

December 3, 2019

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:

- Interstate pipelines



- Liquefied natural gas (LNG)



- ◆ 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 & CNG importers/suppliers
- ◆ Over 400 “associate member” companies, from industry suppliers and contractors to electric grid operators
- ◆ 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

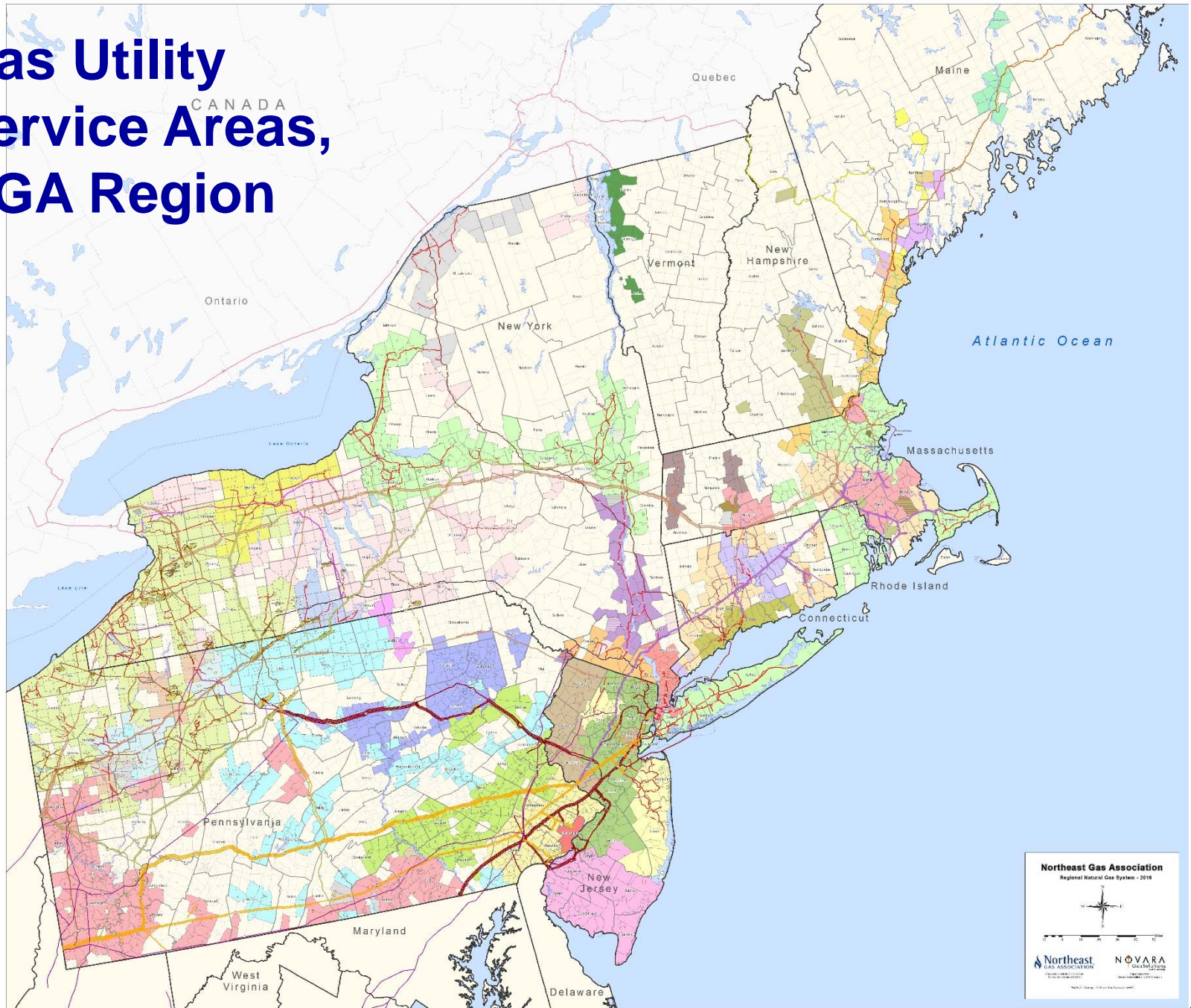
Webinar Format

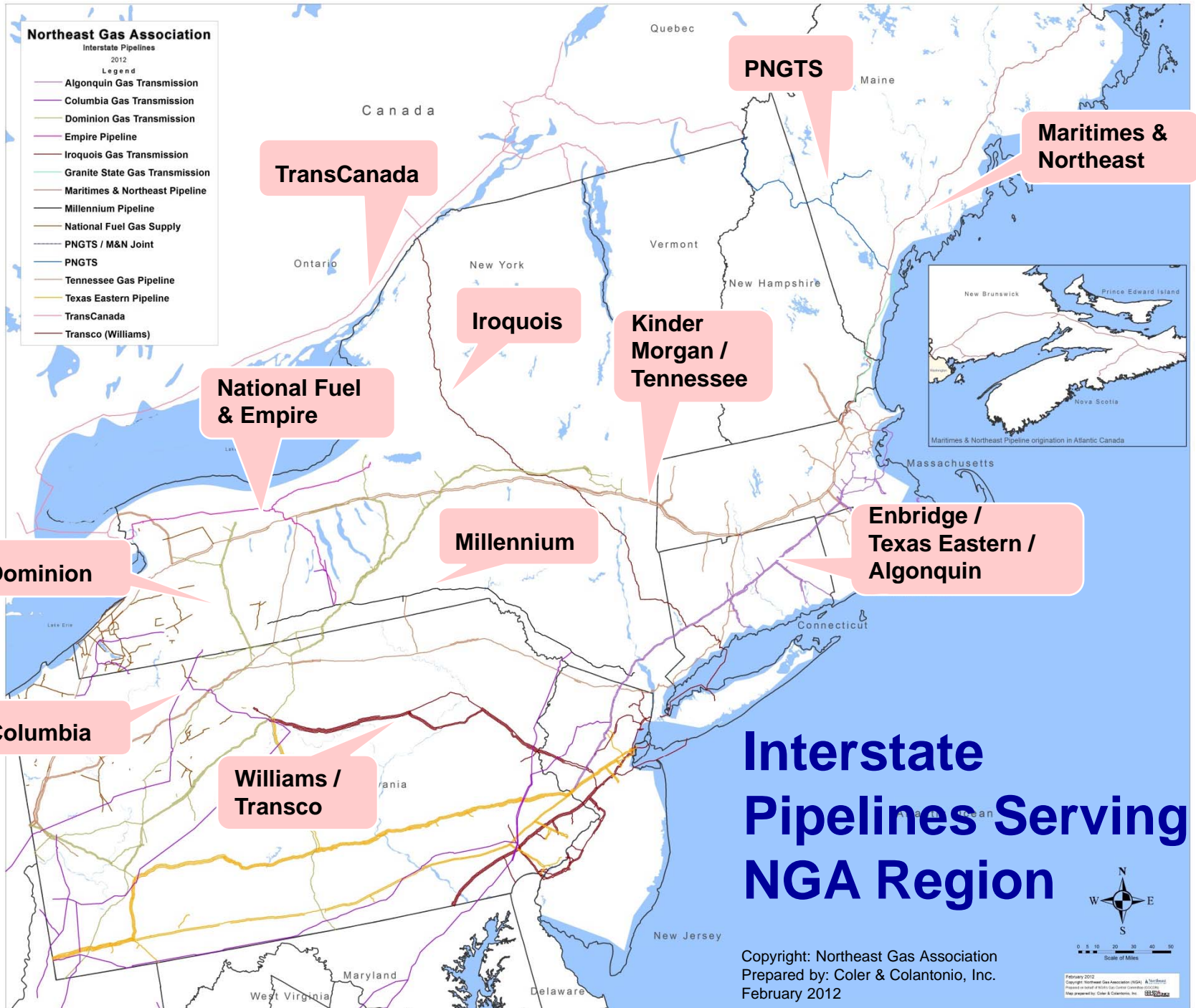
- ◆ We welcome your questions During webinar, please send questions via email to:

leahy@northeastgas.org

- ◆ Please remember to **mute** your phone line – ***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

Gas Utility Service Areas, NGA Region





Interstate Pipelines Serving 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



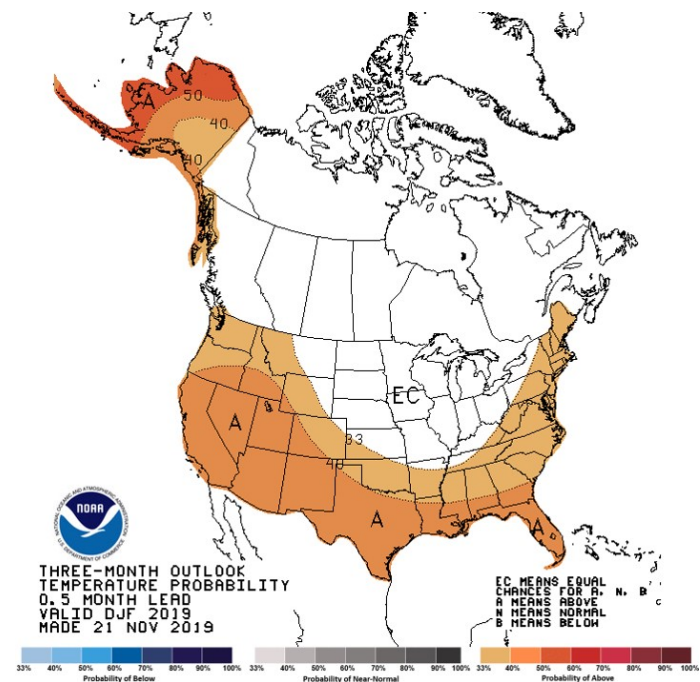
*Everett LNG facility, part of
Exelon (Constellation)*



Canaport LNG. Photo courtesy of Repsol

Overview of Key Market Variables

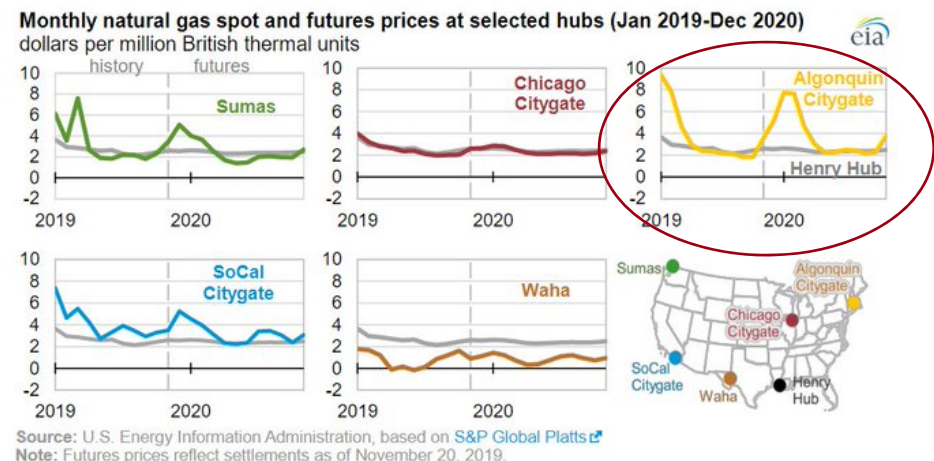
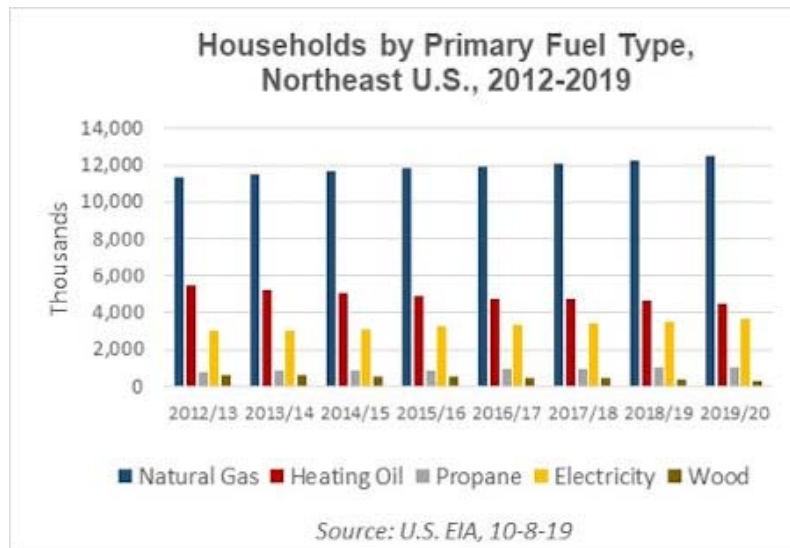
- ◆ Storage at average levels - 3.6 Tcf as of Nov. 22 –U.S. production at high levels – more flowing gas into market
- ◆ Commodity price stable, but potential spot price volatility at constrained points
- ◆ EIA projects heating bills to be lower for all major fuels this winter compared to last, reflecting expected warmer winter temperatures
- ◆ Weather – always the wild card



Map: NOAA, 11-21-19, 3-month outlook. NOAA predicting generally warmer averages nationally but also greater precipitation.

Gas Utility Preparedness

- ◆ Gas utilities in the region preparing for winter
- ◆ Supply and storage contracts in place
- ◆ Managing new customer growth on system
- ◆ Role of supplemental CNG and LNG volumes
- ◆ Continued high demand, constraints at certain points



Source: U.S. EIA, 11-22-19

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



NGA Gas Supply Task Force

- ◆ **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 next week. Summaries of discussions will be provided same day to state agencies (and ISOs)
 - Annual supply manual is completed; was recently sent to state agencies.

Presenters

Northeast Interstate Pipeline System

Mike Dirrane, Enbridge

Coralie Sculley, Tennessee Gas Pipeline/Kinder Morgan

Rob Perless, Iroquois Gas Transmission

Cynthia Armstrong, Portland Natural Gas Transmission System

Liquefied Natural Gas (LNG) Operations in the Region

Mike Cunningham, Everett LNG / Constellation Energy

Karen Lampen, Repsol (Canaport LNG)