

May 4, 2016

Kathy Bryant
Chairman, Marion County Board of County Commissioners
601 SE 25th Ave.
Ocala, FL 34471

RE: Response to letter sent on March 30, 2016

Dear Ms. Bryant:

Thank you for contacting Sabal Trail Transmission, LLC (“Sabal Trail”) regarding its interstate natural gas pipeline project. I hope the below responses will provide a better understanding on the various topics you inquired about.

As you are aware, the Sabal Trail interstate pipeline system is a project to provide firm natural gas transportation to Florida Power & Light Company (“FPL”) for their power generation needs and Duke Energy Florida’s (“DEF”) for their proposed natural gas plant in Citrus County, Florida by May 2017. Sabal Trail is a joint venture between affiliates of Spectra Energy Partners, LP, NextEra Energy, Inc., and Duke Energy.

This additional pipeline infrastructure will also benefit the Southeast region by making available additional supplies and new energy infrastructure to support other regional power generators and the growing demand for clean-burning natural gas. Sabal Trail will increase energy diversity, security and reliability to these Southeast markets.

Sabal Trail has developed the route and technical design of the pipeline for nearly three years to ensure that environmental permitting agencies, communities and landowners’ questions are addressed and our route impacts are minimized. Wherever possible, the route parallels other utilities – other pipelines, electric corridors, or roadways – for 60% of the 516 mile route. We have coordinated the project review with federal and the state agencies in all three states along with all the landowners involved with the pipeline route. Additionally, we have kept Marion County officials apprised of the important review milestones and have encouraged their involvement in the Federal Energy Regulatory Commission (“FERC”) process.

On February 2, 2016, the FERC granted Sabal Trail a Certificate of Public Convenience and Necessity (“Certificate”), which authorizes the construction and operation the pipeline subject to certain conditions. The FERC Certificate issuance was based on findings determined by FERC in the final Environmental Impact Statement (“FEIS”) which comprehensively evaluated all the environmental issues as prescribed under the National Environmental Policy Act. FERC delivered copies of the FEIS to all landowners and placed in the municipal libraries along the pipeline route. Construction is planned to commence in June 2016 and the pipeline will be operational May 1, 2017.

We believe that FERC has performed a very thorough evaluation of alternative routing, impacts involving karst, surface water and ground water aquifers, properties crossed by the pipeline, and have proposed reasonable conditions to mitigate those impacts. Overall, FERC has responded to concerns raised by stakeholders and determined that the project will not have a significant adverse effect on local communities.

The final pipeline route was selected to minimize impacts to the environment (karst terrain, ground water, wetlands). We have diligently assessed these areas near the pipeline route through research, consultations with state geologists from Florida and Georgia Geologic Survey, surveys and geo-physical and geo-technical studies.

Sabal Trail employed expert geologists and engineers who have extensively evaluated and studied the potential impacts to springs associated with construction and operation of the pipeline and above ground facilities. Upon completion of these efforts, Sabal Trail concluded that the construction and operation of the pipeline will not adversely impact the water quality or water flow of the major springs, including Rainbow Springs, in its vicinity.

The research has been documented in several key documents including the Best Drilling Practices Plan, Karst Mitigation Plan, and Karst Characterization Studies for Florida which have been submitted to various state and federal agencies such as FERC, the Environmental Protection Agency, the Florida Department of Environmental Protection, and the Suwannee River and Southwest Florida Water Management Districts for review and consideration. All of these agencies have agreed with the conclusion that construction and operation of the pipeline will not adversely impact Rainbow Springs or other major springs in the vicinity of the pipeline route in Florida. Karst conditions are prevalent not only in Marion County but in a very large portion of central and north Florida. In the Marion County area, the Sabal Trail route crosses the western third of the Rainbow Springs spring shed (the area where water that feeds the spring originates). Sabal Trail is located approximately 1.8 miles from the Rainbow Springs head spring.

To provide some perspective to some stated concerns for constructing a pipeline in karst areas, large infrastructure projects such as interstate highways, railroads, natural gas pipelines, water mains, and cities are routinely constructed, maintained and are in use by the public every day. Comparatively, a gas pipeline has a relatively small corridor through which a narrow trench is excavated to a depth that does not exceed 6 feet. For most of the area where the pipeline will cross the spring shed of Rainbow Springs, it will be well above the limestone that contains the groundwater flow system that feeds the spring.

In contrast, with the large infrastructure projects the construction of highways and railroads involves a long process of clearing a wide corridor and the transport and deposit of millions of tons of road base, asphalt, and rails by heavy equipment along the entire corridor over a period likely to exceed six months. Once completed and used daily, heavy trucks and trains continue to cause vibration and weight impacts in these karst areas, unlike a natural gas pipeline.

Furthermore, in the unlikely event that the pipeline is breached during operation, because the product in the pipeline is in a gaseous phase, it would vent into the atmosphere rather than drain downward into the groundwater flow system as compared to an accident or spill that may occur over the large infrastructure described above. Specific to your request regarding the karst mitigation plan filed with FERC and made part of the FEIS, please refer only to Sabal Trail's plan regarding Marion County (pages 2-33 of Appendix F of the FEIS). The Florida Southern

Connection Project is a project being permitted and constructed by NextEra Energy and commences in Osceola County traversing south. The mileposts 0 – 126.3 are reflective of their project.

The FEIS states that Sabal Trail will not significantly impact karst terrain, springs or the Floridan Aquifer with its construction or operations. Sabal Trail has conducted a thorough assessment of these areas and consulted with area experts to ensure this is the case. Additionally, FERC noted that after consulting with safety representatives of the US Department of Transportation's ("USDOT") Pipeline & Hazardous Materials Safety Administration and the Georgia and Florida Public Service Commissions, no one was aware of pipeline incidents related to sinkholes or karst terrain. In the highly unlikely event that a sinkhole opens beneath the pipeline, the pipeline can safely span distances that exceed 100 feet.

As to water impacts, including surface water, wetlands and wells, any potential impacts will be effectively reduced or mitigated and would be temporary in nature. To ensure the minimal amount of impact on wetland areas, surveying the wetland areas and marking the route and work area before construction will occur. The wetland impacts will be minimized to the digging of the trench to install the pipeline. Wood mats will be laid down for travel across wetlands. Specific construction methods will be used to keep the organic soil segregated from the sub soil layers over the trench line in order to replace organic soil on top. These specific activities and mitigated impacts are more thoroughly described in the FEIS in the section entitled "3.4 Wetlands" beginning on page 3-64.

The pipeline will be made of high-strength steel and we are building the pipeline with modern technology with state of the art supplies, and natural gas is transported in a gaseous state. Natural gas is lighter than air which means in the highly unlikely event that natural gas escapes from the pipeline, the gas can only travel up through the soil into the atmosphere, where it dissipates. It cannot travel down through soils to water supplies. Additionally, no toxins are released that would affect water quality associated with the construction or operation of the Sabal Trail facilities.

We recognize the value of agricultural areas, and have worked diligently with each landowner/tenant farmer to determine the appropriate construction requirements specific to each tract of land. This direct communication allows Sabal Trail to address specific construction needs such as depth of cover, crop types, irrigation, and livestock and accommodate the identified specifics of each landowner or tenant. Typically, Sabal Trail will install its pipeline with at least 3 feet of cover over the pipeline per the USDOT regulations, however in agricultural areas we will install the pipeline at greater depths so landowners can continue use of the fields. Sabal Trail has committed to a minimum of 4 feet of cover over the top of the pipeline in actively tilled agricultural land (noted in November 2014 FERC filing, Resource Report 1, page 1-22). In agricultural and residential areas, Sabal Trail will remove up to one foot of top soil (the top layer of soil) for the entire width of the construction right-of-way and stock pile it along the edge of the right-of-way. The topsoil will be returned and graded over the right-of-way as the final step in restoration.

The Marion County compressor station will not be constructed as part of our initial pipeline construction ("Phase I"). It will be constructed as certificated in 2020 as part of Phase II and will be located on SW Hwy 200 approximately one mile northeast of the Withlacoochee River/ Marion- Citrus county line. FERC requires that a natural gas compressor station (during operation) must not exceed a sound level below 55 decibels at any nearby noise receptor, such as residences, schools or hospitals. For comparison, a normal conversation is 55 decibels. Additionally, the compressor station will be designed with the best available state-of-the-art low emission turbine technology which will actually achieve an emission rate that is lower than what is required by federal and state regulations. In compliance with these regulations, the stations will be fueled by clean natural gas. We will be equipping the turbine with an exhaust catalyst system, which is designed to significantly reduce other air emissions.

This system is not required by the federal or state regulations but due to our commitment to operating with the least amount of impact on the environment, these will be implemented.

It is well established that natural gas transmission pipelines are the safest method of transporting energy products. Natural gas transmission is extensively regulated by the U.S. Department of Transportation; and Sabal Trail will meet or exceed all USDOT requirements and will maintain stringent operations and maintenance through a 24/7, 365-day-a-year monitoring program. Sabal Trail will build the pipeline using the most modern technology and state-of-the-art components.

The Sabal Trail project will create millions of dollars in federal, state and local tax revenues in the three states it will traverse. Preliminary estimated annual ad valorem taxes based on the current scope (pipeline and compressor station) of the Sabal Trail project in Marion County is \$2,508,102 – an estimated \$1,862,756 for the pipeline in 2017 and an additional \$645,347 in 2020 for the compressor station once constructed. This increased tax revenue can be used by the County in a variety of ways, such as infrastructure and roadwork improvement projects, local schools, first responders and property tax reduction support. Additionally, the Project will create significant jobs opportunities throughout the Project area. Sabal Trail recently hosted construction contractor fairs in search of service vendors and potential workforce in Ocala. In addition, the Project will provide increased revenue for local establishments during the construction phase.

Sabal Trail appreciates the opportunity to provide an update regarding the project and clarity and dispel any misinformation in the public. Sabal Trail is genuinely interested in working with Marion County to establish a good relationship and become a partner in the community. We are open to hearing how best to engage and add value to the area. Please do not hesitate to contact me at bcfahrenthold@spectraenergy.com or at 713-627-4184.

Sincerely,



Brian Fahrenthold
Director of Governmental Affairs
Sabal Trail Transmission, LLC

Attachments: Marion County Fact Sheet
Marion County Map