



PERMIT
Under the Environmental Conservation Law (ECL)

Permittee and Facility Information

Permit Issued To:

ALGONQUIN GAS TRANSMISSION LLC

PO BOX 1642

HOUSTON, TX 77251-1642
(617) 560-1419

Facility:

ALGONQUIN INCREMENTAL MARKET
(AIM) PROJECT
MULTIPLE TOWNS IN PUTNAM,
ROCKLAND & WESTCHESTER COUNTIES
MULTIPLE, NY

Facility Location: in SEVERAL COUNTIES in THIS REGION

Facility Principal Reference Point: NYTM-E: NYTM-N:
Latitude: Longitude:

Authorized Activity:

Construction of 15.7 miles of 42-inch diameter replacement pipeline in existing ROW's and the installation of approximately 2.9 miles of new 42-inch diameter pipeline in a new ROW that will cross the Hudson River via a 0.91 mile horizontal directional drill ("HDD").

The project will affect 34 surface waterbodies including 16 perennial and 18 intermittent streams. Twenty-one (21) of these 34 surface waterbodies are "protected streams" as defined 6 NYCRR Part 608, Use and Protection of Waters. With the exception of the Hudson River crossing, all stream crossings will involve dry crossing construction methods and range in width from 0.5 feet to 30 feet.

The Hudson River will be crossed using a horizontal directional drill ("HDD") method. The HDD length under the river is approximately 4,080 feet and is located in the area of Tompkins Cove in Rockland County and Verplanck in Westchester County.

The project will cross a total of 77 wetlands both within and outside of the existing maintained ROW's. Four (4) of these wetlands are regulated Freshwater Wetlands (FWW) (P-3, P-1, A-35 and A-10) as per ECL Article 24. In addition, the regulated adjacent area of FWW A-36 will be impacted by the pipeline and the regulated adjacent area of FWW BR-36 will be impacted along the western edge of the existing Southeast Compressor Station. The remainder of the wetlands are federally regulated wetlands.

Permit Authorizations

Freshwater Wetlands - Under Article 24

Permit ID 3-9903-00099/00002

New Permit

Effective Date: 5/5/2015

Expiration Date: 12/31/2022

Water Quality Certification - Under Section 401 - Clean Water Act

Permit ID 3-9903-00099/00003

New Permit

Effective Date: 5/5/2015

Expiration Date: 12/31/2022



Stream Disturbance - Under Article 15, Title 5

Permit ID 3-9903-00099/00004

New Permit

Effective Date: 5/5/2015

Expiration Date: 12/31/2022

NYSDEC Approval

By acceptance of this permit, the permittee agrees that the permit is contingent upon strict compliance with the ECL, all applicable regulations, and all conditions included as part of this permit.

Permit Administrator: MICHAEL T HIGGINS, Deputy Chief Permit Administrator

Address: NYSDEC HEADQUARTERS
625 BROADWAY
ALBANY, NY 12233

Authorized Signature: _____ Date ___/___/___

Distribution List

HEATHER GIERLOFF
LARRY ECKHAUS
US ARMY CORPS OF ENGINEERS - NY DISTRICT
MIKE TYRRELL, TRC

Permit Components

NATURAL RESOURCE PERMIT CONDITIONS

WATER QUALITY CERTIFICATION SPECIFIC CONDITION

GENERAL CONDITIONS, APPLY TO ALL AUTHORIZED PERMITS

NOTIFICATION OF OTHER PERMITTEE OBLIGATIONS

NATURAL RESOURCE PERMIT CONDITIONS - Apply to the Following Permits: FRESHWATER WETLANDS; WATER QUALITY CERTIFICATION; STREAM DISTURBANCE

1. Conformance With Plans All activities authorized by this permit must be in strict conformance with the approved plans submitted by the applicant or applicant's agent as part of the permit application. Such approved plans were prepared by Spectra Energy Partners and are further identified in Condition 2.



2. Approved Plans and Documents The activities authorized by this permit must be in strict conformance with the following approved plans and/or documents submitted as part of the permit application:

- a) Algonquin Incremental Market Project - Application for: 401 Water Quality Certification; Freshwater Wetlands Permit and Protection of Waters Permit, prepared by Spectra Energy Partners, dated April 2014;
- b) Erosion and Sedimentation Control Plan (E&SCP), prepared by Environmental Construction Permitting for the Algonquin Incremental Market Project, revised on October 8, 2013;
- c) Response to the June 5, 2014 NYSDEC 401 Environmental Data Request, Algonquin Incremental Market Project, dated July 15, 2014;
- d) Supplemental Filing, Section 401 Water Quality Certification, Freshwater Wetlands and Protection of Waters Permits, dated October 23, 2014;
- e) Algonquin Incremental Market Project, Algonquin Gas Transmission, LLC, Final Wetland Mitigation Plan, Revised December 2014.

3. Conditions Prevail Over Plans If any condition of this permit conflicts with the approved plans, the permit condition shall prevail over the plans.

NOTIFICATIONS AND POSTINGS

4. Notify DEC 48 Hrs Prior to Work The permittee or a representative must contact by telephone Heather Gierloff in the Bureau of Habitat at (845) 256-3086 or via email at heather.gierloff@dec.ny.gov at least 48 hours prior to the commencement of the project authorized herein.

EROSION CONTROLS

5. Install, Maintain Erosion Controls Necessary erosion control measures, i.e., straw bales, silt fencing, etc., are to be placed on the downslope edge of any disturbed area. This sediment barrier is to be put in place immediately following clearing activities, but prior to any grading activities and is to be maintained in good and functional condition until thick vegetative cover is established.

6. Control Erosion During Construction Provisions shall be made to minimize erosion during the construction of the project and to prevent increased sedimentation in any water body on or adjacent to the project.

7. Minimize Stream Bed/Bank Disturbance Disturbance to the bed and banks of the stream shall be kept to the minimum necessary to complete the project.

CONSTRUCTION REQUIREMENTS

8. Precautions Against Contamination of Waters All necessary precautions shall be taken to preclude contamination of any wetland or waterway by suspended solids, sediments, fuels, solvents, lubricants, epoxy coatings, paints, concrete, leachate or any other environmentally deleterious materials associated with the project.

9. Maintain Sufficient Flow During periods of work activity, sufficient flow of water shall be maintained at all times to sustain aquatic life downstream.



10. Water Clarity Stream reaches downstream of construction areas shall always remain as clear (non-turbid) as the reaches upstream of the construction areas.

11. Stream Trenching All stream trenching activities shall comply with the following:

- a) all trenching of streams shall be undertaken using a dry construction method;
- b) excavated trench material shall be used to backfill the trench and to restore the stream bed to the original channel composition;
- c) stump removal shall be limited to those areas directly in the trench location; and
- d) all trench backfilling must restore the area to the original grade.

12. In-stream Work Windows In-stream work is prohibited as follows: in cold water trout fisheries (all waters classified under New York State ECL Article 15 with a designation of "T" or "TS"), work is prohibited between October 1st and May 31st;

13. Stream Bank Restoration Stream bank restoration activities shall be completed as soon as possible after construction activities have been completed. Stream bank restoration shall be accomplished using mulch, jute thatching and/or biodegradable material. Use of rip-rap shall be minimized to the greatest extent possible.

14. Seed, Mulch Stream Banks All disturbed stream banks and upland areas from which soil could erode into the stream shall be seeded and mulched immediately upon project completion.

15. Freshwater Wetland Trenching Operations Trenching operations conducted within NYS regulated Freshwater Wetlands must comply with the following requirements:

- a) the top one foot of topsoil removed from trenching operations must be segregated and stockpiled and subsequently replaced in the same profile/location during backfilling operations;
- b) when backfilling, the trench shall not be crowned. All areas shall be graded to match the elevations which existed prior to trenching/construction;
- c) wetland vegetation that is cleared for staging or construction must be cut off at ground level; and
- d) if wetland soils are inundated or saturated at the surface, pipeline trenches shall be excavated by equipment supported on timber mats to minimize disturbance to wetland soils.

16. Use of Timber Matting Disturbance to wetlands, streams and other waterbodies by construction equipment shall be minimized through the use of timber mats and low ground weight construction.

17. Removal of Timber Mats Timber mats shall be removed in all work areas as soon as construction has been completed and such areas shall be immediately seeded and mulched as appropriate.

18. Invasive Species The permittee shall comply with the provisions of all applicable NYSDEC and NYS Ag & Markets regulations and associated quarantine orders as such requirements pertain to ash trees or any other invasive species.

19. Storage of Fluids All hazardous materials, chemicals, lubricating oils, solvents, or bulk fuel storage used during construction shall be stored in upland areas at minimum of 100 feet from regulated Freshwater Wetlands (FWW), regulated FWW adjacent areas and all waterbodies.



20. Authorized Mulch All mulch used to stabilize the soil shall consist of weed-free straw, wood fiber hydro mulch or biodegradable erosion control fabric.

21. Disposal of Brush Debris and Wood Chips After clearing and cutting activities all trees, vegetation and brush debris shall be immediately removed from regulated wetlands and regulated adjacent areas. Any wood chips generated from the cutting and clearing activities shall not be placed within a any regulated wetland or regulated adjacent areas or placed within 50 feet of any stream or waterway.

22. Horizontal Directional Drilling Construction of the pipeline across the Hudson River shall be completed by a Horizontal Directional Drilling (HDD) method and adhere to the following requirements:

a) the best drilling practices cited in the *Best Drilling Practices, Monitoring and Clean-up of Horizontal Directional Drilling Inadvertent returns for the AIM project dated February 2014*;

b) drill cuttings from drilling processes which utilize any oil-based mud or polymer-based mud containing mineral oil lubricant are considered to be contaminated and can only be disposed of at municipal solid waste (MSW) landfills. Similarly, dewatered drilling muds including any oil-based mud or polymer-based mud containing mineral oil lubricant can only be disposed of at MSW landfills; and

NOTE: Requests for exemptions to the above requirements must be submitted in writing to the Deputy Permit Administrator for review and approval.

c) staging areas will be restored as soon as practicable following HDD completion.

23. Hydrostatic Pipe Testing Discharges If hydrostatic pipe test water is discharged to ground surfaces including wetlands, streams or other water bodies, such water shall only be discharged to heavily-vegetated and well stabilized areas or adequately sized filter bags that will not result in any soil erosion, sedimentation or turbid waters. Discharge rates shall not exceed 1,200 gpm and discharges shall employ energy dissipation devices, and sediment barriers, as necessary, to prevent erosion, sedimentation, turbidity and stream bed scour.

MONITORING

24. Final Wetland Mitigation Monitoring Reports All disturbed/impacted wetlands shall be monitored for five (5) years following the completion of construction for the purposes of measuring the success of the reestablishment of native vegetation. Monitoring reports shall be submitted to the NYSDEC Bureau of Habitat, Region 3, Attention: Heather Gierloff, 21 South Putt Corners Road, New Paltz, NY 12561 by no later than December 31st of each year.

The mitigation monitoring reports shall include:

- a) a summary of results;
- b) representative photographs;
- c) a description of management activities; and
- d) the identification of any proposed corrective actions to attain performance standards.



25. Post Construction Monitoring All post-construction monitoring shall be conducted in those areas of the project that have been disturbed by the installation and construction of the pipeline. Monitoring shall commence during the first growing season following the final restoration of the project. All wetland areas and streambanks shall be monitored on an annual basis for a total of five (5) growing seasons following pipeline construction and ROW restoration.

Post-construction monitoring reports shall include the following:

- a) brief statement of findings based on the previous year's report;
- b) a summary report addressing: restoration, invasive species status, including treatments applied in the previous year (if applicable);
- c) the current year's findings;
- d) representative photographs and
- e) any recommended follow-up action.

All monitoring reports shall be sent to the NYSDEC Bureau of Habitat, Region 3, Attention: Heather Gierloff, 21 South Putt Corners Road, New Paltz, NY 12561 by no later than December 31st of each year.

If any pesticide or herbicide is needed to be applied to any wetland such application will require a separate Freshwater Wetland permit and appropriate Aquatic Pesticide Control permit from the Department. Further application of any pesticide or herbicide to any waterbody will require an Aquatic Pesticide Control permit.

GENERAL REQUIREMENTS

26. State May Require Site Restoration If upon the expiration or revocation of this permit, the project hereby authorized has not been completed, the applicant shall, without expense to the State, and to such extent and in such time and manner as the Department of Environmental Conservation may lawfully require, remove all or any portion of the uncompleted structure or fill and restore the site to its former condition. No claim shall be made against the State of New York on account of any such removal or alteration.

27. State May Order Removal or Alteration of Work If future operations by the State of New York require an alteration in the position of the structure or work herein authorized, or if, in the opinion of the Department of Environmental Conservation it shall cause unreasonable obstruction to the free navigation of said waters or flood flows or endanger the health, safety or welfare of the people of the State, or cause loss or destruction of the natural resources of the State, the owner may be ordered by the Department to remove or alter the structural work, obstructions, or hazards caused thereby without expense to the State, and if, upon the expiration or revocation of this permit, the structure, fill, excavation, or other modification of the watercourse hereby authorized shall not be completed, the owners, shall, without expense to the State, and to such extent and in such time and manner as the Department of Environmental Conservation may require, remove all or any portion of the uncompleted structure or fill and restore to its former condition the navigable and flood capacity of the watercourse. No claim shall be made against the State of New York on account of any such removal or alteration.



28. State Not Liable for Damage The State of New York shall in no case be liable for any damage or injury to the structure or work herein authorized which may be caused by or result from future operations undertaken by the State for the conservation or improvement of navigation, or for other purposes, and no claim or right to compensation shall accrue from any such damage.

WATER QUALITY CERTIFICATION SPECIFIC CONDITIONS

1. Water Quality Certification The NYS Department of Environmental Conservation hereby certifies that the subject project will not contravene effluent limitations or other limitations or standards under Sections 301, 302, 303, 306 and 307 of the Clean Water Act of 1977 (PL 95-217) provided that all of the conditions listed herein are met.

GENERAL CONDITIONS - Apply to ALL Authorized Permits:

1. Facility Inspection by The Department The permitted site or facility, including relevant records, is subject to inspection at reasonable hours and intervals by an authorized representative of the Department of Environmental Conservation (the Department) to determine whether the permittee is complying with this permit and the ECL. Such representative may order the work suspended pursuant to ECL 71- 0301 and SAPA 401(3).

The permittee shall provide a person to accompany the Department's representative during an inspection to the permit area when requested by the Department.

A copy of this permit, including all referenced maps, drawings and special conditions, must be available for inspection by the Department at all times at the project site or facility. Failure to produce a copy of the permit upon request by a Department representative is a violation of this permit.

2. Relationship of this Permit to Other Department Orders and Determinations Unless expressly provided for by the Department, issuance of this permit does not modify, supersede or rescind any order or determination previously issued by the Department or any of the terms, conditions or requirements contained in such order or determination.

3. Applications For Permit Renewals, Modifications or Transfers The permittee must submit a separate written application to the Department for permit renewal, modification or transfer of this permit. Such application must include any forms or supplemental information the Department requires. Any renewal, modification or transfer granted by the Department must be in writing. Submission of applications for permit renewal, modification or transfer are to be submitted to:

Deputy Chief Permit Administrator
NYSDEC HEADQUARTERS
625 BROADWAY
ALBANY, NY12233



4. Submission of Renewal Application The permittee must submit a renewal application at least 30 days before permit expiration for the following permit authorizations: Freshwater Wetlands, Stream Disturbance, Water Quality Certification.

5. Permit Modifications, Suspensions and Revocations by the Department The Department reserves the right to exercise all available authority to modify, suspend or revoke this permit. The grounds for modification, suspension or revocation include:

- a. materially false or inaccurate statements in the permit application or supporting papers;
- b. failure by the permittee to comply with any terms or conditions of the permit;
- c. exceeding the scope of the project as described in the permit application;
- d. newly discovered material information or a material change in environmental conditions, relevant technology or applicable law or regulations since the issuance of the existing permit;
- e. noncompliance with previously issued permit conditions, orders of the commissioner, any provisions of the Environmental Conservation Law or regulations of the Department related to the permitted activity.

6. Permit Transfer Permits are transferrable unless specifically prohibited by statute, regulation or another permit condition. Applications for permit transfer should be submitted prior to actual transfer of ownership.

NOTIFICATION OF OTHER PERMITTEE OBLIGATIONS

Item A: Permittee Accepts Legal Responsibility and Agrees to Indemnification

The permittee, excepting state or federal agencies, expressly agrees to indemnify and hold harmless the Department of Environmental Conservation of the State of New York, its representatives, employees, and agents ("DEC") for all claims, suits, actions, and damages, to the extent attributable to the permittee's acts or omissions in connection with the permittee's undertaking of activities in connection with, or operation and maintenance of, the facility or facilities authorized by the permit whether in compliance or not in compliance with the terms and conditions of the permit. This indemnification does not extend to any claims, suits, actions, or damages to the extent attributable to DEC's own negligent or intentional acts or omissions, or to any claims, suits, or actions naming the DEC and arising under Article 78 of the New York Civil Practice Laws and Rules or any citizen suit or civil rights provision under federal or state laws.

Item B: Permittee's Contractors to Comply with Permit

The permittee is responsible for informing its independent contractors, employees, agents and assigns of their responsibility to comply with this permit, including all special conditions while acting as the permittee's agent with respect to the permitted activities, and such persons shall be subject to the same sanctions for violations of the Environmental Conservation Law as those prescribed for the permittee.



Item C: Permittee Responsible for Obtaining Other Required Permits

The permittee is responsible for obtaining any other permits, approvals, lands, easements and rights-of-way that may be required to carry out the activities that are authorized by this permit.

Item D: No Right to Trespass or Interfere with Riparian Rights

This permit does not convey to the permittee any right to trespass upon the lands or interfere with the riparian rights of others in order to perform the permitted work nor does it authorize the impairment of any rights, title, or interest in real or personal property held or vested in a person not a party to the permit.

