



CHESTER COUNTY DISTRICT ATTORNEY'S OFFICE

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December 19, 2018

PRESS RELEASE

Chester County District Attorney Opens Criminal Investigation Into Mariner East Pipeline

Chester County District Attorney Tom Hogan announced that the District Attorney's Office (the "DAO") has opened a criminal investigation into the construction of the Mariner East 1, 2, and 2X pipelines being constructed through Chester County. This investigation includes the owners of the pipelines - - Energy Transfer LP, Sunoco Logistics Partners, and related corporate entities (collectively, "Sunoco").

District Attorney Hogan stated, "In the last two years, we have seen these pipelines rip through the heart of Chester County. We have seen sinkholes created by the pipeline drilling, contaminated well water, and some subtle and not-so-subtle bullying of Chester County citizens by big corporate interests. We expected the state regulators and the governor to step in and assure the safety of Pennsylvanians. They have not. So now the Chester County District Attorney's Office will demand that every aspect of these pipelines be conducted safely, or we will bring into play all of the tools of the criminal justice system."

The Mariner East 1, 2, and 2X pipelines are intended to ship volatile natural gas from western Pennsylvania all the way to Marcus Hook in Delaware County, Pennsylvania. These pipelines cut directly through the middle of Chester County, bisecting heavily populated residential areas, running near schools and businesses, and in close proximity to railroads and streets.

The Mariner East 1 pipeline previously existed to ship refined petroleum under Chester County running from the eastern portion of Pennsylvania to the west. Refined petroleum is a very different substance than natural gas and Mariner East 1 is smaller than the planned Mariner East 2 and 2X pipelines. Sunoco intended to build the Mariner East 2 and 2X pipelines along the same route as Mariner East 1. In order to accomplish this, they intended to use horizontal directional drilling, a process that can be problematic depending on the area where drilling is occurring. Sunoco also introduced plans to reverse the flow of Mariner East 1 and use it to ship natural gas under Chester County in the older and smaller pipeline.

The Mariner East pipeline construction has experienced significant problems. On the property of homes in West Whiteland Township, the drilling resulted in significant sinkholes in the residents' back-yards. In another area of Chester County, the drilling caused the apparent contamination of well water for multiple residences. In Beaver County, Pennsylvania, there was an explosion along a pipeline, destroying a home. The Department of Environmental Protection has fined the owners of the pipelines. But the construction of these pipelines keeps continuing.

“Two things recently happened that drew the attention of the District Attorney’s Office,” District Attorney Hogan added. “First, the explosion in Beaver County changed speculation into tangible danger and destruction. Second, over Thanksgiving, some of the residents of Lisa Drive in West Whiteland were kind enough to take me onto their property and show me the damage caused by the pipelines. The concerns and fears of those citizens were both disturbing and heart-wrenching. I then detailed District Attorney staff members to do the legal research to make sure that the DAO had jurisdiction to investigate the pipelines and received an affirmative response.”

The District Attorney’s investigation will cover both past and future conduct related to the pipelines. Potential charges include causing or risking a catastrophe, criminal mischief, environmental crimes, and corrupt organizations. Such offenses could include criminal charges directly against the individual employees involved, from workers on the pipelines through corporate officers. Sunoco has been advised of this investigation via a letter. See attached, Exhibit A.

District Attorney Hogan stated, “This investigation will not be easy. It will take time to dig into the historical information and we will need to constantly monitor any future activity. But we are committed to protecting Chester County. And we will need our citizens to help.”

Chester County Detective Ben Martin is the lead investigator. The assigned prosecutors are Alexander Gosfield and Myles Matteson. Anybody with information should contact Detective Martin at 610-344-6866.

District Attorney Hogan concluded with, “We understand that only the Pennsylvania Utility Commission or the governor can shut down construction of these pipelines, and neither has shown any inclination to do so. But we can at least make sure that anything that happens in Chester County complies with the criminal laws of Pennsylvania. We owe that to our citizens. Money should not be allowed to trump safety.”

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Approved for release:

Thomas P. Hogan



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December 11, 2018

James Wright
Chief Compliance Officer and Chief Legal Officer
Energy Transfer LP
8111 Westchester Drive
Suite 600
Dallas, TX 75225
jim.wright@energytransfer.com

Re: Criminal Investigation of Mariner East 1, 2 and 2X Pipelines

Dear Mr. Wright:

The Chester County District Attorney's Office (the "DAO") is investigating Energy Transfer LP, its subsidiaries, and related entities for potential crimes related to the Mariner East 1, 2, and 2X pipelines (the "Investigation").

Please be advised that material in your possession, including Electronically Stored Information ("ESI"), has been determined to be relevant to the Investigation and you are being given notice that you are required to preserve such physical materials and ESI (collectively, the "Evidence") as described herein. This preservation notice and the description of potentially relevant Evidence shall in no way constitute the entirety of the Evidence you are obligated to preserve, only a minimum requirement based on the current understanding by the DAO of your computer systems as well as computer systems in general.

This Evidence may be owned or maintained by you, your employees, third parties, or contractors. Any Evidence you deem potentially relevant in addition to any noted herein shall be preserved.

Exhibit A

OBLIGATION TO PRESERVE

ESI and other Evidence has been deemed relevant or potentially relevant in this matter. As a result, you have a duty to take all reasonable steps to preserve any and all Evidence potentially relevant to the Mariner East 1, 2, and 2X pipelines. Electronically stored data can easily be altered, deleted, or otherwise changed. Your obligation to preserve relevant and potentially relevant ESI and other Evidence includes, but is not limited to:

- Halting any process that destroys data, including but not limited to data destruction procedures (manual or automatic) and backup cycling.
- Preservation of all relevant or potentially relevant hardware and physical documents.
- Preservation of any and all systems used to make data readable or usable including, but not limited to, passwords, encryption schemes, proprietary hardware or databases, or specialized software or hardware needed to render data readable.

DATA REQUESTED

Preservation of all Evidence that is relevant or potentially relevant to this matter is required. This Evidence includes, but is not limited to, documents, spreadsheets, user created files, email and other communications, schedules and calendars, internet usage data and system files and logs in your possession, the possession of your employees or third parties or contractors.

Electronically Stored Files – You are requested to preserve:

- Active data (data readily available to a user) including, but not limited to:
 - Word processing and text documents
 - Spreadsheets
 - Calendar or scheduling entries
 - PDF documents
 - Forms
 - Notes and collections of text or other data created or assembled by a user
 - Presentations
 - Graphs and charts
 - Audio or video files
 - Collaborative documents stored locally or otherwise
- Archive data (backups, local or otherwise).
- Deleted data (data deleted by a user or a system process but still recoverable through forensic methods).
- Media used to house active data and media used to house backup data as well as any hardware specifically required to access the media (hard disk drives, tape drives, magneto-optical drives, etc.).
- Cloud/Internet data stored on remote servers, computers or other storage devices not in your immediate control that synchronize with, or are accessible from, one or more

devices used by you or members of your organization including any recoverable deleted data available at the time of receipt of this notice.

Email - You are required to preserve all email data relevant to or potentially relevant to this matter in its original electronic format.

Devices and Hardware - You are required to preserve all electronic devices that contain data relevant or potentially relevant to this matter, whether currently in use or not including any and all portable devices that contain or may contain relevant or potentially relevant data. No hardware devices containing relevant or potentially relevant data shall be destroyed, disposed of, repurposed or altered in any way that could cause damage or alterations to the electronically stored data contained within them.

Internet Usage Data - You are required to preserve any and all internet usage data stored locally or otherwise including but not limited to browser logs, history data and internet 'cookies'.

System Files and Logs – You are required to preserve any and all system files and logs generated on or relating to individual computer systems and their usage.

Physical Materials – You are required to preserve and any all hard copies of documents, including, but not limited to, written reports, notes, photographs, maps, and charts

PRESERVATION REQUIREMENTS

You are required to preserve the above items as they include or pertain to specific, relevant persons or groups, including, but not limited to:

- Pennsylvania's Department of Environmental Protection ("DEP")
- Pennsylvania Public Utilities Commission ("PUC")
- Any elected officials
- Any residents of Chester County, Pennsylvania, including, but not limited to, residents of Lisa Drive, West Whiteland Township, and residents of Uwchlan Township
- Specific, relevant topics or keywords, including, but not limited to:
 - Mariner East
 - ME1
 - ME2
 - ME2X
 - ME3
 - Pipeline
 - Sinkhole
 - Geological
 - IR

- Inadvertent Return
- Chester County
- West Whiteland
- Uwchlan
- Risk Assessment
- Risk Analysis
- HDD
- Horizontal Directional Drill (or Drilling)
- Amtrak
- Site specific individual risk
- Societal risk
- Specific, relevant time frames or dates, including, but not limited to: January 1, 2014 through the present

COMPLIANCE

In order to demonstrate compliance with your duty to preserve Evidence, you must maintain a log of all alterations or deletions of data made to any ESI location, device or file indicating when the change was made, specifics of the content of the change, the reason for the change and who made the change. Any and all physical devices, hard drives, computer systems, and other sources of Evidence that contain relevant or potentially relevant data shall be listed on a chain of custody document indicating the location of the item, the custodian of the item and any unique identifying information for the item such as a model and serial number. All Evidence, including electronic data and ESI, created after receipt of this letter that qualifies per the content of this letter for preservation shall be preserved in accordance with the steps outlined herein to ensure proper preservation. Compliance with this preservation request extends to all possible custodians, including employees, vendors, third parties, contractors, and others who may be in possession of relevant or potentially relevant Evidence, whether listed in this document or not. You shall forward a copy of this request to any such parties immediately.

DOCUMENTS & DATA REQUESTED IMMEDIATELY

The DAO hereby requests that Energy Transfer LP produce to the DAO by no later than January 4, 2018 the following initial documents:

1. All non-privileged communications, reports, and other documents regarding sinkholes or other geological anomalies on Lisa Drive in West Whiteland Township, Pennsylvania, related to Mariner 1, 2, and/or 2X pipelines, and any communications pertaining to such sinkholes or geological anomalies;
2. All non-privileged communications, reports, and other documents regarding water contamination in Chester County, Pennsylvania, related to Mariner 1, 2, and/or 2X

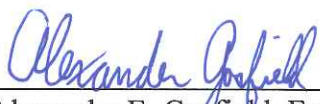
James Wright
Chief Compliance Officer and Chief Legal Officer
Energy Transfer LP
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- pipelines, including any and all documents pertaining to inadvertent returns, risk assessment, and the obtaining of drilling permits; and
3. All non-privileged communications, reports, and other documents regarding an explosion in Beaver County in September 2018 involving a pipeline owned or operated by Energy Transfer LP or any of its subsidiary entities, including any and all documents analyzing the risks and consequences of explosions involving natural gas pipelines.

If you have any questions, please contact Assistant District Attorney Alexander Gosfield at (610) 344-6801 or District Attorney Detective Ben Martin at (610) 344-6866.

Very truly yours,

THOMAS P. HOGAN
District Attorney



Alexander E. Gosfield, Esq.
Assistant District Attorney

cc: Thomas Sniscak, Esquire
Kevin McKeon, Esquire
Whitney Snyder, Esquire
Diana Silva, Esquire
Robert Fox, Esquire
Neil Witkes, Esquire