PENNEAST PIPELINE COMPANY, LLC ANNOUNCES BINDING OPEN SEASON FOR TRANSPORTATION SERVICE

August 11, 2014

OVERVIEW
PennEast Pipeline Company, LLC (“PennEast”) is conducting a Binding Open Season (“Open Season”) for firm transportation service of up to 1 Bcf per day on a proposed natural gas pipeline extending from interconnections with UGI Energy Services, LLC’s Auburn gathering system and with the Transcontinental Gas Pipe Line Company, LLC (“Transco”) Leidy Line in Luzerne County, Pennsylvania, to interconnections with Texas Eastern Transmission, LLC and Algonquin Gas Transmission, LLC at Lambertville, Hunterdon County, New Jersey, and further to the northern origination point of Transco’s Trenton-Woodbury Lateral in Mercer County, New Jersey (referred to herein as the “Project”).

Shippers that participate in this Open Season and request a maximum daily quantity (“MDQ”) of at least 100,000 dekatherms per day for a minimum term of fifteen (15) years will be eligible to become “Foundation Shippers.” Foundation Shippers’ MDQs on the Project will not be subject to proration to accommodate other bids received during the Open Season, unless proration is necessary to accommodate the bids of other Foundation Shippers. Foundation Shippers may also receive most favored nation pricing and may receive other rate and rate-related benefits not available to non-Foundation Shippers.

Shippers will be eligible to participate as “Anchor Shippers” by submitting a conforming bid during the Open Season agreeing to a minimum initial MDQ of 100,000 Dth/d for a minimum initial term of ten (10) years. Anchor Shippers’ MDQs on the Project will not be subject to proration to accommodate other bids received during the Open Season unless proration is necessary to accommodate the bids of Foundation Shippers or other Anchor Shippers. Anchor Shippers may also receive other rate and rate-related benefits not available to non-Anchor Shippers.

All other parties are welcome to submit binding bids pursuant to the terms of this Open Season.

GENERAL DESCRIPTION OF THE PROJECT
The Project is a proposed 105-mile long, 30” diameter interstate natural gas pipeline project with associated compression sponsored by AGL Resources (NYSE: GAS, but referred to herein as “AGL”), NJR Pipeline Company, a wholly-owned subsidiary of New Jersey Resources (NYSE: NJR), South Jersey Industries (NYSE: SJI) and UGI Energy Services, LLC, a wholly-owned subsidiary of UGI Corporation (NYSE: UGI). Its primary purpose is to provide a direct and flexible path for bringing natural gas produced in the Marcellus and Utica Shale plays in Pennsylvania to growing natural gas markets eastern Pennsylvania, southeastern Pennsylvania, New Jersey and beyond.
PennEast is targeting shippers seeking (i) additional supply flexibility, diversity and reliability; (ii) liquid points for trading in locally-produced gas, including Marcellus and Utica Shale gas; (iii) direct access to premium markets in the Northeast and Mid-Atlantic region; (iv) the ability to capture pricing differentials between the various interconnected market pipelines; and (v) firm access to long-lived dry gas reserves. The Project will provide shippers additional opportunities to buy and sell supplies, and to transport natural gas to where it is needed and valued most and will provide shippers with a short-haul transportation option for direct access to Marcellus and Utica natural gas supplies, thereby eliminating the expense of system-wide fuel and maintenance costs associated with long-haul pipelines traditionally bringing Gulf Coast supply to the Northeast and Mid-Atlantic markets.

PennEast has executed binding precedent agreements with affiliates of AGL, NJR, UGI and SJI for a total of 485,000 dekatherms per day of firm transportation capacity on the new pipeline for fifteen (15) year terms. In consideration of this substantial, early commitment that is essential to the competitive and economic viability of the Project, these shippers will qualify as Foundation Shippers for the Project. They, along with any other Foundation Shippers, will receive priority with regard to the initial allocation of Project pipeline capacity.

The final size and scope of the Project and the amount of capacity to be made available will be fully defined based on binding bids received in this Open Season, and PennEast reserves the right to increase the capacity of the Project based upon bids exceeding 1 Bcf/day. The Project is subject to approval by the Federal Energy Regulatory Commission (“FERC”). PennEast expects to place the Project into service in late 2017.

**POTENTIAL RECEIPT AND DELIVERY POINTS**
Possible receipt and delivery point interconnects include:

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<thead>
<tr>
<th>Interconnects</th>
<th>[R] Receipt; [D] Delivery; and [B] Bidirectional</th>
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<tbody>
<tr>
<td>o Williams Springville (Luzerne County, PA)</td>
<td>[R]</td>
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<td>o PVR/Regency Wyoming (Luzerne County, PA)</td>
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DESCRIPTION OF SERVICES TO BE OFFERED

PennEast will be a FERC jurisdictional interstate natural gas pipeline. The applicability and character of its services will be governed by the terms and conditions of PennEast’s FERC Gas Tariff. A shipper transporting gas under a firm transportation service agreement will have firm rights to the agreed upon maximum daily contract quantity and will not be subject to prior claims by another shipper or another class of service.

While this Open Season is requesting binding bids for firm transportation service on the PennEast system, PennEast is also expected to request FERC authorization to provide park & loan service and interruptible transportation service and potentially other services under its FERC Gas Tariff.
OPEN SEASON
The Open Season will commence at 8:00 a.m. Central Time on Monday, August 11, 2014 and close at 5:00 p.m. Central Time on Friday, August 29, 2014. PennEast reserves the right to reject any bid that is not received by the end of the Open Season. PennEast reserves the right to reject any party’s valid request for service or deny any party Foundation or Anchor Shipper status even though the party otherwise qualifies for such status in the event a duly authorized representative of such party has not executed a binding precedent agreement on or before September 20, 2014. To the extent capacity remains available in the Project following completion of negotiations with all qualifying bidders in the Open Season, PennEast reserves the right to negotiate mutually acceptable precedent agreements with any potential shippers for the remaining capacity upon request, irrespective of deadlines herein for execution of precedent agreements.

RATES
A cost of service-based recourse rate will be available for PennEast’s firm transportation service. The initial recourse reservation rate for firm transportation service is currently estimated to be approximately $0.60 per dth/day. Such estimated rate has been calculated using the current estimated cost of the new pipeline facilities, estimates for operation and maintenance expenses based on estimates for similar facilities, expected billing determinants as of the date of this notice and other cost factors. Please note that the actual initial recourse reservation rate may be higher or lower than the aforementioned estimated rate and shall be subject to adjustment pursuant to proceedings under the Natural Gas Act. PennEast makes no representation or warranty of any kind whatsoever as to the actual recourse reservation rate that will be applicable to the firm transportation service. In addition to the daily reservation rates, shippers will be responsible for energy used for compression and line loss make-up retention, and all electric power unit rates (if any), commodity rates and surcharges as approved by the FERC for the firm transportation service. PennEast will offer shippers a negotiated reservation rate for the firm transportation service.

CONTRACT TERM FOR TRANSPORTATION SERVICES
Flexible – subject to a minimum term requirement of fifteen years for bidders wishing to receive Foundation Shipper status or ten years for bidders wishing to receive Anchor Shipper status. For all other bidders in this Open Season, a 10-year minimum term is required for a bid to be considered a conforming bid in the Open Season, although PennEast may consider bids for shorter terms and reserves its right to reject any such shorter-term bids.

TARGETED IN-SERVICE DATE
The Project is targeted to be in service in late 2017.

BID DOCUMENTS AND FOLLOW-UP PROCESS
Shippers wishing to subscribe to this offering should complete and submit a Binding Open Season Request Form. Shippers submitting a proposal will be expressing a binding commitment to contract for transportation service on the Project, subject to the negotiation and execution of a Precedent Agreement with PennEast. All proposals received will be treated as confidential, and will not be shared with other potential shippers.
Upon close of the Open Season, PennEast will begin the process of negotiating binding precedent agreements and finalizing the project design and capacity. All shippers that desire to enter into a binding precedent agreement will have to provide evidence of creditworthiness satisfactory to PennEast. The offering of transportation services herein is explicitly subject to and conditioned upon, among other things, receiving (i) sufficient indications of interest (and, consequently, commitments under binding precedent agreements) to support the development of the Project, and (ii) all applicable regulatory approvals in a form and substance acceptable to PennEast. PennEast reserves the right to reject any bid requests, revise the scope of the Project in any way, and consistent with applicable regulations, terminate further participation in the Open Season process.

Upon receipt of all executed precedent agreements, PennEast will again evaluate the total capacity requested. If the total capacity requested under the binding precedent agreements on the Project exceeds the planned scope of the Project, PennEast, in its sole discretion, may:

(i) revise the scope of the Project; and/or
(ii) allocate the available transportation capacity under the Project.

If PennEast allocates the available transportation capacity under the Project, then the capacity will be allocated as follows:

(i) If requests from Foundation Shippers exceed the Project capacity, all capacity will be allocated to Foundation Shippers on a pro rata basis based on their requested capacity.
(ii) If requests from Anchor Shippers and Foundation Shippers exceed the Project capacity, all capacity remaining after Foundation Shippers receive their full request will be allocated to Anchor Shippers on a pro rata basis based on their requested capacity.
(iii) If requests from Anchor Shippers and Foundation Shippers are less than the Project capacity, any remaining capacity after Anchor Shippers and Foundation Shippers receive their full request will be allocated to the other requesting shippers on a not unduly discriminatory basis, which may include a net present value allocation based on rate, term and quantity with the bids or any combination of bids with the highest net present value receiving priority to the capacity.

Shippers will be responsible for confirming availability of their requested receipt and delivery points with the point operators. Please note that the individual receipt and delivery meter capacities in most cases will be less than the transportation capacity under the Project.

Upon execution of a customary confidentiality agreement, any interested party may receive a form precedent agreement for the Project upon request.
CONTACT INFORMATION
The information provided in this packet is intended to assist the prospective customers in preparing the Binding Open Season Request Form. All inquiries or requests for additional information or clarifications should be directed to:

PennEast Pipeline Company, LLC
Attn: Anthony Cox
One Meridian Blvd., Suite 2C01
Wyomissing, PA 19610
Telephone: (610) 406-4322
Cellular: (484) 515-7183
Fax: (610) 374-1492
E-Mail: acox@penneastpipeline.com

Open Season information can also be found on the following website:

DISCLAIMER
PennEast reserves the right to decline to proceed with the Project, or to change its route or otherwise modify it. PennEast also reserves the right to reject any and all bids that do not satisfy the requirements set forth in this Open Season Notice. Without limiting the foregoing, PennEast may, but is not required to, reject any request for service in which the Binding Open Season Request Form is incomplete, is inconsistent with the terms and conditions outlined in this Open Season Notice, contains additional or modified terms, or is otherwise deficient in any respect. PennEast also reserves the right to reject requests for service in the event requesting parties are unable to meet applicable creditworthiness requirements. No request for service shall be binding on PennEast unless and until duly authorized representatives of both a requesting party and PennEast have executed a binding precedent agreement.
BINDING OPEN SEASON REQUEST FORM

1) SHIPPER NAME: _________________________________________

SHIPPER ADDRESS:
___________________________________________
___________________________________________
___________________________________________

PERSON INITIATING BINDING REQUEST FOR CAPACITY:
NAME: _________________________ TITLE: _____________________
PHONE: _______________________ FAX: ________________________
EMAIL ADDRESS: ______________________________________________

2) SERVICE COMMENCEMENT DATE: ________________
   (bids starting November 1, 2017 will be given preference)

3) CONTRACT TERM: ______
   (15-year minimum to receive Foundation Shipper status or 10-year minimum to receive Anchor Shipper status, and for all other bidders, a 10-year minimum term is required to be considered a conforming bid)

4) MAXIMUM DAILY QUANTITY (MDQ): _____________ Dth
   (a minimum MDQ bid of 100,000 Dth/d is required to receive Foundation Shipper or Anchor Shipper status)

5) PRIMARY RECEIPT AND DELIVERY POINTS

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<tr>
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<th>REC</th>
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SIGNATURE: ________________________________ DATE: ______________

Please send, fax or email completed Binding Open Season Request Form to: Anthony Cox: One Meridian Blvd., Suite 2C01; Wyomissing, PA 19610; Fax: (610) 374-1492; E-Mail: acox@penneastpipeline.com