

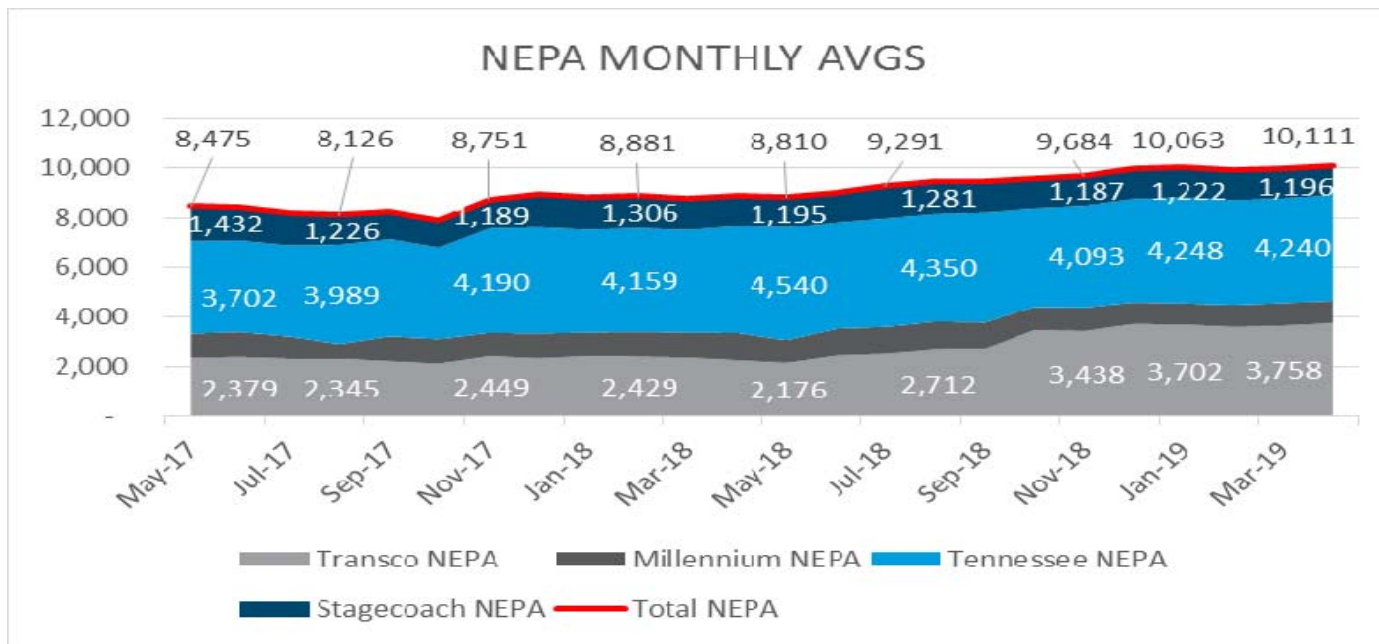
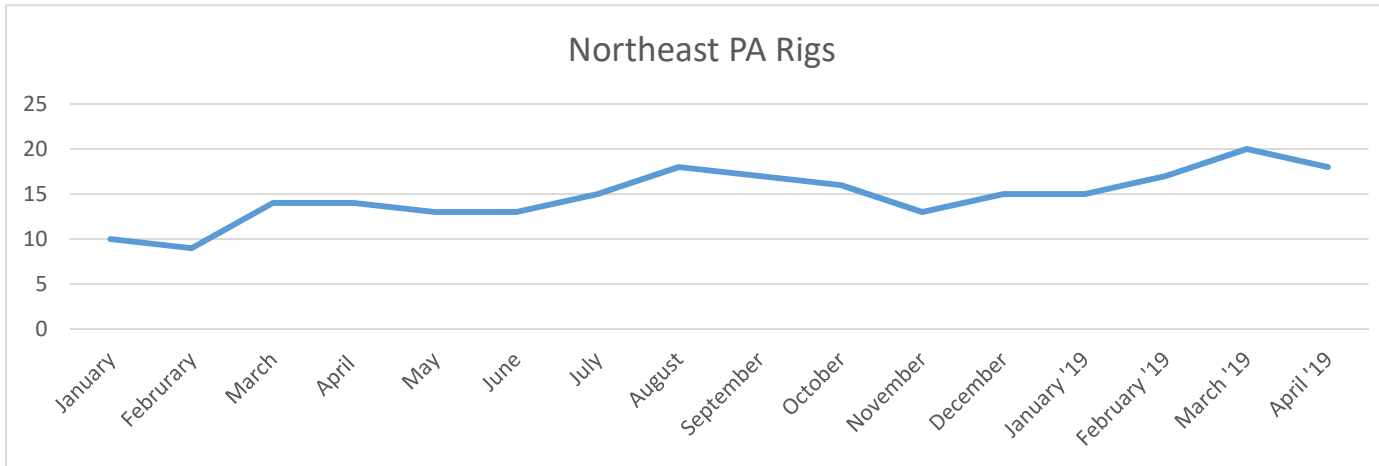


**Stagecoach Gas Services
Northeast Gas Association
May 2019**

Winter 18/19 and Overall Observations

- NE PA supply has continued to grow with increased takeaway (ASR/ESU)
- Demand continues to grow across the country
- Gas fired generation eats into summer storage injections with marketers/fuel managers needing increased balancing services
- NE PA is seeing growth in industrial/power demand underpinned by low cost supply and high deliverable storage solutions
- Low storage inventories coupled with a tighter market/early cold led to renewed price volatility in the basin
- Regulatory environment continues to be challenging, particularly for the last mile with producers defaulting to in-basin projects as a result

Northeast PA Rigs and Supply are Growing

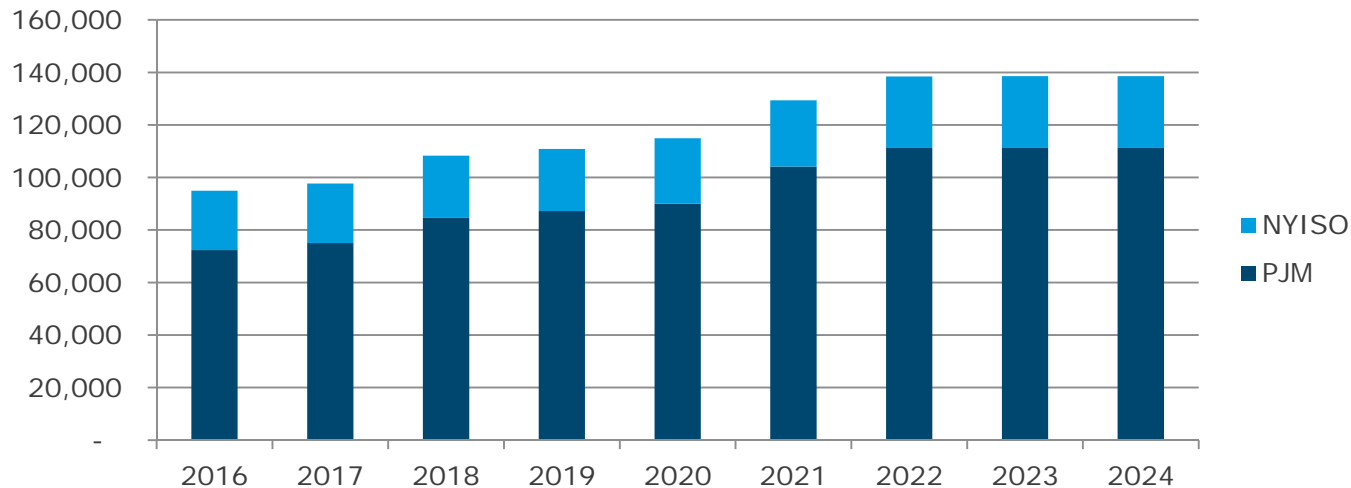


Includes Susquehanna, Bradford, Wyoming, Tioga, Potter, Lycoming, Sullivan Counties

Regional Demand Continues to Grow

In addition to power/industrial demand, East Coast LDC's saw new peaks or close to on MLK

Historic and Future Gas Generation



New Fortress Energy Building Second PA LNG Export Facility

"We expect to have liquefaction capacity of approximately 7.3 million gallons of LNG per day after the completion of our Pennsylvania facilities,"

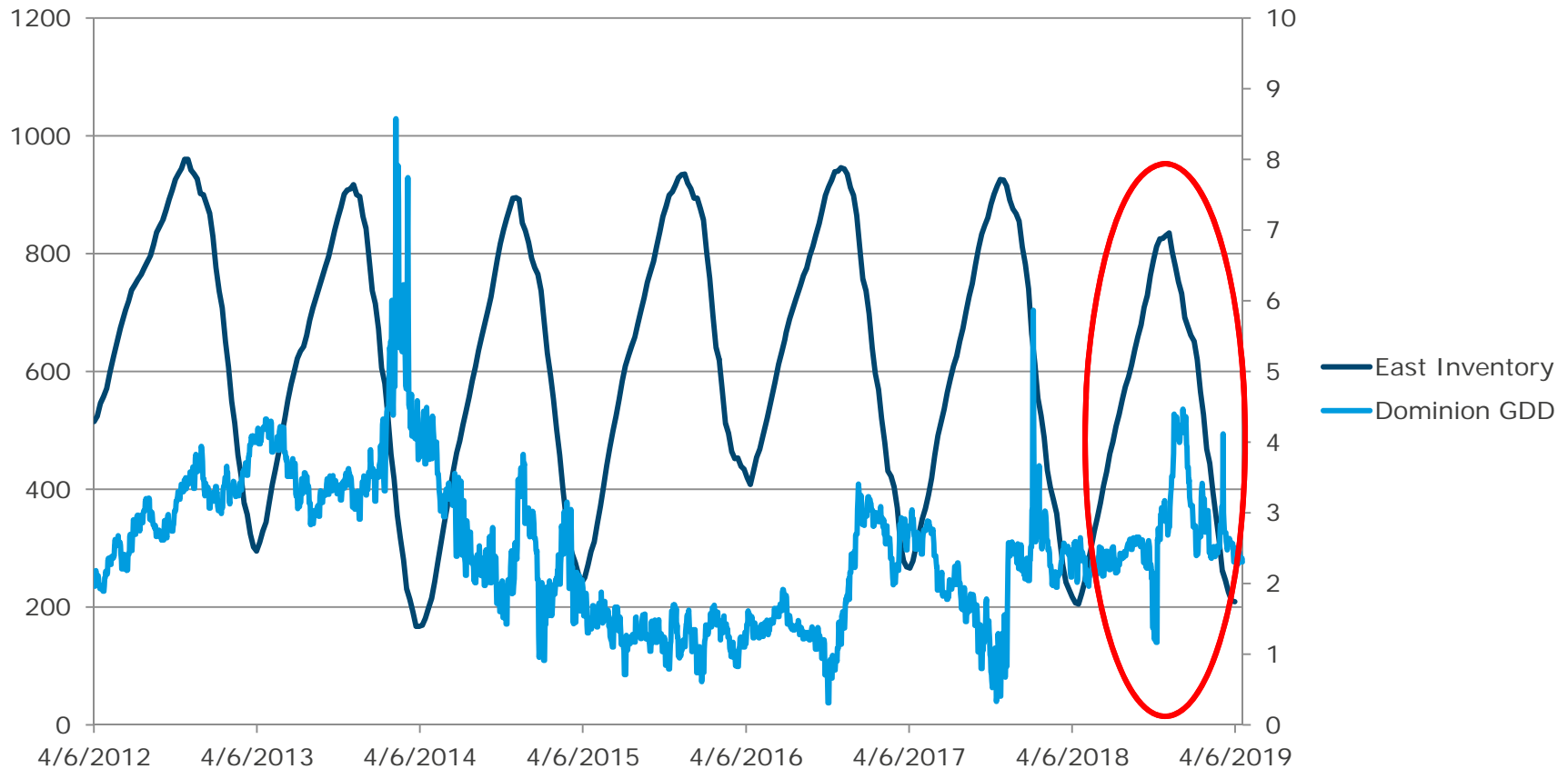
NiChe LNG (Dominion Energy and REV LNG, LLC Partnership)

50,000-gallons/day liquefaction and storage facility located in Wyalusing, Pa
Construction to begin in the Spring of 2019 and an in-service date of the 2019-2020 winter season

East Storage Inventory Lower than Recent History

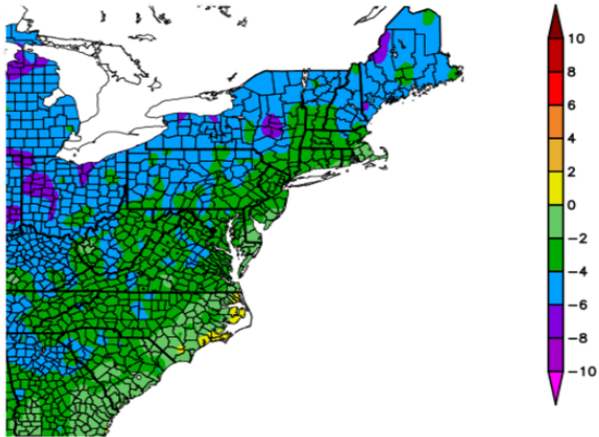
Significant supply/demand tightening with growth in power/industrial loads led to gas on gas competition and a spike in prices this winter

East Storage Inventory

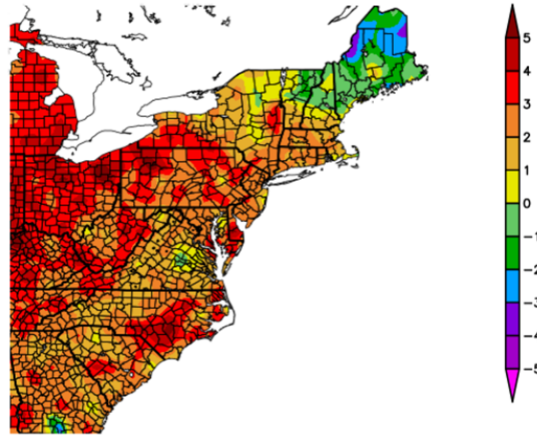


What would have happened if weather persisted?

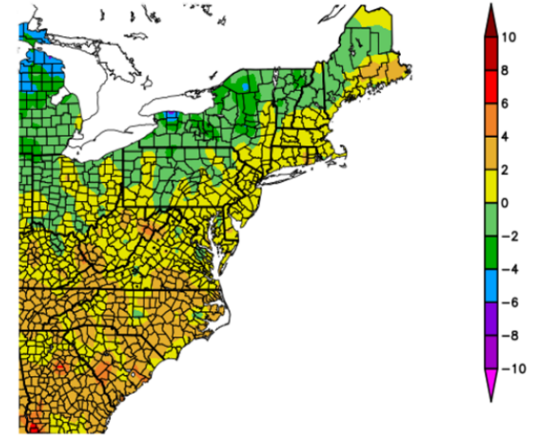
Departure from Normal Temperature (F)
11/1/2018 – 11/30/2018



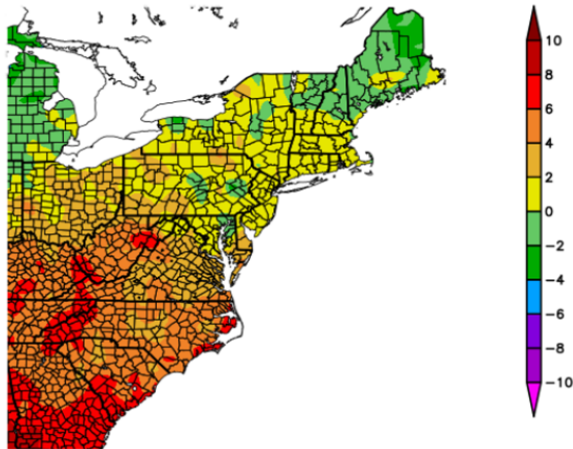
Departure from Normal Temperature (F)
12/1/2018 – 12/31/2018



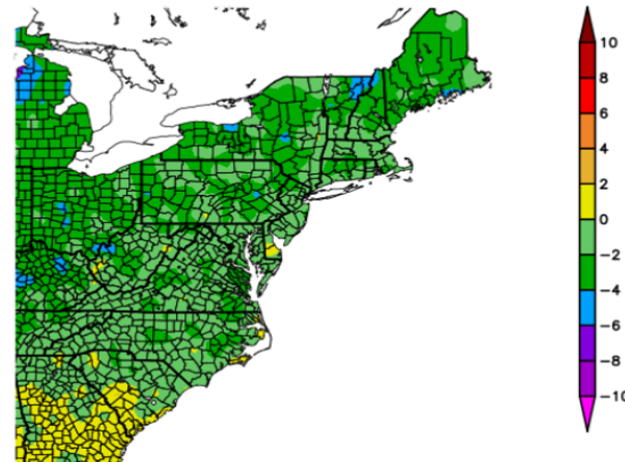
Departure from Normal Temperature (F)
1/1/2019 – 1/31/2019



Departure from Normal Temperature (F)
2/1/2019 – 2/28/2019



Departure from Normal Temperature (F)
3/1/2019 – 3/31/2019



Conclusions

- NE PA is a reliable supply point now and for the future
- Combination of storage and transportation has enabled gas fired generation to operate efficiently with power loads and continues to provide substantial volatility dampening for LDC storage holders
- Despite NJ/NY regulatory environment, regional and local demand is growing
- When the current regulatory challenges subside, NE PA will not only continue to but also expand its low cost, reliable benefits to the LDC markets along the East Coast
- In the meantime, the market is finding solutions within the basin