

*November 8, 2018*

# **NGA Pre-Winter Briefing: Introduction**



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Northeast Gas Association

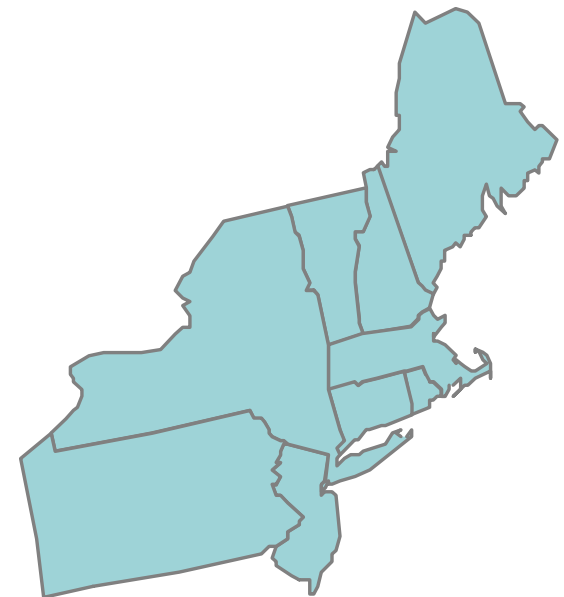
# Today's Program

- ◆ Purpose: overview of how the regional natural gas system operates – and winter readiness
- ◆ Segment areas:
  - Liquefied natural gas (LNG)
  - Interstate pipelines
- ◆ Q & A



# About NGA

- ◆ Non-profit trade association
- ◆ Local gas utilities (LDCs) serving New England, New York, New Jersey, Pennsylvania
- ◆ Several interstate pipeline companies
- ◆ LNG importers (Distrigas, Repsol) and LNG trucking companies
- ◆ Over 400 “associate member” companies, from industry suppliers and contractors to electric grid operators
- ◆ [www.northeastgas.org](http://www.northeastgas.org)



## NGA'S ANTITRUST COMPLIANCE PROCEDURES

*Adopted by the NGA Board of Directors on June 20, 2018*

### **Objective**

The Northeast Gas Association (NGA) and its member companies are committed to full compliance with all laws and regulations, and to maintaining the highest ethical standards in the way we conduct our operations and activities. Our commitment includes strict compliance with federal and state antitrust laws, which are designed to protect this country's free competitive economy.

### **Responsibility for Antitrust Compliance**

Compliance with the antitrust laws is a serious business. Antitrust violations may result in heavy fines for corporations, and in fines and even imprisonment for individuals. While NGA's attorneys provide guidance on antitrust matters, you bear the ultimate responsibility for assuring that your actions and the actions of any of those under your direction comply with the antitrust laws.

### **Antitrust Guidelines**

In all NGA operations and activities, you must avoid any discussions or conduct that might violate the antitrust laws or even raise an appearance of impropriety. The following guidelines will help you do that:

- **Do** consult counsel about any documents that touch on sensitive antitrust subjects such as pricing, market allocations, anti-employee poaching practices, refusals to deal with any company, and the like.

*Continued on NGA web site...*

[https://www.northeastgas.org/compliance\\_docs.php](https://www.northeastgas.org/compliance_docs.php)

# Webinar Format

- ◆ We welcome your questions
- ◆ However, please **mute** your phone line until Q&A sections – ***please do not put us on hold***
- ◆ Presentations have been posted on NGA web site
- ◆ Your feedback is valued – let us know how you like this format and presentation-style

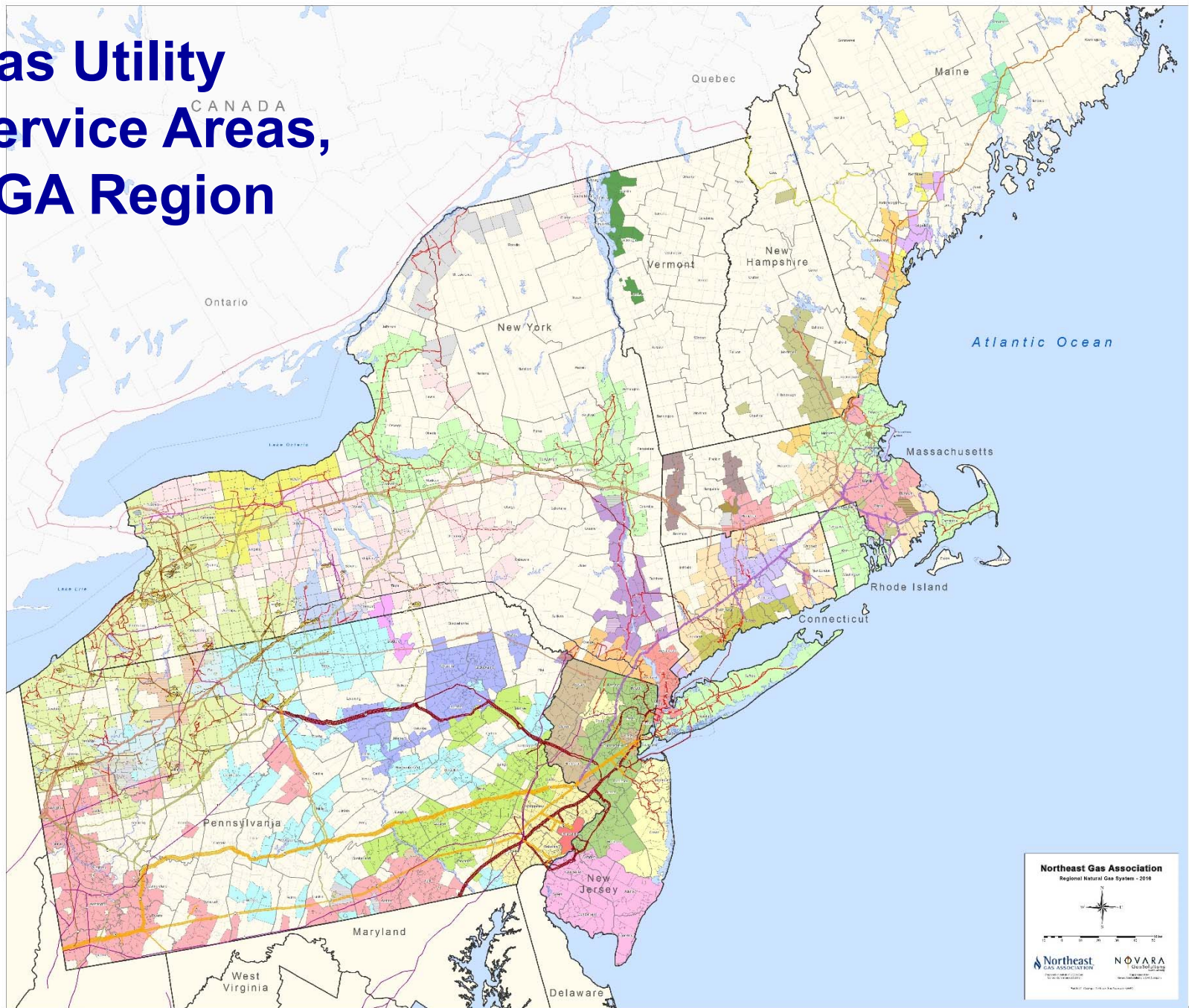
# Merrimack Valley Incident

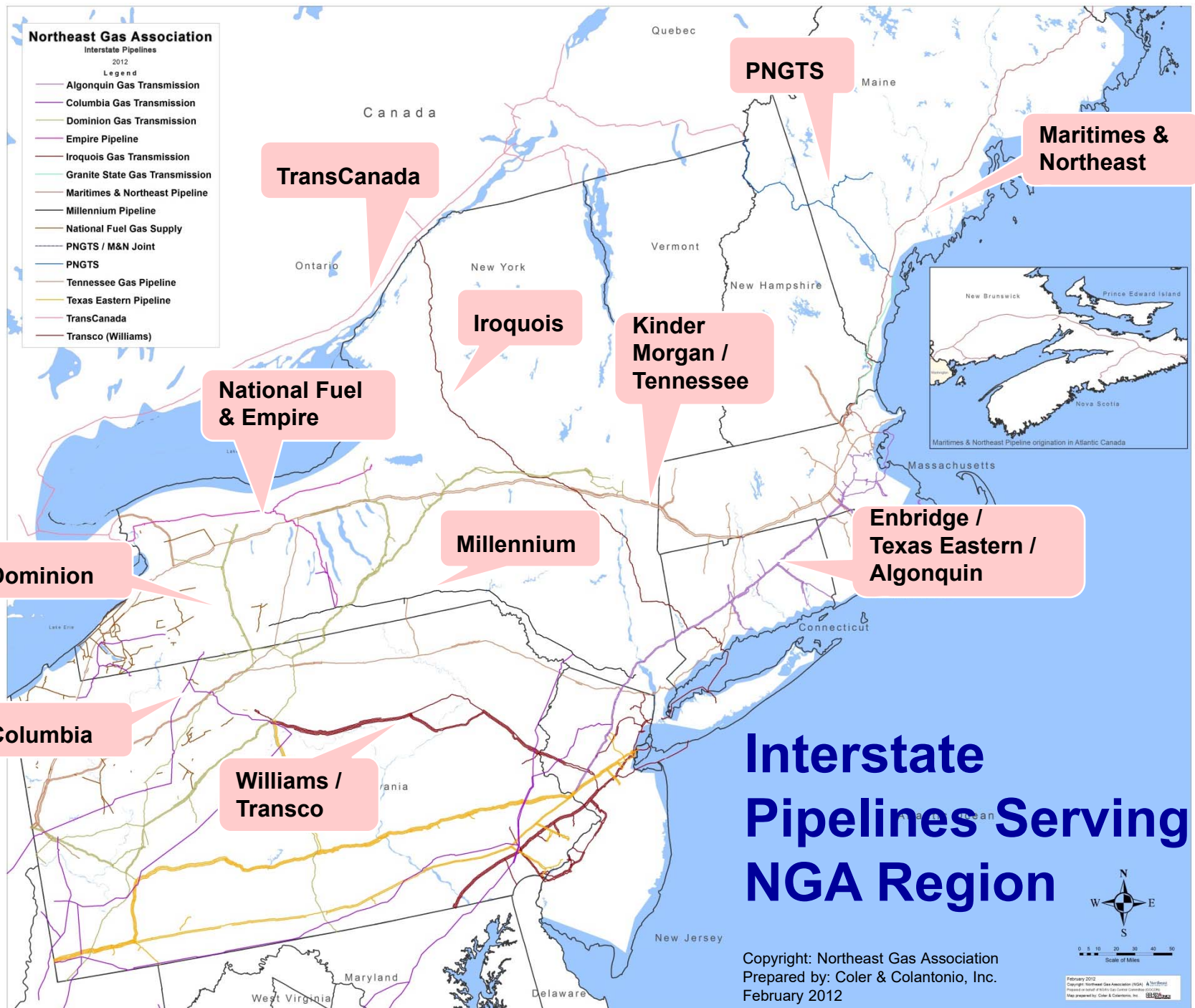
- ◆ Overpressurization incident on Sept. 13 on Columbia Gas of MA system.
- ◆ System restoration progressing in 3 MA communities. Pipeline replacement of ~45 miles completed. About 8,600 meters impacted and service being restored, appliances being replaced.
- ◆ NTSB released preliminary report on Oct. 11. MA DPU has hired consultant to conduct safety & operational assessment of entire state gas distribution system.
- ◆ NGA mutual aid plan remains in effect. NGA remains grateful to all the utilities from multiple states for providing workers.





# Gas Utility Service Areas, NGA Region







# LNG

- ◆ LNG key to meeting peak day demand in the region – especially New England
- ◆ LDCs in NE, NY, NJ, PA utilize LNG for peak-shaving
- ◆ Two LNG import terminal operators are presenting



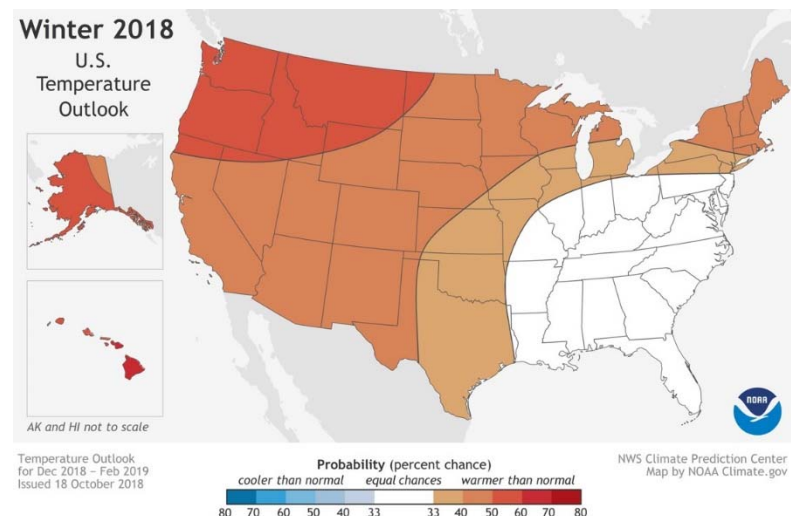
*Everett LNG facility, part of  
Exelon (Constellation)*



*Canaport LNG. Photo courtesy of Repsol*

# Overview of Key Market Variables

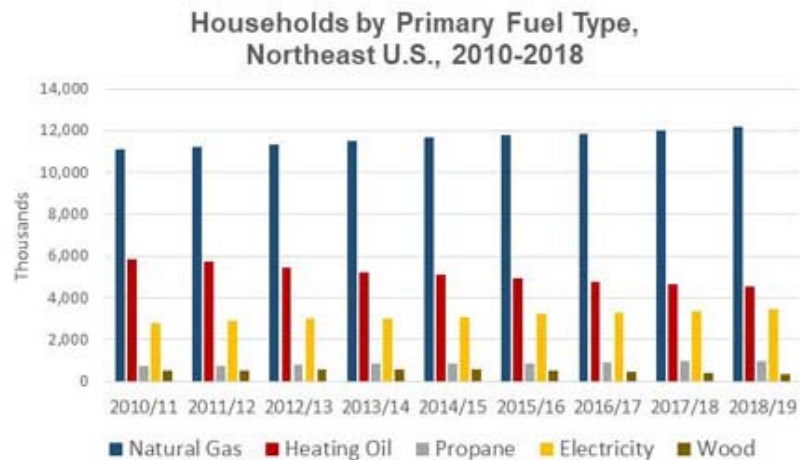
- ◆ Storage at below-average levels - 3.1 Tcf as of last Thurs. – but U.S. production at high levels – more flowing gas into market
- ◆ Commodity price relatively stable, but potential spot price volatility
- ◆ EIA projects heating bills to be slightly higher for all fuels this winter compared to last but consistent with prior several years
- ◆ Weather – warmer perhaps, but TBD????



*Map: NOAA, 10-18-18, 3-month outlook.  
NOAA states: "No part of the U.S. is favored to  
have below-average temperatures."*

# Gas Utility Preparedness

- ◆ Gas utilities in the region preparing for winter
- ◆ Supply and storage contracts in place
- ◆ Managing new customer growth on system



Source: U.S. EIA, 10-10-18

# Coordination with Power Systems

- ◆ NGA maintains joint Electric-Gas Operating Committee with 3 ISOs in region
- ◆ Good communication between ISOs and pipeline control rooms
- ◆ Firm vs. non-firm transportation arrangements remains key issue in region
- ◆ FERC Winter Assessment released mid-Oct. notes:  
*“Regional pipeline constraints in New York City, Boston and Los Angeles increase the risk of price volatility.”*





# NGA Gas Supply Task Force

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- ◆ **Members:** LDCs in region, interstate pipelines, LNG transporters
- ◆ **Purpose:** to help deal with meeting winter supply needs and deliverability within the Northeast region
- ◆ **Tasks:** *Monitor* regional deliverability of its members' gas supplies during periods of peak demand or supply curtailment; *Advise* region's energy, regulatory and policy officials; also *Update* ISOs in region of meetings, outcomes
- ◆ **Upcoming:**
  - First call to be held late November/early December. Summaries of discussions will be provided same day to state agencies (and ISOs)
  - Annual supply manual is being prepared; will be provided to state agencies in early December.

# Presenters

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## *Liquefied Natural Gas (LNG) Operations in the Region*

**Karen Iampen**, Repsol (Canaport LNG)

**Mike Cunningham**, Everett LNG / Constellation Energy

## *Northeast Interstate Pipeline System*

**Coralie Sculley**, Tennessee Gas Pipeline/Kinder Morgan

**Michael Dirrane**, Enbridge

**Cynthia Armstrong**, Portland Natural Gas Transmission System

**Rob Perless**, Iroquois Gas Transmission