

Case 13-T-0538
Williams Field Services Company, LLC and DMP New York, Inc.
Article VII

INTERROGATORY/DOCUMENT REQUEST

Request No.:	DPS-10
Directed To:	Williams Field Services Company, LLC and DMP New York, Inc.
From:	DPS Staff - Hanh Tran and Brett Mahan

Information Requested:
Gas Supply and Dehydration

On page 24 of its application, Williams stated that "The wells feeding the system deliver and blend a combination of dehydrated and non-dehydrated gas. Some field receipt points have facilities in place to dehydrate and compress gas for transport to transmission pipeline systems while some facilities simply measure and transport gas to other facilities for dehydration and compression."

1. Please provide the total number of field receipt points that deliver gas to the NY Main and Loop pipelines. Out of this number, state how many field receipt points dehydrate the gas before feeding it into the NY Mainline and the proposed Loop pipelines.

**Response Prepared by: Jack Walsh, Mgr. Technical Services,
3/21/14**

Currently, there are 15 field receipt points that directly or indirectly deliver gas to the NY Mainline. Of these receipt points, 12 dehydrate the gas before delivering into the NY Mainline and to the proposed Loop pipeline. The number, location and services provided at each receipt point facility are dictated by Williams' customers and fluctuate over time. Additionally, the amount of natural gas (dehydrated or un-dehydrated), which is to be delivered to the Millennium Pipeline delivery point or other delivery points, is a function of market conditions, the customers' available supply of natural gas, operating conditions across all facilities in the system and various other commercial terms that are impossible to predict in the future. The system has been designed with reliability and flexibility in sourcing and delivering gas from various points throughout the system with the Dunbar Compressor Station

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providing the necessary facilities to ensure pipeline quality gas prior to delivery into the Millennium Pipeline.

2. Please state how much gas, out of the total designed throughput, is dehydrated before entering the NY Mainline and Loop pipelines on a percentage basis.

**Response Prepared by: Jack Walsh, Mgr. Technical Services,
3/21/14**

For January 2014, approximately 97.6% of the gas was dehydrated before entering the NY Mainline pipeline. For February 2014, approximately 98.6% of the gas was dehydrated before entering the NY Mainline pipeline. However, volumes seen from the field receipt points will fluctuate depending on our customers' drilling progress and existing well production efficiency. The contribution of gas from the non-dehydrated wells can range from approximately 2% - 47% of the Dunbar Compressor Station's capacity depending on the operating conditions within the system. The Dunbar Compressor Station is designed to ensure pipeline quality gas is delivered into the Millennium Pipeline. With the existing dehydration facilities in Pennsylvania and at Dunbar Compressor Station, Williams is able to handle the full range of these operating conditions.

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INTERROGATORY/DOCUMENT REQUEST

Request No.:	DPS-11
Directed To:	Williams Field Services Company, LLC and DMP New York, Inc.
From:	DPS Staff - Hanh Tran and Brett Mahan

Information Requested:
Gas Dehydration System Cost Estimate

Please provide a detailed cost estimate for a gas dehydration system sized to accommodate the designed maximum combined capacity throughput of the NY Mainline and NY Mainline Loop Pipelines that could ensure only pipeline quality gas as defined in Millennium Pipeline Company's tariff is transported in New York State. Provide the estimated annual cost for operating and maintaining this dehydration system.

Response Prepared by: Paulina Hoyos, Engineer, 3/21/14

A detailed cost estimate for a gas dehydration system sized to accommodate the designed maximum combined capacity throughput of the NY Mainline and the NY Mainline Loop Pipelines is set forth in the table below. This cost estimate is for a dehydration station providing for 200 MMscf/day of dehydration capacity and for 463MMscf/day of odorization at 1000 psig. Detailed engineering studies would be needed to further refine this estimate, however, these costs assume the following: (i) that Williams can find a suitable site within one mile of its pipeline; (ii) that the owner of the suitable site is willing to convey that site to Williams; (iii) that Williams is able to obtain the necessary permits to construct the site; and (iv) that no compression is needed at the site. While, for purposes of this question, these things are assumed, in actuality, there is no guarantee that Williams will be able to accomplish items (i)-(iii). Therefore, while an estimate can be provided, Williams cannot state definitively that such a facility can actually be constructed and operated.

In addition, this question does not take in account a scenario where the NY Mainline Loop Pipeline would serve as a gathering line for future wells drilled in the Southern Tier of New York.

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While not currently needed, Williams did note in the Application that the NY Mainline Loop Pipeline will also have the capability to gather gas from wells in the Southern Tier of New York should the opportunity arise. Should this opportunity arise, the hypothetical Pennsylvania dehydration system that is the subject of this question will not ensure that only pipeline quality gas is transported in New York State. Rather, in this circumstance, if this condition is imposed, Williams or its customer(s) would be required to, among other things, (i) find suitable sites in New York near each well site to install dehydration, odorization and other facilities; (ii) obtain the necessary land rights from property owners; and (iii) obtain air permits and any other necessary approvals for the construction, installation and operation of each well site dehydration facility. Should this come to fruition, there is the potential for hundreds or even thousands of dehydration facilities to be constructed in New York State. However, similar to the above, there is no guarantee that Williams will be able to accomplish items (i)-(iii).

When Williams previously addressed the one Pennsylvania dehydration facility in its January 24, 2014 response to DPS-7, it stated that Williams does not believe this condition would serve the public interest because it would add unnecessary environmental impacts and costs. The same holds true in New York, but to a much larger extent. Requiring dehydration facilities at each well site would put a significant and undue burden on the applicable New York State regulatory agencies. In addition, and most importantly, having dehydration facilities at each well site would result in a tremendous amount of unnecessary environmental and landowner impacts with no measureable benefit.

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Description	Budget
Engineering	\$725,000
Procurement	\$8,525,871
Construction	\$8,900,000
Environmental	\$210,000
Land, ROW, & Survey	\$1,063,000
Internal Company Labor	\$268,700
Project & Construction Services	\$749,800
G&A and Other	\$270,000
Sub-Total	\$20,582,371
Contingency	\$2,921,237
Total	\$23,633,608

In addition, the estimated annual cost to operate this facility is \$500,000 (employee labor/expenses, mercaptan, glycol, fuel, utilities, land payments, property taxes, etc.).

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INTERROGATORY/DOCUMENT REQUEST

Request No.:	DPS-12
Directed To:	Williams Field Services Company, LLC and DMP New York, Inc.
From:	DPS Staff - Hanh Tran and Brett Mahan

Information Requested:

Maintenance Pigging

On page 24 of the application, Williams stated that "Williams' current operations and maintenance practice involves regular pigging the pipeline to remove free water that may be either produced from the gas wells feeding the pipeline or condensed out of the gas stream due to temperature and/or pressure drop."

1. Please describe how often Williams will perform the maintenance pigging described above for the NY Mainline and Loop pipelines.

Response Prepared by: Mike Dickinson, Mgr. Operations, 3/21/14

As of the date of this response, and based upon its current practice, Williams anticipates performing maintenance pigging on a quarterly basis.

However, the aggressiveness and frequency of the cleaning pigs could increase or decrease based upon observations from our maintenance activities.

2. Since the NY Mainline has been in operation, provide the number of times the NY Mainline has been pigged to remove free water that may have been produced from the gas wells feeding the pipeline or condensed out of the gas stream due to temperature and pressure drop. Please state how much water was removed during each of these pigging operations.

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Request No.:	DPS-12 (Continued)
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From:	DPS Staff - Hanh Tran and Brett Mahan

Response Prepared by: Mike Dickinson, Mgr. Operations, 3/21/14

Since acquiring the facilities from Laser in 2012, Williams has completed seven (7) cleaning pig runs. All fluids received during pigging operations are captured in the waste water tanks on-site and subsequently transported off-site for disposal. Williams does not record water volume received during pigging operations. Williams does record water volumes removed from the site for disposal. This volume roughly approximates water received from the pipeline and through all operations including pigging and normal operations (including water vapor from dehydration process, dumps from all filters, scrubbers, and inlet separators, distance piece drains, skid drains, etc.). For all of 2013, Williams recorded 1,162 barrels (approximately three (3) barrels per day) of throughput waste water from the site.

3. Please detail any scheduled maintenance pigging in the next five years.

Response Prepared by: Mike Dickinson, Mgr. Operations, 3/21/14

See Williams' response to DPS-12 (1) above.

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Request No.:	DPS-13
Directed To:	Williams Field Services Company, LLC and DMP New York, Inc.
From:	DPS Staff - Hanh Tran and Brett Mahan

Information Requested:
Follow up to DPS-7

In response to DPS-7, Williams stated that it would agree to conduct an inline inspection of its NY pipelines within ten (10) years of being placed into service.

1. Please state how often Williams would perform inline inspections of the NY Mainline and the proposed Loop line after the initial inspection.

Response Prepared by: Tony Decesaris, Mgr. Asset Integrity, 3/21/14

After the initial inspection, it is anticipated that Williams will conduct inline inspections of the NY Mainline and the proposed Loop line in seven (7) to ten (10) year intervals. However, typical inline inspection (ILI) reassessment intervals depend on the previous ILI results and the categories/threats identified in ASME B31.8S.

2. Provide detailed cost estimates to perform the inline inspections of the NY Mainline and Loop pipelines if they were performed every ten (10) years; five (5) years; and, two (2) years.

Response Prepared by: Tony Decesaris, Mgr. Asset Integrity, 3/21/14

A detailed cost estimate to perform inline inspections of the NY Mainline and Loop pipelines is set forth below.

Tool - high definition magnetic flux leakage, deformation, and XYZ tool -- \$200,000

Digs - verification --\$150,000

Total Cost-- \$350,000

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This cost is per inspection run/per pipeline. The costs to inspect both the existing mainline and the proposed loop line are estimated to be a total of \$700,000. The costs for future inspection runs are likely to increase every year.

3. Please indicate what Williams understands to be the required inline inspection for its NY pipelines associated with this project.

**Response Prepared by: Tony Decesaris, Mgr. Asset Integrity,
3/21/14**

From a regulatory standpoint, the NY Mainline and Mainline Loop are in a class I location with no identified sites. As such, there are no high consequence areas that would be subject to the integrity management program requirements of NY CRR Part 255. As a prudent operator, Williams plans to conduct inline inspections as part of an overall maintenance program.

From a technical standpoint, the initial inline inspection will be a combination tool consisting of a high definition magnetic flux leakage, deformation, and XYZ tool. Future inline inspection runs will consist of a high definition magnetic flux leakage tool at a minimum. Reassessment intervals will be based on the results of prior inspections.

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Request No.:	DPS-14
Directed To:	Williams Field Services Company, LLC and DMP New York, Inc.
From:	DPS Staff - Hanh Tran and Brett Mahan

Information Requested:

Fluid Testing

Please provide details, including procedures and frequency, regarding testing of fluids removed from the current NY Mainline pipeline, including but not limited to: how often the testing is conducted; constituents tested for; and, provide the date and results of all testing of these fluids for CY 2013 and 2014.

Response Prepared by: Dale Ann Buchanan, Sr. Regulatory Compliance Specialist, 3/21/14

Testing of the fluids from the storage tank was conducted on a quarterly basis for CY 2013 and 1st quarter 2014 by USEPA Method 8260 and USEPA Method 8270. The testing results for the fluids for CY 2013 and 2014 are attached. Note that the attachments contain the details regarding the constituents tested for during each test.

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INTERROGATORY/DOCUMENT REQUEST

Request No.:	DPS-15
Directed To:	Williams Field Services Company, LLC and DMP New York, Inc.
From:	DPS Staff - Hanh Tran and Brett Mahan

Information Requested:
Gas Quality Analysis

Please provide details, including procedures and frequency, regarding natural gas quality and component analysis for the gas transported in the current NY Mainline pipeline, including but not limited to: how often the gas is tested; BTU; moisture content; Hydrogen Sulfide (H₂S) levels, etc. Provide the dates and results of all gas quality testing from CY 2013 and 2014.

Response Prepared by: Dale Ann Buchanan, Sr. Regulatory Compliance Specialist, 3/21/14

Gas analyses are currently performed on a calendar month basis and analyzed for gas using extended gas analysis by Method GPA 2286-95 and GPA 2261. The results of the gas quality testing for CY 2013 and 2014 are attached. Note that the attachments contain the details regarding the constituents tested for during each test.