Pipeline Infrastructure Developments in the Northeast

Presented to:
Northeast Gas Association's
2014 Summer Sales & Marketing Seminar

August 20, 2014

Concentric Overview

- **Concentric** is a management consulting and financial advisory firm focused exclusively on the North American energy industry.
- **Our workforce** is comprised of and led by energy industry experts who have held positions with utility companies, regulatory agencies, integrated energy companies, regional transmission organizations and retail marketing companies.
- **We offer a broad range of advisory and support services** that enable our clients to comprehensively address diverse needs without the difficulty of retaining and coordinating multiple resources. Our fully integrated services span five major practice areas.

Transaction & Financial Advisory

Energy Market Analysis

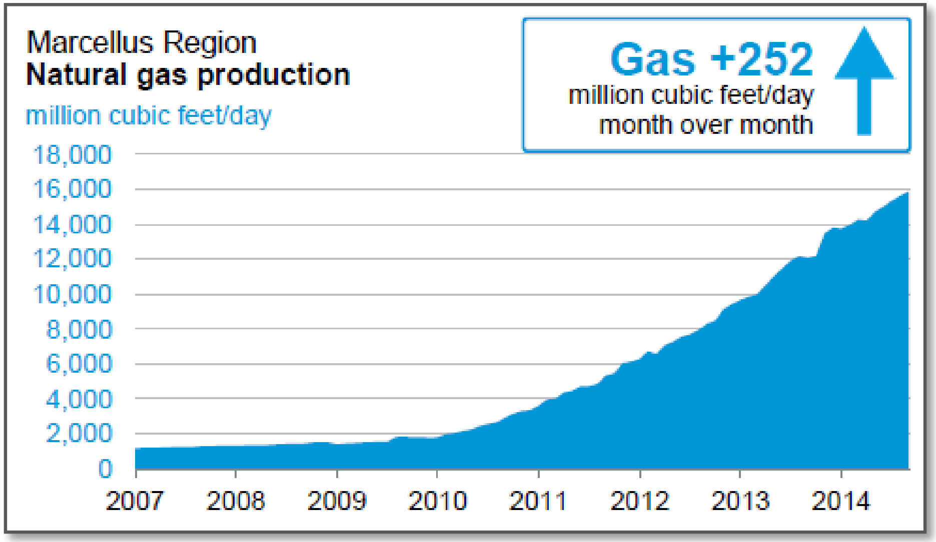
Regulatory Policy, Support and Ratemaking

Management and Operations

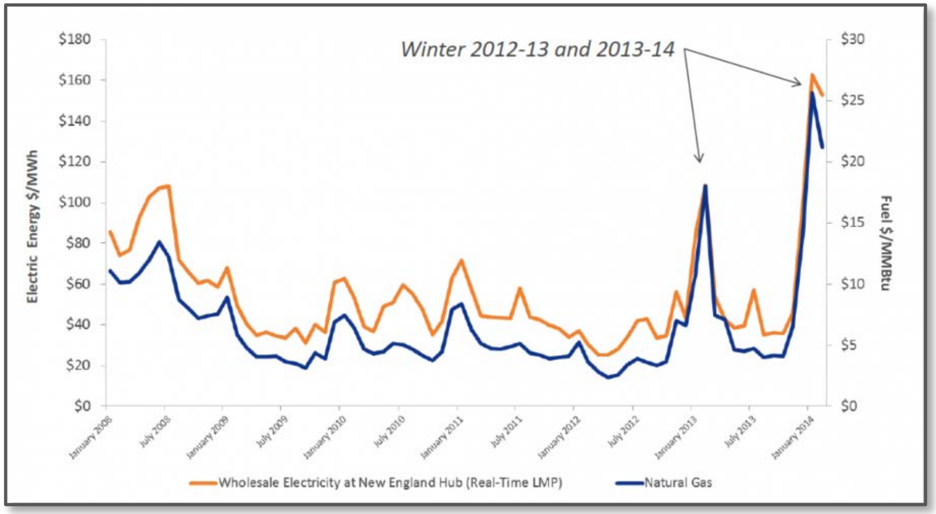
Litigation Support

Drivers of Pipeline Expansions

1. Surging production from Marcellus/Utica basins
2. Declining traditional supplies
3. New demand and winter price spikes from greater use in electric generation
4. Traditional demand growth (LDCs, Industrials)



Source: EIA



Source: RBN Energy

New York/New Jersey Pipeline Projects

Many pipeline projects advancing in these states, including...

Project	Company	Capacity (MMcf/d)	Est. In-Service	Shippers
TEAM 2014	Spectra	300	Late 2014	Chevron EQT
Northeast Connector/ Rockaway Lateral	Williams	647	Late 2014	National Grid affiliates
Constitution Pipeline	Williams et al	650	Late 2015/2016	Southwestern Cabot Oil & Gas
Garden State Expansion	Williams	180	2016/2017	NJ LDC
PennEast	UGI et al	1,000	2018/2019	TBD

Tennessee – Connecticut Expansion

Capacity:

72 MMcf/d

Est. In-Service:

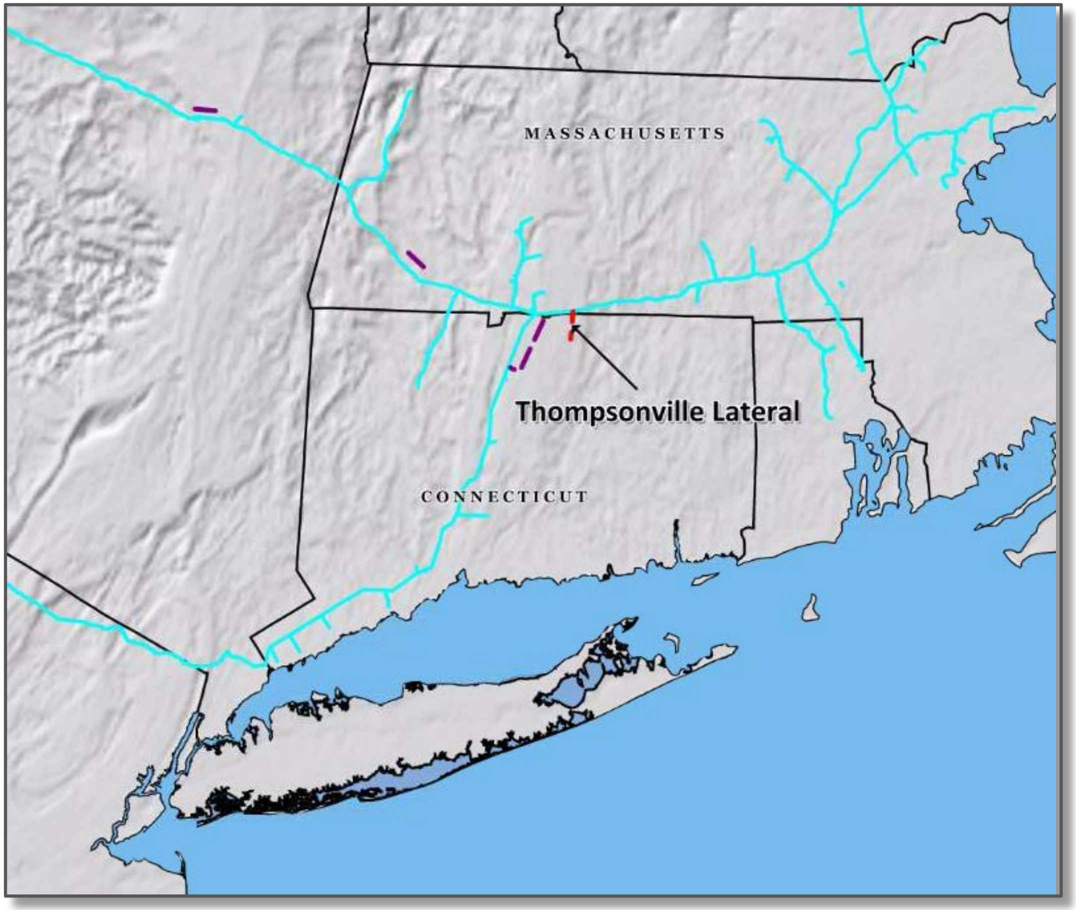
November 2016

Shippers:

- Connecticut Natural Gas
- Southern Connecticut Gas
- Yankee Gas

Status:

- PAs executed
- FERC Filing in July 2014



Spectra – Algonquin Incremental Market (“AIM”)

Capacity:

342 MMcf/d

Est. In-Service:

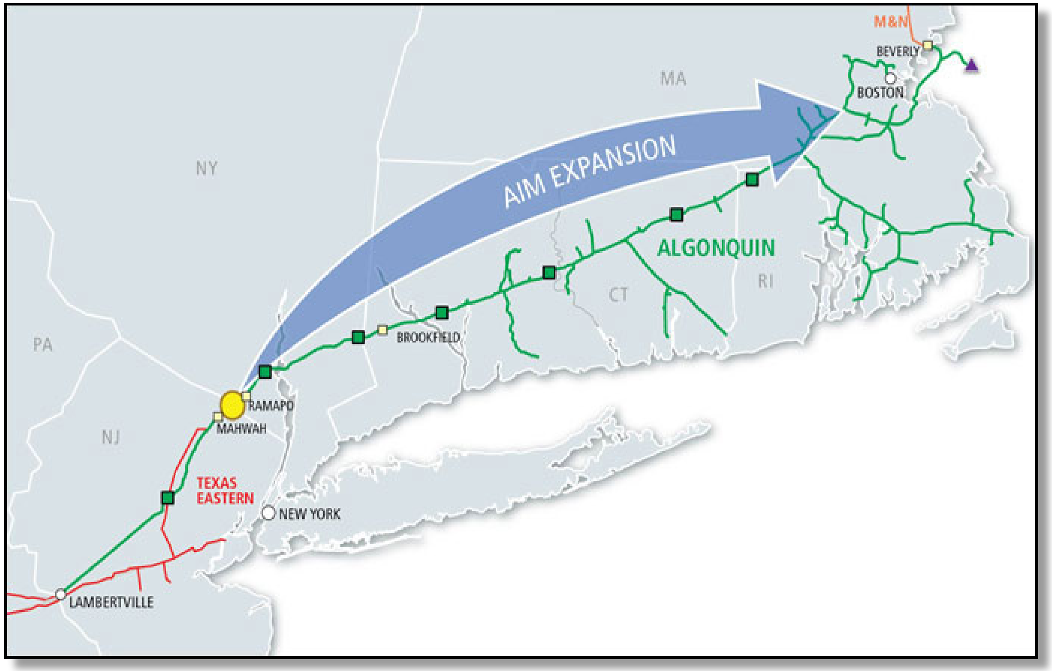
November 2016

Shippers:

- LDC affiliates of UIL, NU, National Grid, NiSource
- City of Norwich, Middleborough

Status:

- FERC Filing in February 2014
- FERC Staff passed AIM in Draft EIS on 8/8/14



PNGTS – Continent-to-Coast ("C2C")

Capacity:

~165 MMcf/d

Est. In-Service:

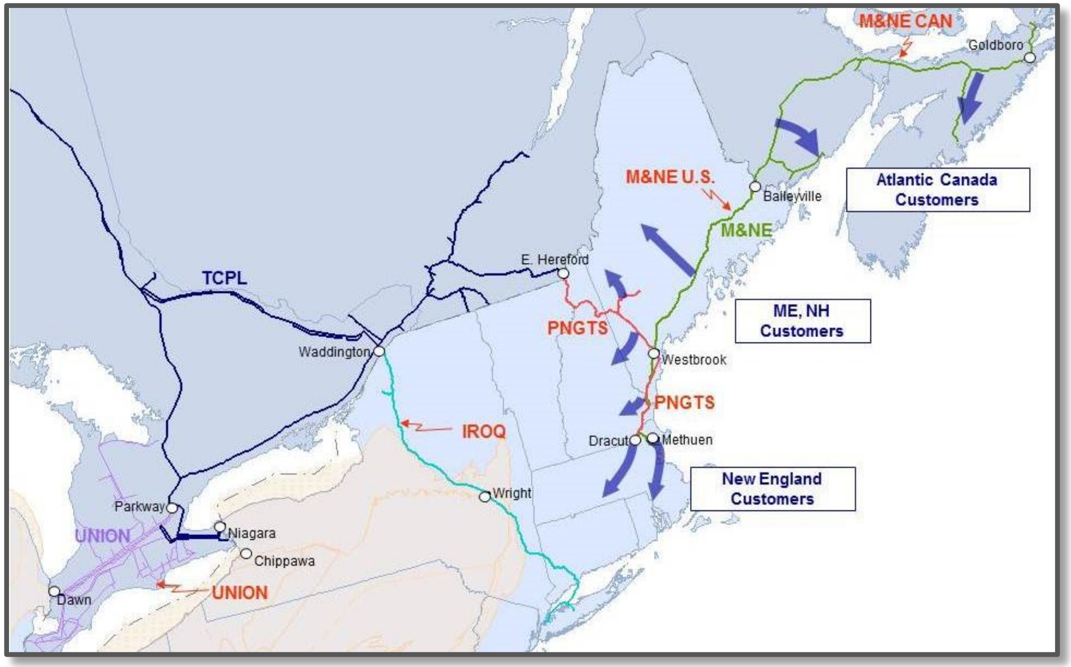
November 2016

Shippers:

- TBD

Status:

- Open Season Closed January 2014
- Extended deadline for upstream capacity due to upstream regulatory uncertainty



Spectra – Atlantic Bridge

Capacity:

100-600+ MMcf/d

Est. In-Service:

November 2017

Shippers:

- Unitil Corp.

Status:

- Late-stage negotiations

Further expansion for New England power generation???

Tennessee – Northeast Energy Direct

Capacity:

0.8-1 Bcf/d (Supply Leg)

0.6-2.2 Bcf/d (Market Leg)

Est. In-Service:

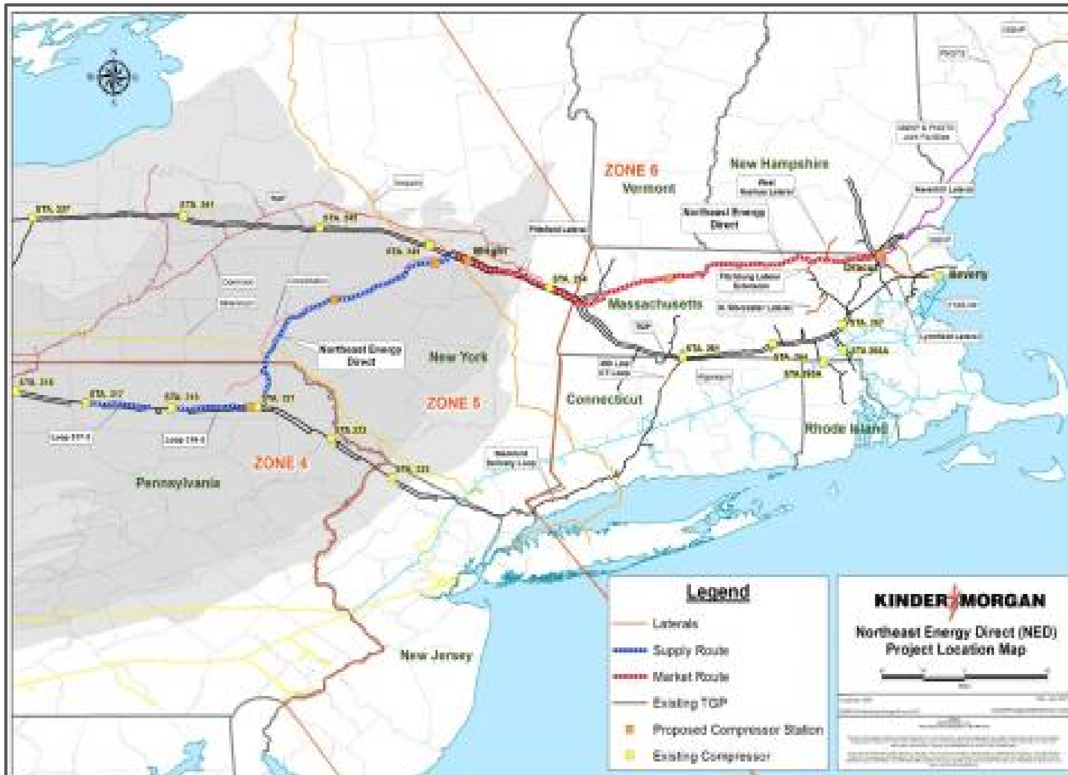
November 2018

Shippers:

- 500 MMcf/d in deals w/ New England LDCs on Market Leg

Status:

- Late-stage negotiations
- FERC Pre-Filing planned for September 2014



Wildcards: How Will They Effect Pipeline Expansions?

1. **NE Governors**
   - Will Gas Infrastructure Initiative Go Forward?
   - Electric Transmission Could Impact Region's Demand for Gas
2. **Seasonal LNG Solutions**
   - GDF Suez pitches LNG solution
     - 435 MMcf/d of regasification capacity (Distrigas LNG) available for regional use on a seasonal basis
     - Signed purchase agreement with Gaz Metro LNG for 475-975 MMcf of LNG over the next 5 months to meet peak New England demand
   - ISO-NE's 2013-14 Winter Reliability Program ("WRP") will compensate generators that arrange for LNG as well as oil
3. **Viability and Timing of LNG Exports**

Conclusions

LDCs/Industrials

- Continued successful track record of acquiring incremental pipeline capacity as needed

Producers

- Marcellus/Utica production still outpacing takeaway capacity, but many pipeline expansions in development
- Additional Marcellus/Utica takeaway capacity targeting markets to South and West

Electric Generation

- Market rules create disincentive for generators to “firm up”

Discussion and Questions

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