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**To:** Stacey Roth <Stacey.Roth@njpines.state.nj.us>  
**CC:** "Robert Fatzinger (rfatzinger@sjindustries.com)" <rfatzinger@sjindustrie...>  
**Date:** 1/7/2014 12:29 PM  
**Subject:** Response to Operating Pressure Question

Dear Stacey:

You asked us to respond to a Commissioner's question, to wit: what is the operating pressure of the proposed natural gas pipeline and will the natural gas transmitted by the pipeline be in liquid or gaseous form?

The simple answer is that the pipeline will operate at 435 psig and the natural gas will remain in gaseous form throughout the entire pipeline. If more detail is needed on the pipeline pressure, you can refer to the Black & Veatch Cost Allocation Study (Oct. 2012), which on pp. 5 states:

The final pipe sizing and design selected by SJG is the installation of a Class 4, 24" diameter, standard wall thickness (schedule 20; 0.375" wall thickness), X-60 pipe. The construction of SJG's proposed pipeline will meet all the requirements of a 700 psig rated pipeline that would operate at a maximum percent of Specified Minimum Yield Strength ("SMYS") of 37.3%. However, for the foreseeable future, the new pipeline will be identified and listed by SJG as a 435 psig Maximum Allowable Operating Pressure ("MAOP") pipeline and it will not operate at greater than 435 psig MAOP. This operating pressure level is the MAOP of the supply pipeline that feeds the new pipeline installation that will serve the BLE power plant. The 435 psig MAOP will result in a maximum operating percent of SMYS of 23.2% in the new pipeline. Due to normal operating pressure drop in the supply pipeline between Union Road Station and the beginning of the new pipeline installation at Union Road and Route 49, it is likely that the operating pressure and percent of SMYS will typically be significantly lower than 435 psig and 23.2%.

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