What is the Pathway Ahead for Pipelines in the Northeast?

May 4, 2017
Regional Natural Gas Demand Growth, 1997-2015

Source: U.S. Energy Information Administration
Comparison of Appalachian to WCSB Production

Appalachian Production is 7 Bcf/day greater than WCSB.

Appalachian Production is 14 Bcf/day less than WCSB.

Monthly Summary – Average Daily Price

Source: U.S. Energy Information Administration; National Energy Board of Canada, S&P Global Market Intelligence; and Potential Gas Committee


PGC Potential Resources Estimates in the Atlantic Region (2010 – 2014)
Northeast Pipeline Infrastructure – Sample Projects

- Survey of approximately 20 pipeline projects in the New England/New York region (greenfield and expansions)
- Reviewed from two perspectives: (1) incremental capacity and (ii) capital expenditures

- Approximately 32% of the proposed capacity, which represents 35% of capital expenditures, have been cancelled
- Another 30% have been delayed
- Only 6% (i.e., 0.5 Bcf/day) has been placed into service, another 34% (i.e., 2.6 Bcf/day) of the total proposed capacity is still on schedule for development

Approximately 60% of the surveyed pipeline projects were cancelled or delayed; while this statistic may not represent the probability of successful completion of other pipeline projects in various regions, it does highlight the complexity and difficulty of building infrastructure.

Sources: Federal Energy Regulatory Commission
Implications and Topics for the Pipeline Panel

Based on the increasing demand, higher volume customers, process and time needed for pipeline additions, certain issues may become more significant, including:

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<td>• Pressure requirements and swings (high volume customers with quick ramp up/down may have disproportionate impacts on pressure)</td>
<td>• Role of underground storage and LNG to support services (e.g., pressure)</td>
<td>• Higher annual load factors (winter, summer, and shoulder periods)</td>
<td>• Longer lead times for development</td>
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<td>• Service flexibility implications (high swing volumes may limit flexibility)</td>
<td>• Pipelines contracting for capacity on other pipelines</td>
<td>• Safety and environmental compliance</td>
<td>• Cost impacts of development schedule</td>
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<td>• LDC v. Power Generation requirements</td>
<td>• Competitors who are also customers</td>
<td>• Lead time for notice and stakeholder discussions and input to process</td>
<td>• Regulatory approvals of contracts are a significant milestone</td>
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<td>• Customer decisions need to be made further in advance of in-service date</td>
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<td>• Role of the ISO in project development</td>
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