

People Are Asking Us About Our Phase VIII Project

As we begin work on our Phase VIII Expansion project, we know you may have a number of questions about our project and how the plans could potentially affect property owners.

This document will provide you with answers to questions we are most commonly asked. These questions include those about our company, proposed routes, safety and protecting sensitive areas. We've also tried to address some of the key topics of interest to people whose property may be involved in the project. Finally, we've provided instructions on how you can get more information about natural gas pipelines in general, and our Phase VIII Project in particular.

If you have additional questions that are not addressed in this document, please give us a call. You can reach us at 1-877-663-9161 or visit our Web site at www.panhandleenergy.com/fgt/phaseviii.

As Florida's leader and partner in providing clean energy solutions for nearly 50 years, the Florida Gas Transmission Company looks forward to hearing from you.

Sincerely,

Rick Craig
Vice President, Phase VIII
Florida Gas Transmission Company

Questions Addressed Here Include:

Pipelines and This Project:

- Who is the Florida Gas Transmission Company?
- What is the company's track record?
- What is a natural gas pipeline?
- What is the Phase VIII Project?
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- How would the Florida Gas Transmission Company protect sensitive areas, such as wetlands and culturally important sites?
- Will the Florida Gas Transmission Company use existing right of ways?
- What is the usual width of the right of way?
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Possible Property Owner Interests:

- What is the role of a land agent?
- What rights do owners have with respect to having a pipeline located on their property?
- How will property owners be compensated for their land?
- What happens if an owner and the Florida Gas Transmission Company can't agree?
- How far in advance would a property owner be notified that survey or other crews would be coming on their land?
- Will property owners be able to use land used for the right of way after construction?

Getting More Information:

- Who is the primary contact for owners of property involved in the project?
- Where can I learn more about this project?
- If my property is affected by the project, when will I hear again from the Florida Gas Transmission Company?

About Pipelines and This Project:

Who is the Florida Gas Transmission Company?

- Florida Gas Transmission Company is an interstate natural gas pipeline company that has been transporting natural gas to the Gulf Coast and Florida for nearly 50 years and is Florida's leader and trusted partner in providing clean energy solutions, safely and reliably.
- The company operates nearly 5,000 miles of underground pipeline from South Texas to Miami, Fla., providing natural gas to large companies such as electric utilities and local natural gas distribution companies, as well as smaller industrial and commercial customers.
- The natural gas fuels power plants and supplies businesses and homes – providing electricity, hot water and heat to communities from Texas to South Florida.
- With regional offices in Lake Charles, La., and in Tallahassee and Maitland, Fla., along with 24 other local offices throughout the Gulf Coast, the Florida Gas Transmission Company has employees living and working in communities across its system.
- The Florida Gas Transmission Company provides an economic benefit to the states it operates in and contributes more than \$29 million each year in property taxes to communities in the Gulf Coast states.

What is the company's track record?

- The company has supplied almost all of Florida's natural gas needs for nearly 50 years through an extensive network of underground pipelines. We have designed, built and safely operated natural gas pipelines in Florida, Texas, Louisiana, Mississippi, and Alabama. Our employees work to ensure our pipelines operate safely, efficiently and reliably year round.

What is a natural gas pipeline?

- Natural gas pipelines safely transport large volumes of gas over long distances. They are specially designed and carefully constructed, and today there are more than 272,000 miles of natural gas pipelines in operation in the United States.
- Natural gas enters the pipeline at pipeline interconnects, wellheads or processing plants near the gas fields. The gas then moves through underground pipelines with the aid of compression to customers in the pipelines' market area. Compressor stations are facilities that help gas move in the pipeline by keeping it under pressure. Our customers include local distribution companies that resell the gas to residential and business customers, industrial facilities that use the natural gas to manufacture products and electric utilities that use the natural gas to generate electricity.

What is the Phase VIII Project?

- The Phase VIII Expansion Project refers to the Florida Gas Transmission Company's effort to add about 483.2 miles of new pipeline and 213,600 horsepower of additional compression to our existing system. Our goal is to complete this project by April 2011 to meet the immediate and future energy needs of Florida and the Gulf Coast states.

What is the purpose of the Phase VIII Project?

- The purpose of this project is to deliver natural gas to ensure that the Gulf Coast states and Florida have an adequate, reliable, secure energy supply to meet future needs as the region continues to grow.
- The region's growing energy needs are relying increasingly on natural gas – a clean, efficient alternative to coal. Currently, about 75 percent of the Florida Gas Transmission Company's natural gas deliveries are used for generating electricity throughout the Gulf Coast region.
- The Florida Gas Transmission Company's Phase VIII expansion project will help protect the economy by ensuring we meet the region's growing energy demands, especially during the summer months when electricity demand peaks.
- This project will also make natural gas available to areas that have not previously had gas service. With the extension of our line, natural gas delivery will be available for a variety of new purposes in large new areas, helping to make our energy system even more reliable.

Where will you expand the pipeline?

- The Florida Gas Transmission Company's Phase VIII Expansion will build about 483.2 miles of new underground pipeline, of which about 365.8 miles will parallel existing main pipelines, and 117.4 miles will be built in new easements.
- The project will increase the Florida Gas Transmission Company's natural gas capacity by 36 percent, allowing delivery of enough new gas to power about 1 million homes per day.
- To accommodate this new capacity, the Florida Gas Transmission Company will upgrade 8 existing compressor stations and build a new station in Highlands County, FL.

What is the proposed route of the pipeline?

- The map below illustrates the proposed route of the additions to our pipeline system.
- Loop 1 – 25.5 miles of 42-inch diameter pipeline in Mobile Co., AL, ending at the Mt. Vernon compressor station.
- Loop 2 – 37.2 miles of 36-inch diameter pipeline in Baldwin and Escambia Counties, AL, and Escambia and Santa Rosa Counties, FL.
- Loop 3 – 40.0 miles of 36-inch diameter pipeline in Santa Rosa, Okaloosa and Walton Counties, FL. Includes the removal of previously abandoned 24-inch diameter pipeline.
- Loop 4 – 46.8 miles of 36-inch diameter pipeline in Washington, Bay, Jackson and Calhoun Counties, FL. Includes the removal of previously abandoned 24-inch diameter pipeline.
- Loop 5 – 56.3 miles of 36-inch diameter pipeline in Gadsden, Leon and Jefferson, Counties, FL.
- Loop 6 – 19.0 miles of 36-inch diameter pipeline in Taylor and Lafayette Counties, FL.
- Loop 7 – 12.8 miles of 36-inch diameter pipeline in Suwannee and Gilchrist Counties, FL.
- Loop 8 – 46.1 miles of 36-inch diameter pipeline in Levy and Citrus Counties, FL, ending at the Lecanto compressor station.
- Loop 9 – 42.9 miles of 36-inch diameter pipeline in Hernando, Pasco and Hillsborough Counties, FL.
- Loop 10 – 24.1 miles of 36-inch diameter pipeline in Hillsborough County., FL. beginning at the Thonotosassa compressor station.
- Loop 11 – 6.6 miles of 24-inch diameter looping pipeline in Miami, Dade Co. FL.
- Greenfield 1 – (Suwannee Lateral) 20 miles of 20-inch diameter pipeline in Lafayette, Madison and Suwannee counties, FL.
- Greenfield 2 – (Manatee Lateral) 16.1 miles of 24-inch diameter pipeline in Manatee County, FL.

- Greenfield 3 – Consists of two segments. The first segment is 47.8 miles of 30-inch diameter pipeline in DeSoto and Highlands counties, FL, ending at the new compressor station in Highlands Co., FL. The second segment is 42.0 miles of 30-inch diameter pipeline in Highlands, Okeechobee and Martin counties, FL, beginning at the new Highlands Co. compressor station and ending at the Florida Power & Light Martin Power Plant.
- Acquisition 1 – 22.7 miles of an already existing 20-inch diameter pipeline in Martin Co., FL. No new construction or any ground disturbing activities are associated with the acquisition.
- Compressor Station 11 – Increase horsepower at existing compressor station in Mobile Co., AL.
- Compressor Station 12 – Increase horsepower at existing compressor station in Santa Rosa Co., FL.
- Compressor Station 13 – Increase horsepower at existing compressor station in Washington Co., FL.
- Compressor Station 14 – Increase horsepower at existing compressor station in Gadsden Co., FL.
- Compressor Station 15 – Increase horsepower at existing compressor station in Taylor Co., FL.
- Compressor Station 24 – Increase horsepower at existing compressor station in Gilchrist Co., FL.
- Compressor Station 26 – Increase horsepower at existing compressor station in Citrus Co., FL.
- Compressor Station 27 – Increase horsepower at existing compressor station in Hillsborough Co., FL.
- Compressor Station 29 – Construct new compressor station at site to be determined in Highlands County, FL.
- Other miscellaneous facilities include: measurement and regulating stations, mainline valves, and launcher and receiver facilities.

Where will the natural gas come from?

- The natural gas primarily will come from gas supplies in the Gulf Coast area, new shale developments in Texas, Louisiana and Arkansas, and liquefied natural gas terminals.

About Safety:

How safe are natural gas pipelines?

- Underground pipelines are the safest mode of transporting natural gas, and U.S. Department of Transportation statistics show underground pipelines transport gas far more safely than ships, railcars or trucks.
- Interstate natural gas pipelines are a vital part of the nation's energy infrastructure and fall under federal regulations.
- The Federal Energy Regulatory Commission is an independent government agency that approves the siting of interstate natural gas facilities.
- The U.S. Department of Transportation regulates the operations of interstate pipelines.
- Pipeline construction work is supervised and inspected under stringent federal, state and company requirements.

Will the pipeline be underground?

- Almost all of the pipeline in this project will be underground. Typically, the pipeline is covered by at least three feet of soil and sometimes more if it is crossing under roads, rivers, lakes and streams.
- The only equipment or facilities above ground would include valves, gas measurement instruments, regulating controls and compressor stations. Having these facilities above ground allows our professionals to properly control and service the pipeline.

How does the Florida Gas Transmission Company maximize pipeline safety?

- We build many layers of protection into our pipelines. These safety features work together to ensure people and properties are well protected throughout the life of a pipeline.
- We design and construct the pipeline to meet or exceed state and federal safety requirements, using equipment and materials that meet or exceed industry standards.
- We inspect every weld that joins each section of pipe both visually and with x-rays.
- We install valves along the pipeline to shut off the flow of gas through pipe sections in an emergency.
- We inspect and pressure test with water at higher than normal operating pressure before placing the pipeline in service.
- We use an emergency shutdown system to immediately and safely shut down compressor stations.
- We install special regulation devices to prevent gas pressure from exceeding safe limits.

We will help to ensure safe operations by:

- Conducting round-the-clock monitoring and regular inspections.
- Injecting odorant into the gas stream at selected points on the pipeline system to permit leak detection.
- Testing and calibrating controls and safety equipment frequently.
- Educating the public and conducting damage prevention programs regularly.
- Coordinating with local emergency responders.
- Posting signs to indicate the location of the pipeline and a phone number to call before digging.
- Supporting statewide underground utility damage prevention programs. The Florida Gas Transmission Company is a charter member of Florida's One-Call System.

We will help to respond effectively to possible problems and emergencies by:

- Continuously monitoring pressures electronically from our gas control facility.
- Training local authorities in preventing and responding to any pipeline-related problems.
- Supporting local authorities with professionals and services from the Florida Gas Transmission Company.

About Impacts on Sensitive Areas, Including the Environment:

What is the Florida Gas Transmission Company's commitment to protecting sensitive areas and the environment?

- The Florida Gas Transmission Company and our Phase VIII Expansion team members are committed to protecting sensitive areas and the environment. We will work with all government agencies to fully comply with the laws and regulations designed to protect sensitive areas.
- Moreover, the company has our own standards and procedures to help ensure that we do our utmost to demonstrate care and respect for the possible effects of our activities on these sensitive areas.

How would the Florida Gas Transmission Company protect sensitive areas, such as wetlands and culturally important sites?

- First, we select a route, based on professional surveys and environmental studies, that avoids sensitive areas whenever possible. Next, we are careful during construction to choose only qualified and experienced professional pipeline builders, whom we closely train and supervise to ensure construction impacts are minimized.
- Finally, we ensure that the site is thoroughly cleaned after construction and restored, to the best our ability, to its original condition.

Will the Florida Gas Transmission Company use existing right of ways?

- We will study all reasonable route options including the use of existing or adjacent right of way. In most cases, these right of ways belong to either the Florida Gas Transmission Company or other companies. This includes right of ways for electric power lines, highways, railroads or other pipelines.

What is the usual width of the right of way?

- A pipeline normally requires a permanent 50-foot right of way. During construction, we'll need an additional 50-foot workspace next to the permanent right of way for the 36-inch diameter pipeline and an additional 70-foot workspace next to the permanent right of way for the 42-inch diameter pipeline. We may also need additional temporary workspace in certain areas, such as road, railroad or stream crossings, to accommodate particular construction activities.

How close would the pipeline get to residences?

- Pipelines are most often located well away from residences. We will be able to estimate the exact distance from the pipeline to residences once we have completed surveying the proposed route.

About Possible Property Owner Interests:

What is the role of a land agent?

- A land agent is a professional who works with property owners along a proposed pipeline route. An agent's role is to make certain an owner receives useful information about the project. If you are the owner of property that may be involved with this project, your land agent will be your primary point of contact with the Florida Gas Transmission Company.
- Your land agent will be available to meet with you throughout the project, and he or she will listen to your comments and suggestions and forward that information to appropriate members of the Phase VIII Project Team. Your agent will also work with you to obtain a "grant of easement." This will provide us with the legal rights needed to install the pipeline and related facilities. Your agent will also make sure that your voice is heard in decisions made by the Project Team.

What rights do owners have with respect to having a pipeline located on their property?

- Property owners are entitled by law to receive compensation for an easement across their property. Our goal is to negotiate with the property owners for the purpose of obtaining the easement for property rights. During this process, we will work with property owners to address specific interests they may have.

How will property owners be compensated for their land?

- Qualified real estate appraisers are conducting a market analysis to help the Florida Gas Transmission Company determine current property values. Landowners will be offered compensation for necessary easement rights based up on these appraisers' findings.

What happens if an owner and the Florida Gas Transmission Company can't agree?

- Our goal is to reach an agreement with property owners through negotiations to sign a voluntary easement for fair compensation. Historically, we have reached such agreements with the majority of property owners involved with our company's projects.
- In a small number of cases, however, an agreement cannot be reached. At this point, various legal options are available both to property owners and the company.

How far in advance would a property owner be notified that survey or other crews would be coming on their land?

- We will make an effort to provide at least 24 hours advance notice to property owners and tenants prior to entry for any activity.

Will property owners be able to use right of way land after construction?

- In most cases, property owners will be able to use the pipeline right of way just as they did before construction. For example, agricultural activities such as growing crops and pasturing livestock can resume when the construction of the facilities has been completed. We will need to operate the pipeline safely, so some restrictions may apply. The effect of these restrictions would be addressed as part of a right of way agreement.

About Communication and More Information:

Who is the primary contact for owners of property involved in the project?

- The land agent assigned to work with an owner will be the owner's primary contact throughout the project. However, if your land agent is unable to address all your questions or concerns, please call Tom Bray, Right-of-Way Project Manager, at 1-877-663-9161.

If my property is affected by the project, when will I hear from the Florida Gas Transmission Company?

- You will receive a phone call from a Florida Gas Transmission Company representative asking for your permission before any surveying takes place. A member of our Project Team will contact you as soon as possible after property surveying is complete. At that time, we will be able to let you know if your property is involved with the proposed route.
- Moreover, as an owner of land that may be involved with this project, you will continue to receive information from us. We will provide as much detail as we are able on the topics presented here and any other questions that you can raise.

Where can I learn more about this project?

- After the Florida Gas Transmission Company files this project at the Federal Energy Regulatory Commission later this year, the Commission's staff will be a reliable source of information. Staff members can be reached at 202-208-1088. Their mailing address is:

Federal Energy Regulatory Commission
Office of External Affairs
888 First Street, NE
Washington, DC 20426

- Information such as "*An Interstate Natural Gas Facility On My Land? What Do I Need to Know?*" is also available through the Federal Energy Regulatory Commission's Web site, www.ferc.gov. User assistance for the Web site is available at 202-208-2222.

You can also find more information about Florida Gas Transmission and the Phase VIII expansion by visiting www.panhandleenergy.com/fgt/phaseviii.