September 2018

PROJECT UPDATE

TRANSOURCE

As we move through the regulatory process in Pennsylvania and Maryland, we have noted several frequently asked questions raised through public input that we have addressed with answers below.

As a reminder, for landowners on the proposed routes, your right-of-way agent is available to address questions specific to the requested easement on your property and to work through the details of structure placement, construction practices, compensation and your personal land uses.

Independence Energy Connection Project

FREQUENTLY ASKED QUESTIONS

Will the monopole structures have lights?

Based on an analysis of the current design, the project does not anticipate lighting any structures.

Will stray voltage be an issue with this project?

Stray voltage is typically not a concern for high-voltage transmission lines. The engineering standards for design, operation and maintenance that apply to high-voltage transmission lines differ from those that apply to distribution lines. If you are experiencing stray voltage issues from your distribution lines, please contact your local electric service utility.

Is Transource updating the Pennsylvania Public Utility Commission (PUC) on potential condemnation?

The PUC process requires utilities to submit a condemnation filing during the application process. This filing includes property owners with whom the company has not yet secured a signed option to grant an easement agreement. Transource provided written notice and information explaining the process to landowners before filing the report in May.

It is important to reiterate that Transource continues to negotiate with landowners in good faith with a desire to reach an option agreement. If an option agreement is signed, the landowner will be removed from the PUC condemnation proceeding.

Why is Transource building this project for the regional transmission operator instead of a local utility?

There are certain types of electric transmission projects that the regional transmission operator determines will benefit from developers taking part in a competitive bid process. In this case, PJM identified an electrical issue and accepted proposals to address the problem. Injecting competition into the market brings new solutions and cost savings to infrastructure developments, which ultimately benefits the customer.

How did PJM identify the Transource proposal as the best solution to solve the electrical issue?

(From PJM) "PJM Interconnection requested proposals to address this issue. PJM evaluated dozens of proposals over several months and selected the most effective solution to address the issue."

Construction of IEC was awarded to Transource in August 2016.

Can existing facilities accommodate the system upgrade Transource proposed?

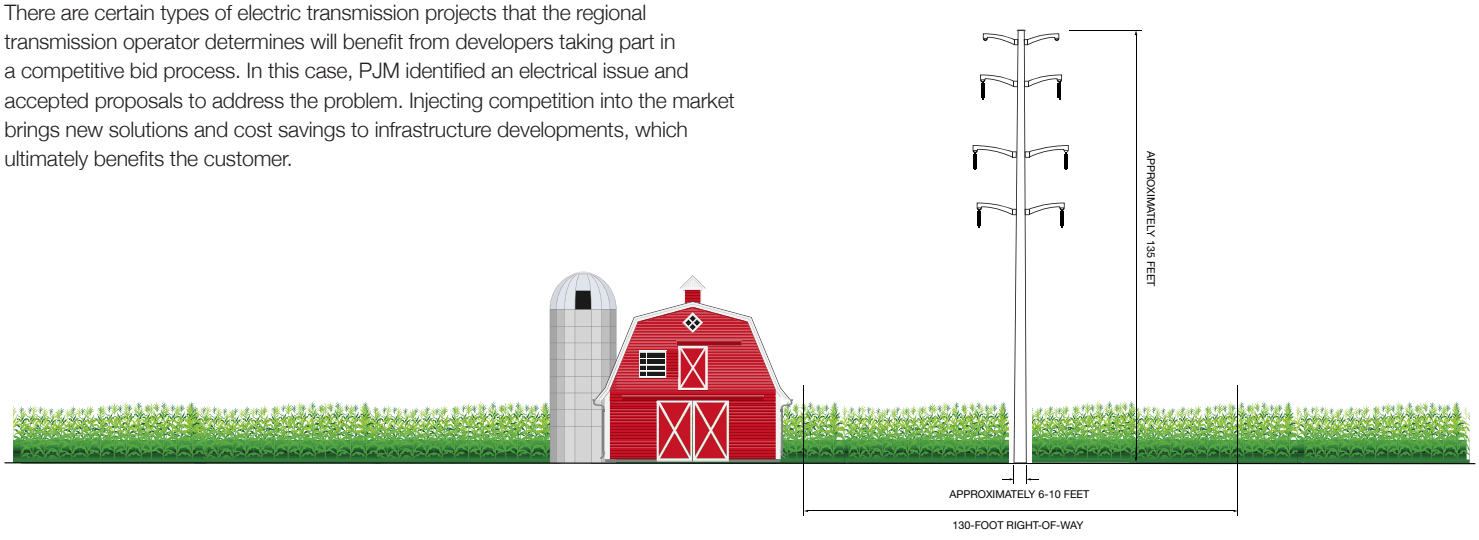
Existing facilities identified in the project area can accommodate only one circuit. Transource's electrical solution requires a fully utilized double-circuit configuration.

Does transmission infrastructure interfere with farmland preservation status?

Transmission infrastructure does not jeopardize a farm's preservation status or significantly interfere with crop production or raising livestock.

Transource respects the role agriculture preservation and production play in the community. The company's engineers are working to ensure typical farming practices can continue within the right-of-way, up to the base of the structure.

Also, based on feedback from the community, Transource updated the proposed structures from self-supporting lattice structures to monopoles with a smaller structure footprint.



The rendering depicts a typical 230 kV double-circuit steel monopole; however, engineering standards or topography may require a variance in structure type or height along the route.

Independence Energy Connection

ADDITIONAL FREQUENTLY ASKED QUESTIONS

Does the Transource solution require new right-of-way?

The IEC uses a 230-kV double-circuit structure. This double-circuit configuration cannot be "added" to existing transmission structures. Transource looked at opportunities to parallel existing infrastructure when developing the study segments for IEC. All viable options were presented to the public for input.

How does this infrastructure development benefit the region?

The Independence Energy Connection project was approved by PJM to alleviate transmission congestion constraints and provide reliability benefits in Pennsylvania, Maryland, West Virginia and Virginia. Regions where IEC is proposed to be built — Franklin County, Pennsylvania, and Washington and Harford counties, Maryland — are located in benefiting power zones, as identified by PJM.

The high-voltage electric grid operates across town, county and state boundaries. As such, the benefit of this project is not confined to geographical boundaries. Customer-driven improvement projects in one area of the grid can benefit customers on another part of the regional electric grid. For example, recent improvements made in Indiana and Westmoreland counties, more than 100 miles away, improved how the grid operates in York County.

Are there reliability benefits associated with this project?

While the primary goal of IEC is to address congestion, as with any grid reinforcement, there is a reliability benefit because it will provide additional pathways for electricity in the event of an outage or downed lines with other facilities.

Transource is proud to build state-of-the-art facilities that improve grid resiliency, deliver low-cost power to consumers and better protect the electric grid.

Will the proposed power line route change, or will additional study segments or routes be considered outside of what was included in the siting applications?

The applications filed with Pennsylvania and Maryland to build the project include proposed and alternate routes. No additional routes or study segments are being considered outside of what is included in the application.

What else does Transource do to ensure land-use issues are considered?

Right-of-way agents are currently working with landowners on the details of easements and, where possible, have made adjustments to further reduce impacts to farming practices and personal land use.

The PUC process allows for approval of a 1,000-foot corridor. What flexibility is there for Transource to adjust the line route?

If approved, Transource will be permitted to locate and construct the transmission line on a 130-foot right-of-way, located within a 1,000-foot corridor that is centered on the approved route. That corridor, granted by the PUC, allows Transource the flexibility to accommodate site-specific factors that may develop later in the process, including agreements with landowners, regulatory and permitting requirements, the need to avoid newly identified environmentally sensitive areas or to accommodate engineering and constructability challenges.

Should landowners have modifications within the 1,000-foot corridor that they wish to have Transource consider, they should discuss this with their right-of-way agent as soon as possible.

What impacts will IEC have on streams?

Transource is working closely with state and federal agencies to mitigate the potential impact to streams and wetlands in the project area. Transource has been conducting on-the-ground surveys to identify these resources and will comply with all state and federal regulations during and after construction of the transmission line and will obtain all necessary permits before construction.

Transource's typical practice at stream crossings is to span above vegetation along the embankment to allow the vegetation to remain in place. In cases where vegetation must be removed, the company works with the appropriate agencies to mitigate impacts. Mitigation can include planting compatible vegetation that protects the stream but does not pose a concern to the safe operation and maintenance of the power line.

Is Transource currently conducting work in the project area?

Transource's right-of-way team continues to work with landowners to secure necessary easements. Survey crews are also working in the area. If landowners have questions about this work, they can contact their right-of-way agent.

NEXT STEPS

The regulatory process continues to move forward in Pennsylvania and Maryland.

Additional Pennsylvania input hearings, specific to the condemnation application, are scheduled for Sept. 18 and 20 (view PA PUC news release here). The Pennsylvania and Maryland evidentiary hearings are planned for early 2019, and the Maryland input hearings have not yet been scheduled.

Tranource will publicize the information for the Maryland events when the dates are confirmed.

We appreciate the feedback and opportunity to address questions, and we look forward to continuing to keep you informed.