road access is required.

How much of the expansion pipeline follows the existing route? Number in miles?

Expansion pipeline follows existing pipeline for 14.27 miles in Calvert County.

What are the total miles of the existing pipeline in Calvert County?

Total miles of existing pipeline in Calvert County = 21.0 miles

What is the route total in miles for the expansion of the pipeline in Maryland?

The proposed pipeline in Maryland will be 47.8 miles in length.

Pipeline Maintenance FAQs

Will you have the right to use my access road after construction?

Easements for all access roads utilized for this project will be purchased as permanent access roads and may be used from time to time by Dominion to check the pipeline and perform routine maintenance operations and safety checks.

How will the line be inspected once it's built?

The pipelines will be inspected and tested regularly to identify potential problems. During pipeline construction, all pipe welds are x-rayed to verify that the welds meet the requirements of API-1104.

Before the pipe is actually placed in initial operation, it undergoes hydrostatic testing. The pipeline is divided into different length sections. The sections are filled with water and pressurized to levels well above normal operating pressure, as required by Federal DOT code. Any pipe sections with weaknesses are replaced or repaired before the pipe is put into service. After construction, there is no routine hydrostatic testing of the pipeline. Pipelines in operation are visually inspected by personnel flying and walking the pipeline right-of-way. This visual inspection looks for any natural or manmade conditions that could impact the pipe or affect its safe operation. Factors such as excavation, construction work, soil erosion or landslides could pose problems for a pipeline.

The effectiveness of the system-wide cathodic protection process is tested routinely with "pipe-to-soil" inspections. Pipelines also are regularly surveyed using sensitive devices called "sniffers" to check for leaks. Sniffers are sophisticated electronic devices that can detect even minute levels of natural gas in the air. Any leak detected is located and repaired immediately.

Even though pipelines operate underground and out of sight, they can be inspected from the inside using modern technology. Dominion uses this "smart pigging" technology to measure and analyze conditions along the pipeline's inner and outer walls. The "pig" device travels through the pipelines and electronically reads and records the slightest change in pipe wall thickness. These changes can pinpoint potential problems before they become problems.

Describe method and frequency of pigging and hydrostatic pressure testing or other inspection strategies.

An internal inspection will be made right after construction is complete. Information from this inspection will be used as a baseline to compare against future inspections. Several factors are considered to determine the smart pigging frequency. Future inspections would be made with a smart pig, probably every seven to 10 years.

Constituent Generated Questions & Answers

Questions Generated at Public Comment, Oct. 5, 2004, CAPE

Questions: What is the role of the Federal Energy Regulatory Commission (FERC)?

Answer: FERC is an independent agency that regulates the interstate transmission of natural gas, oil, and electricity. FERC also regulates natural gas and hydropower projects.

FERC approves the location, construction, and operation of interstate pipelines, facilities and storage fields involved in moving natural gas across state boundaries. These pipelines crisscross the United States, moving nearly a quarter of the nation's energy long distances to markets in 48 states. They are vital to the economy. FERC also approves the abandonment of such facilities. Associated with the pipelines, other above-ground facilities such as taps, valves, metering stations, or compressor stations may be involved. In the case of a natural gas storage field, there may be storage field pipelines and wells, or the company may only need subsurface storage rights to your property.

Once a company files an application for approval (a certificate) to build a pipeline project, it will mail the landowner a copy of a FERC brochure and other information (within three days of FERC issuing a Notice of Application). FERC staff prepares an environmental study of the proposal. For major construction projects, local media may be notified and public meetings may be held. The landowner will have an opportunity to express your views and to have them considered and will also have the opportunity to learn the views of other interested parties. FERC may approve the project, with or without modifications, or reject it. If it is approved and the landowner fails to reach an easement agreement with the company, access to and compensation for use of your land will be set by a court.

To get approval for constructing the Cove Point Expansion Project, the sponsors have filed a detailed project plan with the FERC. Among other things, this plan includes maps showing the preliminary pipeline route, a description of the proposed pipeline facilities, and up to 13 specific environmental resource reports. These resource reports cover topics such as water use and quality, vegetation and wildlife, cultural resources, socio-economics, geological resources, soils, land use, air and noise quality and project alternatives.

FERC has the authority to approve the pipeline location and construction. It does so by issuing a Certificate of Public Convenience and Necessity (Certificate). Before the Commission will authorize construction, however, it will conduct a thorough review to determine if the project is in the public interest. This review includes an evaluation of need for the project; costs of transporting natural gas by the pipeline; financing; and market competition. The Commission also conducts an Environmental Assessment or an Environmental Impact Study to evaluate the project's anticipated impact on the public and the environment.

Question: What is the FERC process?

Answer: Part of the FERC process includes public meetings in some of the communities affected by the project. Announcements of these public meetings are published in local newspapers. The meetings also provide a forum for the local community to ask questions and express any comments or concerns about the project.

The time required for the review process is expected to be about 16 months after the FERC filing. If a certificate is issued, the Commission will authorize construction to begin when the conditions they established in their order issuing the certificate are satisfied.

The FERC is currently soliciting input and have scheduled public scoping meetings for the following dates in November:

7 p.m. Tuesday, Nov. 16
Holiday Inn
155 Holiday Drive
Solomons, Md.

and

7 p.m. Thursday, Nov. 18
Holiday Inn
U.S. 301 and St. Patrick's Dr.
Waldorf, Md.

Question: Has the BOCC seen proposed route maps?

Answer: The BOCC has seen and been provided maps of all of the proposed routes for the Dominion pipeline expansion.

Question: Did the RESI study include training expenses/costs for emergency personnel?

Answer: No. Calvert County is already incurring costs for the training of emergency personnel and security. There is no incremental cost caused by the expansion of an existing facility. RESI did include an estimate of the cost to the local government of providing a normal level of services to the facility and the resulting new residents.

Question: Did RESI overstate the revenue stream?

Answer: The bulk of the tax revenue stream is the property tax and the utility tax revenues generated by the LNG Importation facility. The study also predicted the Cove Point expansion would produce significant new tax revenues for both the state of Maryland and local governments in Southern Maryland, including Calvert County. RESI forecast that the construction phase would produce an additional \$1.2 million in tax revenues annually for the state and local governments, while the operations phase would generate an additional \$16.7 million annually. The largest share of these new revenues will go to Calvert County, according to the RESI report. The study found that the County will receive an additional \$10.9 million in tax revenue annually once the operations phase begins. This includes more than \$10.8 million in property taxes.

The study reported that the tax benefits from the Cove Point expansion would far outweigh the increased demand for government services brought about by the project. RESI forecast a net positive fiscal impact of \$92.1 million for the State and region over the life span of the project, including both the construction and operations phases. The study estimated that Calvert County's

average annual cost of additional services would be less than \$700,000 – a small fraction of the additional tax revenues produced by the project.

Question: Did RESI overstate economic impact?

Answer: The study found the expansion project would create a total of 392 new jobs in the region. This figure includes 244 during the four-year construction phase and 148 once the expanded terminal and associated pipeline begin operation. The new employment will boost the region's annual payroll by an average of \$7.9 million during the construction phase and an average of \$5.1 million during the operations phase. The operations-phase jobs include 38 high-wage positions directly associated with the terminal and pipeline, with an average annual salary of \$70,000. This is more than double the Calvert County average.

RESI found that both the construction and operations phases will be major stimuli for additional economic activity in Southern Maryland. RESI forecast the construction phase would produce an average of \$18.3 million in additional economic output annually. Benefits would be even greater during the operations phase, with RESI forecasting additional economic output averaging \$42.8 million annually.

Question: Will the expansion cause damage to Calvert County?

Answer: Damage to the county will be minimal. The pipeline right of way will be restored to a green space planted with grasses. All state, federal and local environmental agencies will be consulted as to the proper way to deal with all waterways and other environmentally sensitive areas.

Question: Will the expansion have a negative impact/value on the County and will it be a less desirable place to live?

Answer: No, in fact the pipeline will have a positive impact on the County. The \$550 million Cove Point expansion will provide major economic benefits to Calvert County and the entire Southern Maryland region. RESI found the project would create significant numbers of new jobs, increased economic activity and additional tax revenues for local governments, including Calvert County. The project will help ensure that Southern Maryland has supplies of energy adequate to maintain its economic growth. Additionally, the Cove Point expansion will furnish the region with a source of clean energy that will help protect the environment.

Question: When will the BOCC take a position and/or assume a new role?

Answer: The BOCC's role in this process is to ensure that adequate information contacts are made available to our citizens. The BOCC will likely participate in the FERC process at the appropriate time and will continue to consider the overall impact of the project on the County and our citizens. The BOCC will follow the appropriate role as set forth by FERC.

Question: What will the impact be on Agricultural Preservation programs & critical areas?

Answer: Minimal. Dominion is aware that the pipeline will impact certain lands enrolled in the Agricultural Preservation programs as well as critical areas. There will be temporary impacts to these areas during the construction of the project. However, the long-term impacts on these areas are minimal. Dominion is working with the affected landowners as well as the respective

County and State agencies to ensure that our project is in compliance with all applicable regulations. Additionally, there are several farms along the existing pipeline in Calvert County that are part of the Agricultural Preservation Program. Having the pipeline on these tracts of land has not affected their status in the program or the agricultural use of the land.

Dominion has assured the BOCC that it intends to fully comply with all applicable regulations, including those dealing with the critical areas and other environmentally sensitive areas. The BOCC will work to ensure that the company adheres to those regulations, where appropriate.

Question: It appears that Dominion is targeting citizens in the alternate route. Is this true?

Answer: No. Dominion has chosen its route carefully, measuring its effects on Calvert County. Dominion has identified the preferred route for its pipeline. In certain areas, alternative routes have been identified. To date, no personal contact with landowners along these alternative routes has been made, nor have any field surveys or environmental studies been conducted. Dominion has identified the landowners along the alternate routes and is endeavoring to keep them informed as to the status of the project via regular landowner newsletters.

Question: Has the BOCC seen maps of the alternative routes?

Answer: Yes. The BOCC has been provided with the maps of the alternative routes, and those same maps are available to the general public.

Question: Stated that Dominion has not conducted full disclosure.

Answer: Dominion has conducted full disclosure. Lengthy files and pipeline routes are available to the public. Dominion conducted public “open houses” on March 8, 9, and 10, 2004, for potentially affected landowners and other interested parties in three different counties along the corridor. These meetings were open to the public and intended to educate potentially impacted stakeholders about the proposed pipeline and its impacts on the local communities. Additionally, Dominion is currently in the process of developing the information required to file its application with FERC requesting authority to construct and operate the Cove Point Expansion Project. Finally, Dominion continues to meet with Maryland state and local agencies with permit jurisdiction over the project and has assured the BOCC that it intends to fully comply with all applicable regulations, including those dealing with the critical areas and other environmentally sensitive areas.

Statement: Referenced National safety record of incidents at LNG facilities (referenced Barstow, El Paso, Corpus Christi) and stated that there is a 4 percent increase annually in accidents. No source was provided. Information on each is as follows:

Moss Bluff fire - August, 2004 - The fire in Texas occurred at a salt storage field, which is very different from an underground natural gas pipeline. Although we do not have first-hand knowledge of the Moss Bluff incident, news reports indicate that there was no way to shut off the natural gas that fed the blaze for several days. On an underground natural gas pipeline, there are several ways to shut off gas to a particular part of the pipeline.

Dominion's pipelines are monitored 24 hours a day, seven days a week. There are also manual valves that can be used to shut off the natural gas spaced along the pipeline. The companies that build and operate natural gas pipelines have created the safest mode of transportation today, surpassing highway, rail, air and water. National Transportation Safety Board (NTSB) statistics show the pipeline industry to be the safest in the country in terms of fatalities per year.

Natural gas is delivered to more than 175 million customers via 1.5 million miles of pipelines that crisscross the nation. Dominion and the pipeline industry have extensive experience with the use of redundant safety systems, round-the-clock monitoring and extensive inspection and maintenance to keep the pipelines operating in top condition.

Skikda fire - The first on January 19, 2004 in Skikda, Algeria, involved a production train, which cools natural gas into a liquid. That is different from Dominion Cove Point, which re-gassifies LNG into natural gas. The initial problem occurred in a high-pressure steam boiler used to supply power to the plant's refrigerant compressors. The type of fuel ignited by the subsequent explosion is still under investigation. It may have been natural gas or one of two other products extracted at the plant – propane or butane. The gas was trapped in a semi-confined space, where it was able to reach the right mix to ignite. Dominion Cove Point has gas detection equipment to detect natural gas levels in all confined or semi-confined spaces. Storage tanks at the Skikda plant were not damaged.

Belgium pipeline accident - On July 30, 2004, construction workers damaged an underground natural gas distribution pipeline near Ath, Belgium. About 30 minutes after the damage was reported, an explosion and fire occurred. Dominion participates in the Maryland "One-Call" program, where anyone wishing to dig can call one agency to locate underground utilities. Under the program, natural gas pipelines, including the Dominion Cove Point pipeline, must be marked before digging can begin. In addition, Dominion regularly patrols its pipelines looking for possible construction sites.

Carlsbad, New Mexico accident - On August 19, 2000, a 30-inch natural gas pipeline owned by El Paso near Carlsbad, New Mexico, ruptured and a fire occurred. The National Transportation Safety Board (NTSB) found that significant internal corrosion occurred in the pipeline. NTSB said the pipeline had never been examined internally by so-called "smart pigs" that can discover corrosion. The Dominion Cove Point pipeline was inspected internally using an electronic "smart pig" in 2002. The inspection showed the thickness exhibited no signs of corrosion and that the pipeline was in excellent condition. A "smart pig" is used to measure and analyze conditions along the pipeline's inner and outer walls. The "pig" device travels through the pipelines and electronically reads and records the slightest change in pipe wall thickness. The pipeline has never been out of use, and has been regularly inspected throughout its life. The pipeline also has a cathodic protection system, which prevents corrosion. That system is in good operating condition.

Question: Stated that there is only 1 inspector for every 34,000 miles of pipeline.

The companies that build and operate natural gas pipelines have created the safest way to transport natural gas today, surpassing highway, rail, air and water. Some 180,000 miles of

interstate pipelines deliver natural gas quietly, reliably and efficiently throughout North America for heating, cooking and other uses. The companies that build and operate the North American interstate natural gas pipeline system have created the safest modes of transportation today safer than highway, railroad, airborne and other forms of transportation. And the interstate natural pipeline industry spends millions of dollars each year on research and new technologies to improve an already excellent safety record.

Natural gas is delivered to more than 175 million customers via 1.5 million miles of pipelines that crisscross the nation. Dominion and the pipeline industry have extensive experience with the use of redundant safety systems, round-the-clock monitoring and extensive inspection and maintenance to keep the pipelines operating in top condition.

Dominion conducts aerial patrols of our pipeline right-of-way monthly and walks the right-of-way periodically to check for encroachment and leakage. Electronic sensing devices are run through the pipeline to check for any conditions, which may require attention long before they are considered a risk. The Dominion Cove Point pipeline was inspected internally using an electronic device called a “smart pig” in 2002. The inspection showed the thickness exhibited no signs of corrosion and that the pipeline was in excellent condition. A “smart pig” is used to measure and analyze conditions along the pipeline’s inner and outer walls. The “pig” device travels through the pipelines and electronically reads and records the slightest change in pipe wall thickness.

Dominion also protects the pipeline system in other ways:

- Each state in which they have operations has a “one-call system” that provides contractors, highway workers, farmers and anyone digging along a pipeline right-of-way with the ability to call a single number to be sure it is safe to proceed. Dominion devotes a great deal of effort to inform the public that they must first notify the pipeline company before digging or operating heavy equipment along the pipeline route. “Call-before-you-dig” notices are also sent to property owners along the right-of-way.
- Public service announcements and educational campaigns tell the public how to detect and respond to pipeline leaks.
- Pipeline routes are clearly marked with identification that includes safety warnings and telephone numbers to report suspected problems.
- Pipeline operators meet regularly with local emergency personnel near the pipeline to discuss safety measures and educate police and fire departments on responding to a pipeline emergency.
- The U.S. Department of Transportation’s Office of Pipeline Safety has 9 inspectors assigned to the Eastern Region, which includes Maryland, D.C. and Virginia.
- Since 2004, incidents involving interstate pipelines have declined considerably. This due in large part to improvements in system monitoring, technological advances, and maintenance.
- More stringent rules and operational requirements will be going into effect in December, making an already safe industry even safer.

White Sands Civic Association, Mr. Stephan B. Adrian, Oct. , 2004

Is an additional Pipeline (36") necessary to carry the volume of gas being delivered by sea to the Cove Point facility?

Economic and population growth is driving the increased use of natural gas for electric generation and home heating. As a clean-burning fuel, LNG is the preferred energy source, especially in regions such as our own that are confronting challenges with regard to air quality. The existing sources for this fuel and the constraints on delivery infrastructure have combined to cause dramatic increases in gas prices in recent years. Expanded importation of LNG has been identified by the Secretary of Energy of the United States and other experts as the best means of addressing these concerns. Dominion's proposed expansion of the Cove Point facility could offer substantial benefits to our region. In order to expand the capacity of the Cove Point facility sufficiently to relieve the existing constraints on energy resources in the highly developed Mid-Atlantic region, a pipeline of the size proposed by Dominion is most likely needed. This Commission however will continue to review Dominion's proposal for adding the pipeline and expanding the Cove Point facility.

If an additional pipeline is needed, has its impact on the environment been fully considered, especially in light of the "proposed route" chosen by Dominion?

The Federal Energy Regulatory Commission (FERC) is responsible for determining whether Dominion's request to construct the additional pipeline is needed and conducting a detailed study of environmental impacts of the additional pipeline. If FERC determines there is a public need for the project and that construction and operation will not result in significant adverse impacts to the environment, FERC will issue a certificate of public convenience and necessity authorizing Dominion to proceed. FERC will conduct a detailed analysis of all route alternatives, including Dominion's preferred route. Public input will be sought in making the final determination of pipeline routing and FERC will make the final decision regarding approval of this project.

Meanwhile, Dominion is working with both FERC and State and local agencies to review critical areas and determine potential project impacts on the environment. Dominion continues to meet and brief the BOCC and assures us that they are fully committed to minimizing impacts on the environment. This includes minimal impacts on rivers, Critical Areas, "blue line" streams, wetlands, steep slopes, prime farms and pristine woodlands.

What will be the effect of the proposed route on our community, as well as the rural character of Calvert County, and its agriculturally preserved farmland and forests?

As part of the FERC approval process, Dominion will supply information about many types of potentially impacted resources, such as communities, water bodies, wetlands, farmland, and forests. In addition to studying the background information for these resources, the FERC and state permit approval processes will evaluate and then require mitigation measures that could reduce adverse impact to sensitive resources. Dominion has been, is, and will continue to work with local, State, and Federal agencies to ensure that these resources are protected appropriately, and that the project is executed in compliance with all regulations, permits and other approvals. Many of the State and Federal agencies with jurisdiction over approvals for this project are

already working with the FERC in its Pre-Filing Process. For these reasons, we believe this concern will be addressed during the FERC and State permit approval processes.

Have issues of safety and security been adequately addressed since our community is also located near the nuclear power plant, and we only have two exits and one highway to make an escape?

Yes, safety and security issues have been, and will continue to be, addressed. Dominion has sophisticated security and safety plans, which effectively mitigate risks. Calvert County works closely with Dominion, Constellation Energy, and others to ensure appropriate safety and security measures are in place. The County also maintains integrated emergency response plans, which include evacuation plans and other aspects designed for the safety of citizens. In addition, during the FERC approval process these plans will be completely and thoroughly reviewed.

Cove Point has taken many steps over the years to help ensure public health and safety in the area surrounding its facility. Cove Point currently owns and maintains approximately 1,017 acres of land on the Chesapeake Bay. Nearly 700 acres of the site is largely undeveloped and a 600-acre scenic and environmental easement surrounds the area. The company has a longstanding relationship with environmental groups and its nearby landowners. An agreement with the Sierra Club and the Maryland Conservation Council, Inc. called for Cove Point to restore and maintain, in a natural state, 614 of the total 1,017 acres. The agreement also calls for establishment of a perpetual trust to be used to fund various activities to preserve and protect the Chesapeake Bay, its shorelines and wetlands.

Are there ways to make this expansion a cleaner and more environmentally sound project?

Dominion is currently working with various different Federal, state, and local agencies to obtain approval to construct the project with the least amount of environmental impact as practical. Federal agencies such as the US Army Corps of Engineers regulate the water impacts from crossing the waterbodies and wetlands. Maryland Department of the Environment regulates air issues, water issues, wetland issues. US Fish & Wildlife Service and the MD Department of Natural Resources regulate Threatened & Endangered Species issues. MD Department of Natural Resources also regulates Forest and State Parks. Local agencies (Calvert County) regulate Erosion and Sediment Control Issues and building permit issues. Each agency is tasked to ensure that the environmental impact from the proposed action is minimized to maximum extent practical.

In addition to impacts being reduced to the greatest extent possible, many of the agencies listed above require mitigation. Mitigative measures required by the agencies will make this project as environmentally sound as possible by offsetting the environmental impacts of the project. For example, for every acre of forested wetlands that will be permanently impacted by the project, Dominion is required to construct an acre of wetland in a nearby location. As another example, for all new air emissions resulting from the project, Dominion is required to purchase air emission offsets thereby maintaining the air emission levels for the state.

Response to Local High School Student Inquiry for Research Project, January 11, 2006

How would animal migration be affected due to the expansion?

During construction activities, animals crossing the areas would adapt to any temporary barriers in their pathway similar to encountering any construction site. On the pipeline these construction activities are limited to only a few weeks for a given area. After construction, the pipeline right-of-way is reclaimed to its original contour and will provide no barriers to migrations. Therefore, animal migration is not expected to be impacted due to the pipeline expansion. The proposed facilities at the terminal will be constructed as part of the existing terminal and therefore will provide no new barriers to migration.

How would the Chesapeake Bay be affected?

The proposed project has been designed to have little, if any, impact on the Chesapeake Bay. It is proposed to drill underneath tidal waterbodies and wetlands to minimize the impact to tidal waters. Any non-tidal waterbody that will not be drilled will be constructed in a reduced time frame and the area reclaimed as quickly as possible at each location to minimize any impacts. Typically, the waterbody crossing would be completed within 48 hours.

How would the expansion of the pipeline affect the native animals and plant life that live in the surrounding environment?

During construction, all work is confined to the proposed construction right-of-way. Upon completion of the construction and re-vegetation of the pipeline right-of-way, native animals and plant life in the surrounding environment may expand into the pipeline right-of-way with more ground cover available to the animals for feeding and nesting. Also more open area will provide sunlight for plant growth. Pipeline right-of-ways are typically used as travel ways, food areas, and habitat areas by various animals and plants in the surrounding environment. Most of the proposed pipeline right-of-way follows existing pipeline

Would the residents of Calvert County see any of this money being gained from the expansion?

Yes, assuming that you are talking specifically about the investment into the expansion project itself. Calvert County will see significant income from commercial property taxes and new employment. As an example, Dominion contributed approximately \$3.7M in FY 05 and \$4.2M in FY '06. When the expansion is complete, their contribution to the tax base will more than double. The Cove Point expansion represents a total new investment of approximately \$550 million.

The 2004 economic impact study, prepared by RESI economic research and policy institute affiliated with Towson University, Towson, Md., outlines how the proposed expansion of Cove

Point will provide major economic benefits to Southern Maryland, including creation of hundreds of new jobs, stronger economic activity and significantly more revenues for state and local governments. You can review that study on www.ecalvert.com <<http://www.ecalvert.com>> RESI found that the project would create a total of 392 new jobs in the region - including 244 during the four-year construction phase and 148 once the expanded terminal and associated pipeline began operation. The new employment will boost the region's annual payroll by an average of \$7.9 million during the construction phase and an average of \$5.1 million during the operations phase. The operations-phase jobs include 38 high-wage positions directly associated with the terminal and pipeline that are more than double the Calvert County average and almost 80 percent higher than the statewide average.

Would any residents of the county have to relocate or sell property to Dominion?

No residents would have to relocate to my knowledge. If an easement is needed, the landowner is compensated. Landowners affected by a proposed natural gas pipeline regulated by FERC have certain rights. These rights range from being able to look at project correspondence to becoming an intervener and being able to appeal any FERC decisions in Federal court. These rights include:

- Accessing and inspecting all public documents associated with the proposed project;
- Making your concerns known in writing to FERC and its staff;
- Participating in informational meetings held in the vicinity of the proposed project area;
- Participating in site visits in the vicinity of the proposed project area;
- Filing comments on draft Environmental Assessments and Environmental Impact Statements;
- Becoming an "intervener" or "party" on a specific proposed project; and
- Having FERC's decision reviewed in Federal court (you must be an intervener to do this).

To learn more, see "Citizens' Guides" on FERC's web site at www.ferc.gov or call 1-866-208-3372

Does the LNG pipeline have effective emergency plans in case of a terrorist attack or a plant malfunction?

Yes. Please be assured that the County works very closely with all of the emergency management personnel at the plant. Before reactivating the Cove Point plant, a thorough inspection of all plant components was conducted by the company, including both visual inspection and pressure testing. Dominion upgraded equipment wherever such improvements were needed. Dominion conducted a thorough security review of the facility and has implemented a plan that will provide for more than adequate security. The plan includes appropriate measures in light of the post-September 11, 2001, environment. Additionally, there are many state and federal agencies that also play important safety roles.

The Coast Guard's jurisdiction includes the ship as it is in transit in the Chesapeake Bay and docked at the offshore platform, the equipment and piping on the offshore platform, and the piping leading from the platform to the tanks onshore. Even before the ship enters the bay, the

Coast Guard closely supervises it. A safety and security inspection is conducted prior to entering the Bay. A safety zone around the ship is maintained by the Coast Guard and it is escorted in critical areas. The Coast Guard also maintains a continuous safety and security zone around the offshore platform whether a ship is present or not. Ultimately the Coast Guard conducts thorough inspections of all facets under their jurisdiction. The U.S. Department of Transportation's Office of Pipeline Safety (OPS) is another key agency. Its jurisdiction begins where the Coast Guard jurisdiction ends and includes the tanks, the plant process equipment and the pipeline. The OPS routinely conducts safety inspections and audits. Finally, the Federal Energy Regulatory Commission, which approved the reactivation of Dominion Cove Point, monitors the facility.

How does Dominion plan on giving back to the community if in any way?

Dominion, aside from providing stable employment in the community and being the second largest taxpayer in the County, contributing approximately \$3.7M in FY 05 and \$4.2M in FY '06, is also a good contributor to local charities. When the expansion is complete, their contribution to the tax base will double.

Will this allow a broader range in the job market in Calvert County?

Yes. See answer to number 3. This applies to jobs at the plant and those jobs that conduct support to the plant.

Response to Cove Point Beach Civic Association, March 2006

We question the affect the many more tankers will have on the Bay, the shoreline and the water. Who will be monitoring this issue? They claim there will be no negative affect but who is checking on this?

As part of their expansion project, Dominion conducted a study about the impact additional tankers would have on the Chesapeake Bay shoreline and water. Dominion filed the study with the Federal Energy Regulatory Commission (FERC) on January 31, 2006. The study concluded, that there was no significant impact to the shoreline as a result of the proposed increased ship traffic.

We are concerned about the air quality as we are down wind. We have read that some of the gasses are heavier than air. We want air monitoring equipment down here and monitored but someone other than Dominion.

Maintaining air quality at the highest levels in communities surrounding Cove Point is a critical priority to the County and to both Dominion and the Maryland Department of the Environment (MDE). Based on MDE and U.S. Environmental Protection Agency (EPA) requirements, Dominion selected process equipment and pollution control systems to reduce air emissions to the maximum extent economically practical for the planned expansion. For example, the new combustion turbines that are planned (*to generate electricity for the facility*) will have the lowest emission rates achievable for this type of equipment. Additionally, Dominion continues to look for ways to reduce emissions from existing equipment. Through improvements made in 2005, emissions from the three Cove Point combustion turbines have actually declined, despite increased throughput of natural gas.

As a point of reference, gases emitted from Cove Point operations are the same as those emitted from tailpipes of cars and trucks on our streets and roads. Because Dominion's equipment is more efficient, and since the equipment burns clean natural gas rather than gasoline or diesel fuel, Dominion generates fewer emissions per unit of energy produced than the engine of a truck or automobile.

The reports talk about the pollution from each tank meeting standards but they don't talk about the accumulative pollution that is activated by all the tanks together. We also read where they are buying pollution credits (or what ever they are called) from other places which levels out state wide but all of that pollution falls here and assume it is higher than standard for any one location or they would not have to buy credits. Who is monitoring this? This is a very big concern.

The tanks do not generate any emissions during normal operation. In preparing the permit application from MDE for the proposed expansion, Dominion conducted air quality modeling to estimate future air quality, considering existing on-site sources, significant off-site sources and the proposed equipment that comprise the expansion. The results are summarized in Section 6 of Dominion's permit application. The Cove Point operation will comply with all applicable ambient air quality standards.

Dominion must purchase emission-offset credits for nitrogen oxides (NO_x) and volatile organic compounds (VOCs) because the metropolitan Washington, DC area (which includes Calvert County) exceeds that federal standard for ozone (*which causes smog*). NO_x and VOCs in the atmosphere can react with other contaminants in the air to form ozone. Dominion must purchase credits to ensure that there will be no net increase in NO_x and VOC emissions due to the expansion, at least on a regional basis. MDE and the EPA have systems to monitor emission credits, ensuring that facilities have the appropriate credits required to conduct their operations in compliance with air quality regulations.

We are concerned about there being no way out for us except narrow Cove Point Road that takes us past the plant. What is being done to give us an escape route?

It is important to remember that Dominion is required by FERC to model the thermal impact of a catastrophic event and that the design of the new facility is such that, even in the extremely unlikely scenario of such an event, that the thermal impact zones remain on the Dominion property. Thus exiting past the facility on the existing road is safe and feasible. Additionally, Dominion, the Calvert County Emergency Planning Office, and local first responders meet routinely to discuss safety plans regarding the facility.

With the construction at the plant and the additional traffic from the many new homes being built in the area of Cove Point Road the road is outdated. This road needs updating and if nothing else shoulders should be installed but it really needs to be wider. Thousands use this road everyday and with the opening of Cove Point Park kids will be biking on this road in the summer. There is no bike trail anywhere in sight. If the State won't pay for it make Dominion pay, they have lots of money.

As with all development projects, Dominion was required by the State of Maryland to conduct a traffic study as part of the expansion project; results from the traffic study did not require road upgrades. If growth in the area and increased utilization of the Cove Point Park warrants an upgrade of Cove Point Road then the State would undertake the task at that time. The State may also require the developer to upgrade the roadway with any future plant expansion. Improvements would follow the normal process for road upgrades; at present, Cove Point Road is not scheduled for upgrades. However, the entrance to the LNG facility will be upgraded. While we understand your concern in this area, we cannot require Dominion to make improvements to Cove Point Road if not called for by the expansion project. It is important to also remember that the land for the Cove Point Park was provided by Dominion Cove Point.

Why can't there be another way into the plant so in case of an accident the emergency people can have another way in. Sure it would be a hilly route using part of Cove Point Park and costly but we heard at the last meeting how much money the CEO of Dominion makes.

Much of the Dominion property is in a resource area and the existing access to the facility is adequate.

We are concerned about safety issues in general. Nobody seems to be the watchdogs for us. Maintaining Cove Point's safety is a top priority for the Board of County Commissioners and the overseeing Federal and State agencies. Dominion Cove Point falls under the jurisdiction of three

different federal agencies: FERC, the United States Department of Transportation (DOT), and the United States Coast Guard (Coast Guard). Each of these agencies has strict regulations regarding safety and security requirements for the facility and routinely audits the facility for compliance with those regulations.

FERC approves the location, construction, and operation of interstate pipelines, facilities and storage fields involved in moving natural gas across state boundaries. FERC, who approved the reactivation of Dominion Cove Point, also monitors the facility.

The Coast Guard jurisdiction includes the ship as it is in transit in the Chesapeake Bay and docked at the offshore platform, the equipment and piping on the offshore platform, and the piping leading from the platform to the tanks onshore. The Coast Guard closely supervises the ship even before it enters the Bay and a safety and security inspection is conducted prior to entering the Bay. The Coast Guard maintains a safety zone around the ship and it is escorted in critical areas and also maintains a continuous safety and security zone around the offshore platform whether a ship is present or not.

The U.S. Department of Transportation's Office of Pipeline Safety is another key agency. The DOT is responsible for setting the Federal safety standards for natural gas (and other) pipelines and related facilities. The DOT jurisdiction begins where the Coast Guard's jurisdiction ends and includes the tanks, the plant process equipment and the pipeline. The OPS routinely conducts safety inspections and audits.