



ABOUT SUNOCO LOGISTICS AND THE MARINER EAST PROJECT

Q: Who is Sunoco Logistics and Sunoco Pipeline?

A: Sunoco Logistics Partners L.P. (SXL), headquartered in Philadelphia, is a publicly traded partnership that owns pipelines, terminals and other assets used in the purchase, transfer and sale of:

- crude oil;
- refined products such as gasoline, diesel and jet fuel;
- natural gas liquids, such as propane, ethane and butane.

Sunoco Logistics has approximately 8,000 miles of pipelines throughout the United States.

Sunoco Pipeline L.P. is a wholly owned subsidiary of Sunoco Logistics L.P. with more than seven decades' experience.

Q: What is Mariner East?

A: Mariner East will build infrastructure in Pennsylvania, Ohio and West Virginia to bring Marcellus/Utica shale natural gas liquids (NGLs) such as propane, ethane and butane, to the Marcus Hook Industrial Complex in Southeastern Pennsylvania and other access points for distribution to destinations in Pennsylvania as well as domestic and international markets in two phases.

Mariner East 1 is a Sunoco Logistics (SXL) underground pipeline project to transport 70,000 barrels a day of liquid propane and ethane from the Marcellus Shale region in Western Pennsylvania approximately 300 miles east to the Marcus Hook Industrial Complex in Marcus Hook, Pa. and Claymont, Del., where the products will be processed, stored, and sold to the local, regional, and international markets. Mariner East 1 utilizes mostly existing 8-inch diameter steel pipeline, except for 51 miles of new 12-inch diameter steel pipe between Washington County and Westmoreland County.

Mariner East 2 (also called the Pennsylvania Pipeline Project), is a planned, \$2.5 billion new underground pipeline system of approximately 350 miles with origins in Ohio, West Virginia and Pennsylvania. It would have an initial capacity of 275,000 barrels a day to carry natural gas liquids such as propane, ethane and butane east from Ohio and West Virginia into Pennsylvania, where it would mostly follow the Mariner East 1 route to the Marcus Hook Industrial Complex and other locations in the state. Mariner East 2 would serve both the Utica and Marcellus shale production areas.

Q: What are natural gas liquids?



A: Natural gas liquids (NGLs) are also known as liquefied petroleum gases (LPGs) and include propane, ethane, butane and natural gasoline. In certain shale areas, such as Western Pennsylvania, West Virginia and Eastern Ohio, natural gas liquids are found in abundance with traditional natural gas, or methane. They are described as liquids because they are moved through pipes in liquid form. In the atmosphere these substances usually take the form of a gas.

Q: What are natural gas liquids used for?

A: Propane is a common fuel for heating, cooking, crop drying and motor vehicles, and can also be used as a basic material in the manufacture of chemicals such as propylene. Ethane has uses as a fuel but is primarily used as the essential building block for plastics. Butane and natural gasoline can be blended as an ingredient in gasoline.

Q: How does Mariner East benefit Pennsylvania, Ohio and West Virginia?

The Mariner East system is helping to develop Pennsylvania's natural gas and related industries, which employed more than 237,000 people in December 2013, according to the state.

Mariner East 1 has generated more than 4,000 direct and indirect jobs over its 12-month construction period, many of these union Building Trades jobs. Sunoco Logistics, headquartered in Philadelphia, has approximately 650 employees in the Marcellus and Utica shale regions in Pennsylvania, Ohio and West Virginia and has added approximately 200 positions since 2010.

Our total investment in Pennsylvania for the combined Mariner East project is expected to be approximately \$3 billion. The critical infrastructure built by Sunoco Logistics increases the supply of propane to Pennsylvania and surrounding areas, leading to lower prices and more reliable supply. It provides feedstock for potential manufacturing businesses in the state. And transporting natural gas liquids from the Marcellus Shale allows the natural gas industry to produce more methane for domestic use. All of this helps increase our energy independence and has made the U.S. the number one producer of natural gas in the world, leaving us less dependent on foreign energy sources while reducing our carbon emissions.

Q: What is the status of Mariner East 1?

A: The first phase of the Mariner East project, known as Mariner East 1, is under construction and is scheduled to begin propane shipments by the end of 2014 to meet the needs of the 2014-2015 winter. It is scheduled to begin shipping both ethane and propane by mid-2015.

Q: What is the status of Mariner East 2?

A: Mariner East 2 has just closed a successful "Open Season," a formal process in which a company can measure the interest of shippers in a proposed pipeline project. We have determined that we have enough shipper interest to move forward to expand the service offered by Mariner East 1, contingent on regulatory and permit approvals. Mariner East 2 would



originate at points in Ohio, West Virginia and western Pennsylvania and head east, largely following the route of the Mariner East 1 line. Mariner East 2 would ship propane, ethane and butane. We have projected a startup date for Mariner East 2 for the end of 2016

ABOUT NATURAL GAS LIQUID PIPELINES

Q: How does your pipeline system work?

A: Natural gas liquids are separated from methane by natural gas producers. The natural gas liquids enter the Mariner East pipeline from these processing facilities under pressure to keep them in liquid form. The product is moved along the pipeline with the help of pumping stations placed at intervals along the line. The pump stations include instruments that measure temperature, pressure and flow and act as a layer of safety. The pipeline is further controlled with the help of valve sites, also placed at intervals along the line, many of which can be closed remotely from our Control Center near Reading, PA. The products will arrive at a terminal, where they can be stored in tanks and moved to local, regional and international markets.

Q: How safe are natural gas liquids pipelines?

A: Pipelines safely transport large volumes of petroleum products over long distances every day. Pipelines are the safest mode of transporting petroleum products, both for humans and the environment, as documented by the U.S. Department of Transportation.

In 2012 there were more than 185,000 miles of pipelines shipping nearly 600 *billion* gallons of crude oil and liquid petroleum products – including propane, ethane, butane, gasoline, diesel, jet fuel and other products. Natural gas liquid pipelines account for approximately 60,000 miles of those pipelines.

Pipeline safety statistics showed an increase in the safe movement of petroleum products by more than 60 percent between 2002 and 2012. Serious incidents, already rare, have decreased every year since 2009 and hit a record low in 2013, according to the Pipeline and Hazardous Material Safety Administration (PHMSA), the division of the U.S. Department of Transportation responsible for enforcing pipeline safety standards.

Our Mariner pipelines are regulated by PHMSA at the federal level and also in Pennsylvania by the Pennsylvania Public Utility Commission.

Q: How much experience does Sunoco Pipeline have with natural gas liquids?

A: We have been shipping natural gas liquids, particularly propane and butane, since 1958. For decades we have safely operated our Inkster-Sarnia line, which carries propane, butane and now ethane, through urban, suburban and rural areas of Ohio and Michigan into Canada. We also



have transported natural gas liquids via pipeline between refineries in the Philadelphia region. Since December 2013 we have been shipping ethane from Western Pennsylvania through Ohio and Michigan into Sarnia, Ontario, Canada. Butane, another natural gas liquids, was shipped through the Mariner East line in the 1970s.

Q: How does Sunoco Pipeline ensure the safety of its pipeline and facilities?

A: Our pipelines are built and operated with many layers of safety features working together to protect people, property and the environment for the life of the pipeline.

For the Mariner East 1 project, we took the line out of service in 2013 for thorough testing, using the most advanced industry technologies available to analyze the condition of the pipeline and make upgrades as warranted.

Sunoco Pipeline works closely with the companies that design, build and coat the pipelines we use in our operations. All new pipe is thoroughly tested and inspected to ensure the pipe meets or exceeds industry standards and meets or exceeds all state and federal safety requirements.

All newly-installed steel pipelines are treated with a protective bonded-epoxy coating to prevent damage and corrosion. In addition, cathodic protection systems, which further inhibit corrosion are placed along the pipeline.

As the sections of pipeline are being welded together, an independent, third-party inspector inspects every weld visually and using x-ray technology.

Before placing any natural gas liquids line in service, Sunoco Pipeline will test both new and existing pipe with water at pressures at least 25 percent above the highest pressure at which the line will be operating. This confirms the pipeline's strength.

Sunoco Pipeline conducts continuous periodic inspections of our pipelines to determine that they are operating safely and efficiently. Inspection tools, commonly referred to as "smart pigs," travel internally throughout the line, measuring wall thickness and other features to detect suspected defects and/or corrosion.

We will make any necessary repairs to ensure that the line is operating safely. For more detail on the measures we take to maintain the safety of our systems, go to www.sxlpipelineprojects.com.

Q: How does Sunoco Pipeline monitor its pipelines?

A: All our pipelines are monitored for pressure, flow and temperature 24/7 and can be shut down remotely in minutes. Our systems are built to shut down automatically in response to abnormal changes in pressure.

The Mariner East pipelines will be monitored from our control center in Sinking Spring, Pa., near Reading. We have a backup control center for use in an emergency.



Our pump stations also have monitors on site that would shut down and block off the station automatically if any vapors were detected. Valve sites placed at intervals along the pipeline can shut down and isolate a section both remotely or manually on site.

We inspect the pipeline route, or right-of-way, on the ground and by air for any potential hazards.

Q: What other measures do you take to protect the communities you operate in?

A: We reach out to neighbors, contractors and first responders to educate them about the pipelines in their communities. Through our community engagement program, we work with landowners and other members of the community to educate them about our operations and encourage them to contact SXL with any potential issues. Through our Mariner Emergency Response Outreach program, we meet with emergency responders in all the counties we pass through to train them on the products we transport.

Sunoco Logistics and Sunoco Pipeline participate in the One Call program in all areas where we have operations. One Call works with project owners, designers, excavators and facilities owners to make sure utilities and pipelines are clearly marked prior to any surface work being done. Anyone preparing to dig on their property, or contractors performing excavation, should call 811.

Pipeline markers and signage are placed along all of our routes at key intersections to notify the community of the pipeline location. All signage will identify Sunoco Pipeline or affiliate company as the operator and have our emergency toll-free number: (800) 786-7440.

Q: How do you respond to problems or emergencies?

A: We have in place the emergency response plans required by Federal and State regulatory agencies and we have teams trained to respond immediately.

These same professionals work and train with local first responders and county emergency services officials to ensure a coordinated response.

Q: What measures do Sunoco Logistics and Sunoco Pipeline take to protect the environment?

Protection of people, property and the environment are core values for all Sunoco Logistics and Sunoco Pipeline employees. We choose our pipeline routes to avoid sensitive habitats whenever possible. We often use existing rights-of-way way to limit disturbance during construction. And



we work with all regulatory agencies to fully comply with laws and regulations and to protect sensitive areas.

Our construction contractors are experienced pipeline builders who are trained and supervised to minimize environmental impacts during construction.

We will make every effort to thoroughly clean our construction sites and restore the land to its original condition.

Q: What role does the Pennsylvania Public Utility Commission play?

A: The Pennsylvania Public Utility Commission, also referred to as the PUC, was created by the legislature in 1937 to regulate the state's utility infrastructure and development.

The agency, according to its website, "balances the needs of consumers and utilities; ensures safe and reliable utility service at reasonable rates; protects the public interest; educates consumers to make independent and informed utility choices; furthers economic development; and fosters new technologies and competitive markets in an environmentally sound manner."

For pipelines moving products within Pennsylvania only, the PUC regulates the service of pipeline operators and collects public utility tax on pipeline revenue. It also determines which private companies provide a service for the convenience and welfare of the general public and qualify as public utilities.

Q: What is a public utility corporation?

A: A public utility corporation is a company that offers something that "is necessary or proper for the service, accommodation, convenience, or safety of the public," according to Pennsylvania law. In other words, it is a company whose service benefits the general public.

Q: Is Sunoco Pipeline a public utility corporation?

A: Sunoco Pipeline is (and has been since 2002) a public utility corporation regulated by the PUC. (See, PUC docket #A-140001).

Q: Does SXL have the power of eminent domain and what is the company's position on using it?

A: Eminent Domain was established in Pennsylvania to ensure that infrastructure that is deemed critical to the public and the Commonwealth gets built. Sunoco Pipeline's authority to use eminent domain is derived from its status as a public utility corporation and the fact that transportation of petroleum products within Pennsylvania has been determined to be necessary for the citizens of the Commonwealth.



We respect landowner rights and take those rights very seriously. We appreciate the enormity of such authority. We exercise this authority, if at all, in very limited cases, cautiously, and only as a last resort when negotiations with a landowner fail and can impede the successful completion of the project.

Q: How many pump stations and valve sites do you have for Mariner East 1?

A: There are 16 pump stations, 3 meter sites, and 44 valves sites.

Q: How many pump stations will you need for Mariner East 2 and where will they be located?

A: We will need fewer pump stations for Mariner East 2 (approximately 5) because it is a larger pipe. The project is still in design and the exact numbers and locations have not yet been determined.

Q: What's the size of the project?

A: Mariner East 2 is a \$2.5 billion project that stretches 350 miles from the Utica and Marcellus shale areas to the Marcus Hook Industrial Complex on the Delaware River in Marcus Hook, Pa, and Claymont, Del.

Q: What volume will be transported?

A: Mariner East 2 would transport approximately 275,000 barrels per day of natural gas liquids, primarily propane.

Q: What is the difference between an *interstate* and *intrastate* service?

A: *Interstate* pipeline service carries products through more than one state, and is regulated by the Federal Energy Regulatory Commission (FERC). *Intrastate* pipeline service ships products completely within the borders of one state, and are regulated by state bodies such as the Pennsylvania Public Utility Commission. The Mariner East pipelines, because they provide both interstate and intrastate service, are regulated by both the federal and state agencies.

Q: Where will you be buying steel and from whom?

A: Our projects are competitively bid. The pipe for Mariner East 1 was produced at U.S. Steel in McKeesport, PA. and coated at the Durabond facility in Duquesne, PA. Mariner East 2 has not yet been bid.

Q: How many jobs will the Mariner East projects create?

A: The Mariner East 2 project will create thousands of direct and indirect permanent and temporary jobs over the next two years, with the additional processing facilities under discussion expanding that potential job creation. We have hired the respected economic analysis firm



Econsult Solutions to look at our numbers and come with their own projections. We expect those results in the coming weeks.

Q: When will you complete construction?

A: We expect to complete construction by the end of 2016.

Q: Will the Mariner East 2 pipeline use existing right-of-ways?

A: Mariner East 2 will use existing right-of-ways where possible. We have studied all reasonable route options, including the use of adjacent rights-of-way, such as electric power lines, highways, railroads or other pipelines. This reduces the amount of clearing required for a project, minimizing environmental disturbance and disruption to property owners. In Pennsylvania we will make reasonable efforts to place the route adjacent to our existing pipelines.

Q: What is the width of a right-of-way?

A: A pipeline typically requires a permanent right-of-way that is 50-feet wide. During construction of the pipeline, we will need 25-feet of additional, temporary workspace next to the permanent right-of-way. We may need additional temporary workspace in certain areas such as road, railroad or stream crossings.

A: What is the role of a land agent?

Q: A land agent is a professional contracted by a pipeline company to work with property owners along a proposed pipeline route. The land agent's job is to:

- Make certain that the land owner receives important information about the project.
- Negotiate a "grant of easement" between the property owner and Sunoco Pipeline, or an option agreement for such an easement. The easement grants certain legal rights of access to Sunoco Pipeline to install and maintain the pipeline and related facilities. It does not grant the pipeline company ownership of the land.
- Act as a liaison between the property owner and Sunoco Pipeline's Mariner East 2 project team throughout the duration of construction.
- Be available for meetings with the property owner to discuss questions or concerns.

Q: Who are Sunoco Pipeline's land agents?

A: We have contracted Tablerock Land Services for Ohio, West Virginia and parts of Western Pennsylvania, and Percheron LLC for the remainder of Pennsylvania and Mustang Engineering for oversight. They are all being directed and supervised by Sunoco Pipeline employees.

Q: What rights do property owners have when it comes to pipelines?



A: Property owners, by law, are entitled to receive fair compensation for the installation of a pipeline on their land. We plan to work with property owners to address specific concerns or interests they may have when we negotiate an easement. In many cases, we have existing easement agreements that include the right to build an additional line or lines along the same right of way. We prefer to acquire new easements to clarify and better define the rights of both landowners and the company.

Q: How will property owners be compensated for their land?

A: Compensation will be based on fair market values and actual damages incurred through the construction process, based on the acreage of the easement and temporary work space. Each tract is unique and Sunoco Pipeline will address the issues and needs of those tracts individually.

Q: How will this impact citizens along the line?

A: Residents will see construction for a period of several months. Those with land impacted will have their property restored to its previous condition.

Q: Can property owners still use the right-of-way once the pipeline is installed?

A: In most cases, owners can use their land in the right-of-way just as they did before construction. Farmers can resume activities like growing crops and pasturing. There are some restrictions on rights-of-way, such as the building of permanent structures. The impact of such restrictions will be addressed as part of the right-of-way agreement.

Q: Who is the primary contact for affected property owners?

A: Each property owner will be assigned a specific land agent to serve as their primary contact. In the event the land agent cannot address all your questions or concerns, please call the Sunoco Pipeline information line and your Mariner East 2 issue will be directed to the right person.

Q: When will right-of-way acquisition occur?

A: The process is currently under way.

ECONOMIC DEVELOPMENT

Q: How does this fit into SXL's long term strategy for Marcus Hook?

A: We believe that the Marcus Hook Industrial Complex – the former refinery built in 1902 -- can become the preeminent hub for natural gas liquids on the East Coast. Once the materials begin to arrive by pipe at Marcus Hook via pipeline, it opens Marcus Hook for the development of a number of industrial processing facilities, such as a propane cracker to create propylene, that



Sunoco Logistics

would potentially anchor the resurgence of manufacturing to the region and create hundreds of additional high-quality jobs.

Q: Is this direct to Marcus Hook or will there be interim access points for regional propane suppliers?

A: For Mariner East 2, there will be two off-take points in Sinking Spring (Berks County) and one in Schaefferstown (Lebanon County).