

SECTION 8.0 PURPOSE AND NEED

Transco proposes to construct and operate the Project facilities to provide an incremental 829,400 Dth/d of year-round firm transportation capacity from the Marcellus Shale production areas in northeastern PA to Transco's mainline at the Station 210 Zone 6 Pooling Point in Mercer County, NJ, and multiple delivery points along Transco's mainline and Marcus Hook and Trenton Woodbury Laterals in NJ, PA, and MD. To subscribe the proposed firm transportation capacity under the Project, Transco conducted an open seasons for the Project capacity in 2020 and 2021. As a result of those offerings, Transco is proposing to construct facilities to provide 829,400 Dth/d of firm transportation capacity by fourth quarter 2024. Transco has executed long-term, binding precedent agreements for all of the capacity with eight shippers, which together combine for a commitment of firm capacity of 829,400 Dth/d. These agreements are included in the Certificate Application. Placing the Project facilities in service by fourth quarter 2024 is required to meet the firm transportation service requirements of the Project shippers. As detailed in the Certificate Application, the Project does not rely on subsidization from existing customers.

The Project will provide Transco's customers and the markets they serve with greatly enhanced access to Marcellus Shale supply, therefore, further diversifying fuel supply access. Currently, access to the Marcellus Shale production area is constrained on peak days by limited pipeline take-away capacity. By increasing gas supply access along Transco's existing Leidy Line, the Project will support overall reliability and diversification of energy infrastructure in the Northeast. Moreover, the Project will benefit the public by promoting competitive markets and enhancing the security of natural gas supplies to major delivery points serving the Northeast. As detailed in the Certificate Application, the Project will not adversely affect service to Transco's existing customers, or other pipelines and their captive customers, and supports diversification of supply in the Northeast.

A review of the Annual Energy Outlook 2021 (Energy Information Administration 2021) reference case indicates that natural gas consumption will rise from 33.43 trillion cubic feet (Tcf) in 2020 to 39.75 Tcf in 2040 and will continue to grow to 42.79 Tcf in 2050. Therefore, Transco's proposal is consistent with expected market demand and the needs expressed in Transco's binding precedent agreements that have been executed for this additional capacity. As such, the Project is also fully consistent with the Commission's Statement of Policy on the Certification of New Interstate Natural Gas Pipeline Facilities.

*Regional Energy Access Expansion Project
 401 Water Quality Certification Application
 Transcontinental Gas Pipe Line Company, LLC
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As detailed in the Certificate Application, Transco is taking the necessary steps to minimize adverse impacts on landowners and surrounding communities. Transco has minimized potential environmental impacts by collocating the proposed pipelines with existing ROWs to the extent practicable; in total, approximately 78% of the proposed pipelines will be collocated with existing and/or certificated ROWs. Transco already has obtained one hundred percent of the survey permissions needed for the proposed Project, and will work diligently with landowners to enter into agreements for acquisition of rights of way.

**Table 1.1-1
 Transco’s Customers and Transportation Capacity Subscribed to the Project**

Shipper	Transportation Contract Quantity
PECO Energy Company	100,000 Dth/d
Elizabethtown Gas Company	30,000 Dth/d
Baltimore Gas and Electric Company	40,000 Dth/d
South Jersey Gas Company	25,000 Dth/d
PSEG Power, LLC	60,000 Dth/d
South Jersey Resources Group, LLC	71,400 Dth/d
New Jersey Natural Gas Company	353,000 Dth/d
Williams Energy Resources	150,000 Dth/d
Key: Dth/d = dekatherms per day	