

*June 8, 2015  
Newport, RI*



# **“Power from Afar”... & the Role of Natural Gas**

**Presentation to:**

***NECPUC Annual Symposium***

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Northeast Gas Association

## NGA'S ANTITRUST COMPLIANCE PROCEDURES

*Adopted by the NGA Board of Directors on June 4, 2003*

### **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, refusals to deal with any company, and the like.

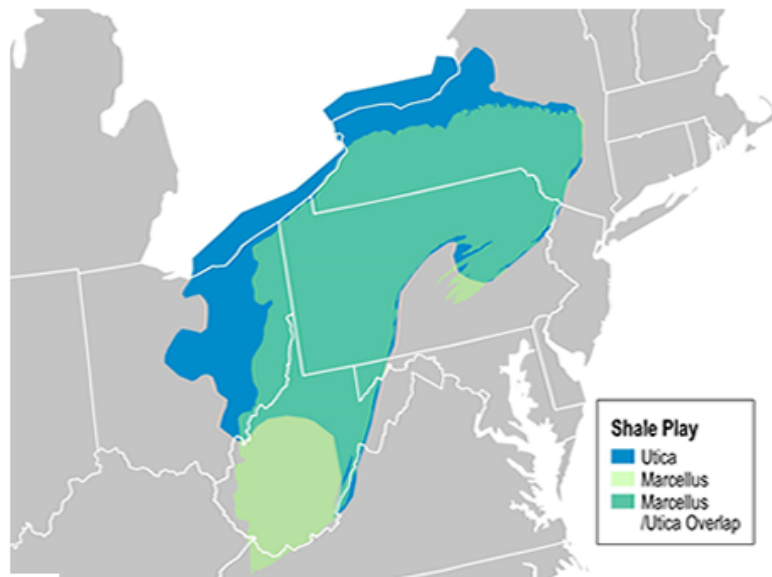
*Continued on NGA web site...*

<http://www.northeastgas.org/about-nga/antitrust-guidelines>

# Marcellus Shale Production – Nearby & Prolific



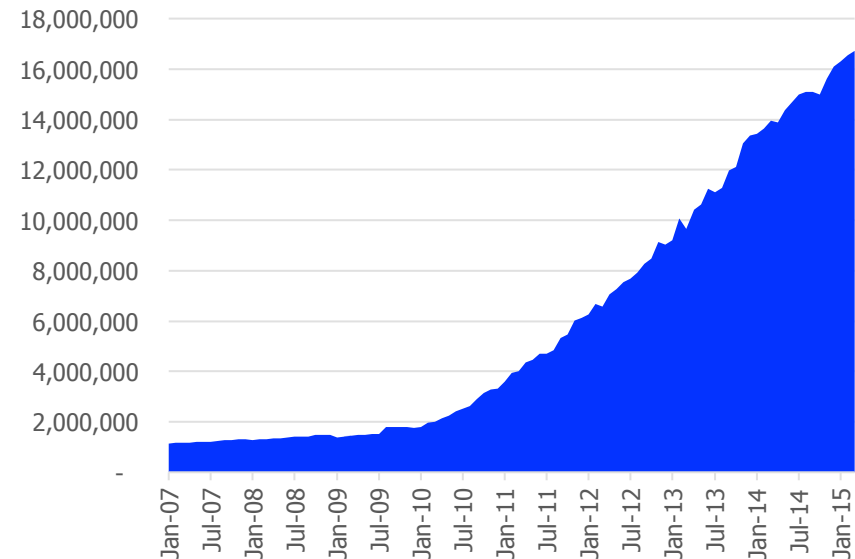
Utica and Marcellus shale plays



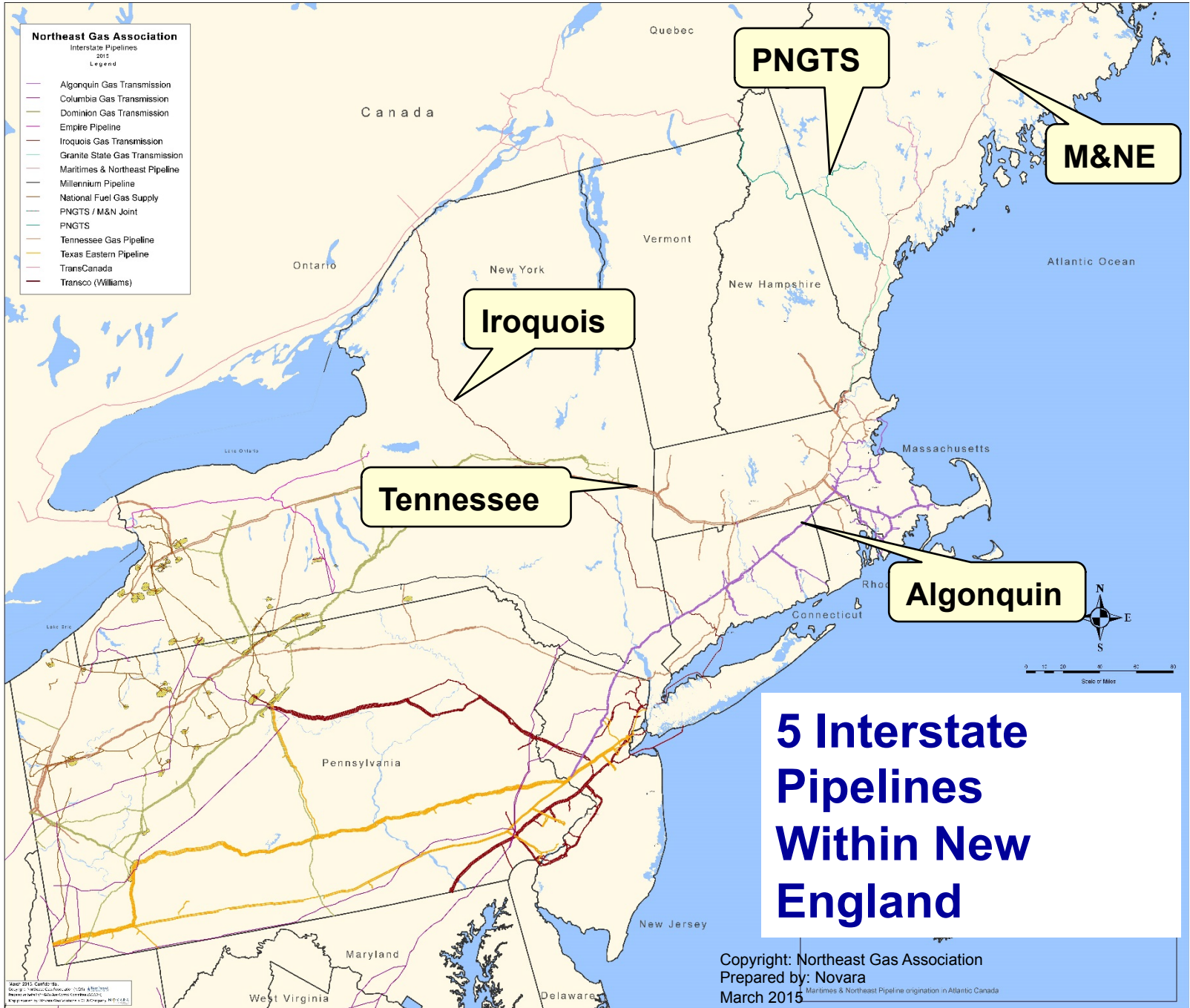
eia Source: U.S. Energy Information Administration.

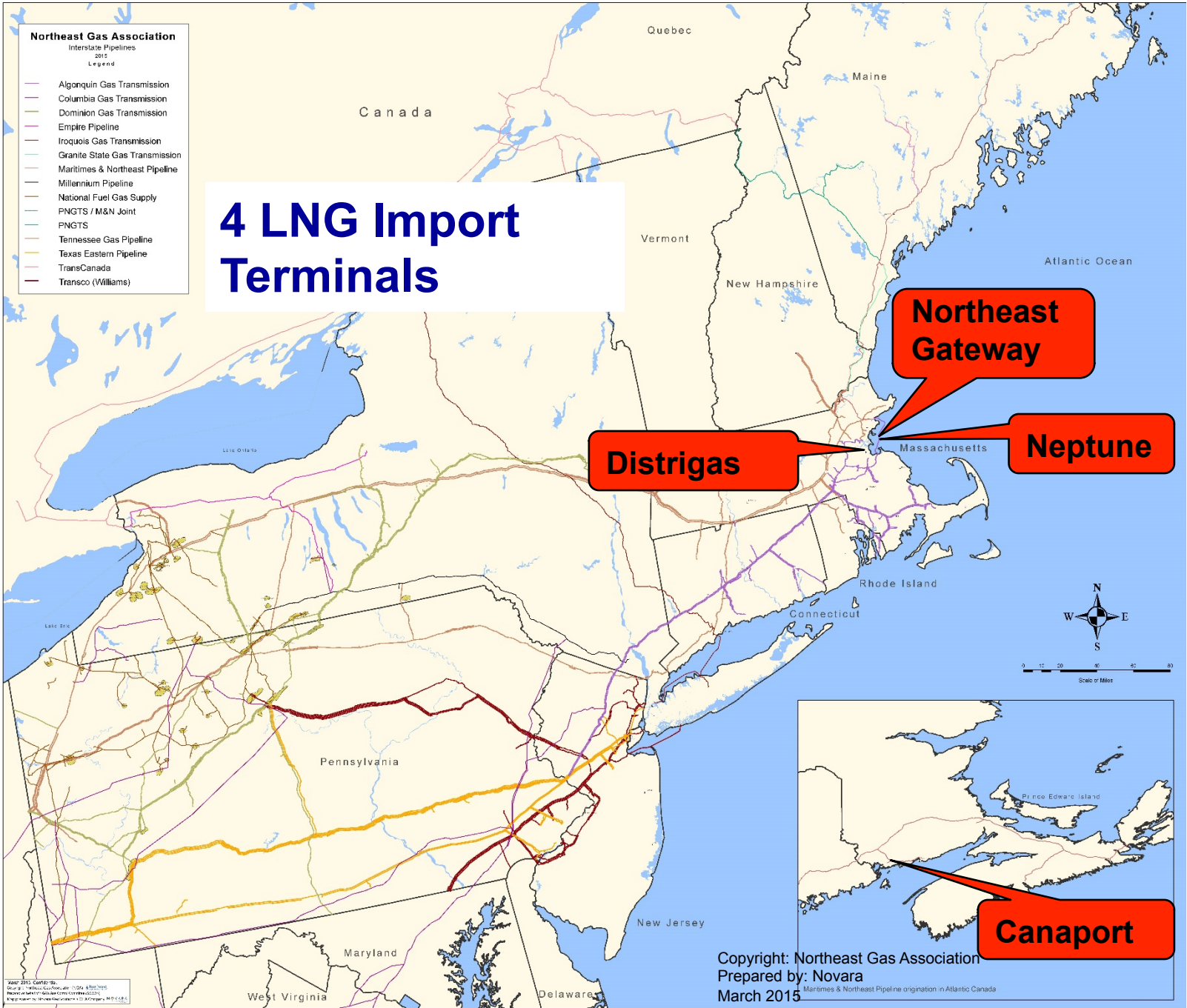
Source: U.S. EIA, 7-14

Marcellus Production, 2007-2015,  
Mcf/d



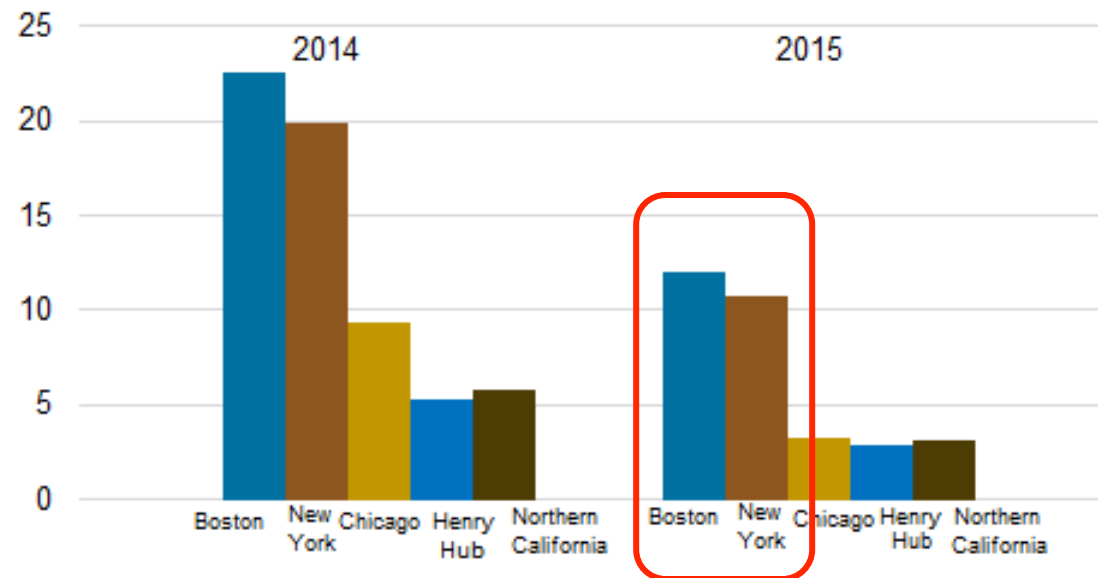
Source: U.S. EIA, 3-15





# Spot Price Volatility Varies by U.S. Regions – *last 2 winters*

**Average wholesale natural gas pricing for key trading locations, east and west for January 1 to February 20**  
dollars per million British thermal units



Source: *Natural Gas Intelligence*

Note: The trading hubs represented here are Algonquin Citygate for Boston, Transco Z-6 NY for New York, Chicago Citygate for Chicago, and PG&E Citygate for Northern California. Henry Hub is the standard trading benchmark for U.S. natural gas.



# Gas LDC Customer Prices vs. Secondary Market



## NE LDC CGA vs. Henry Hub and AGT City Gate \$/MMBtu

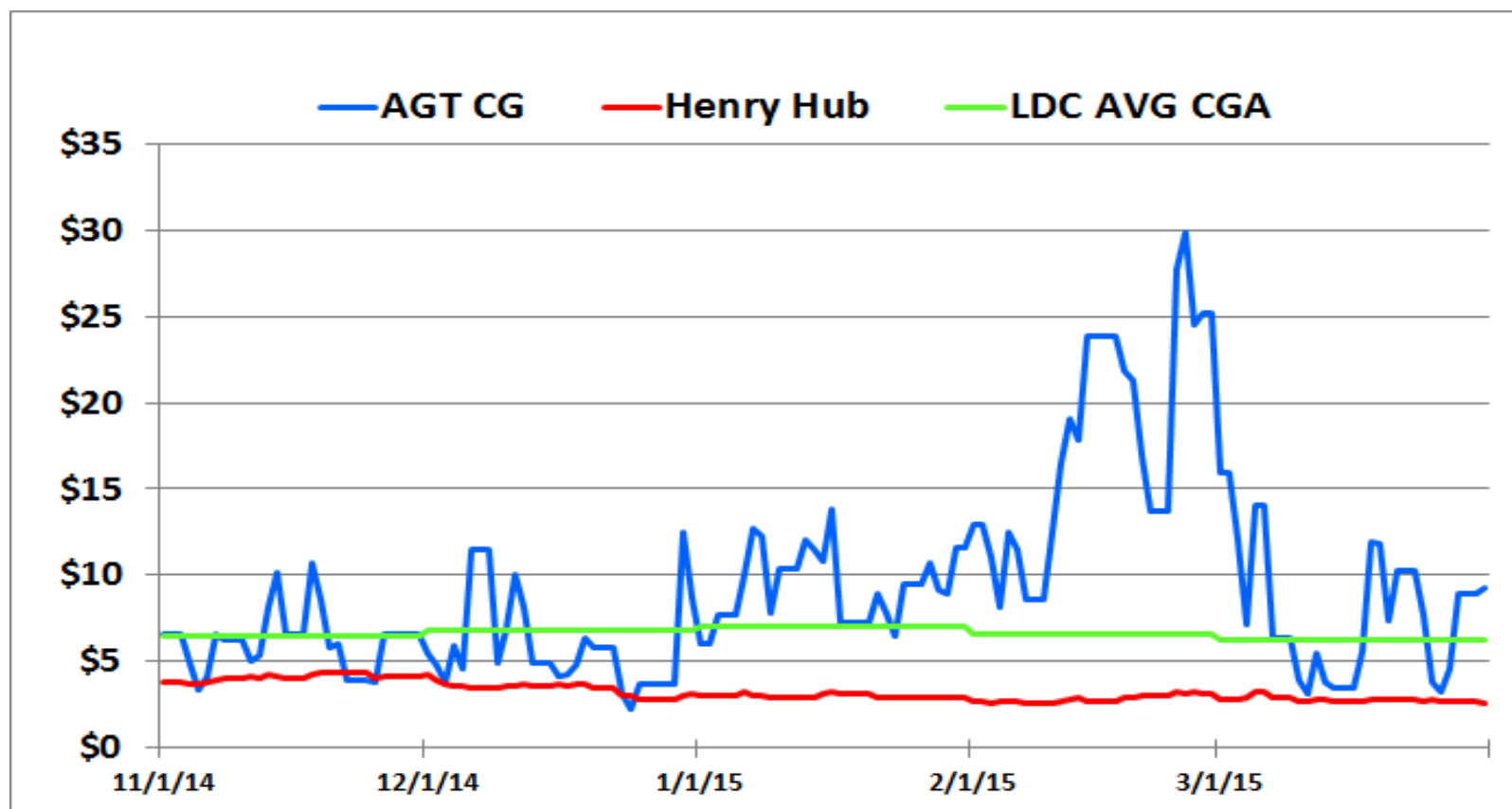
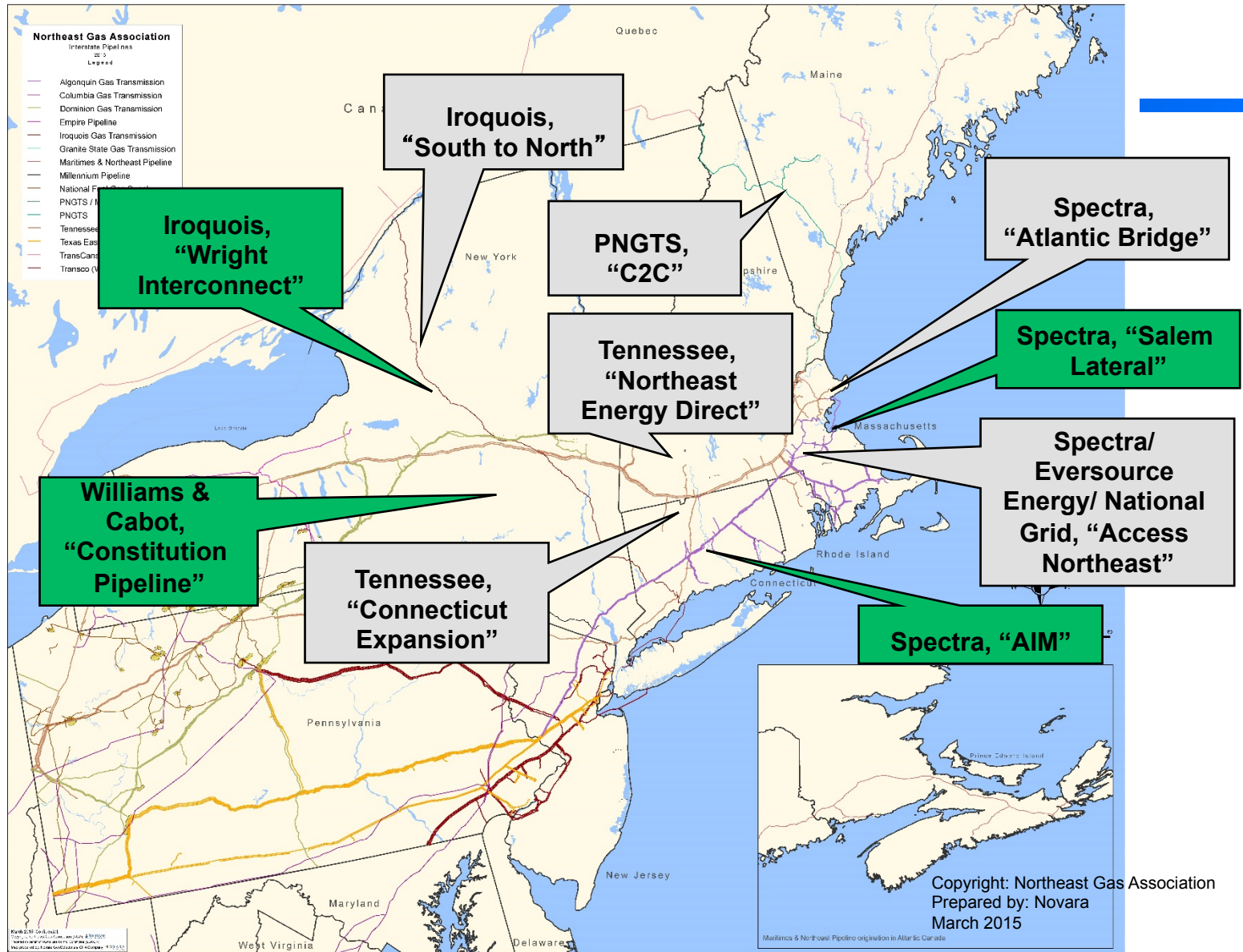


Chart: Eversource Energy. Gas LDC data is average for both NSTAR (MA) and Yankee Gas (CT)

# Proposed Pipeline Projects



Prepared by NGA, based on publicly available information. Project locations approximate.

As of 5-15.

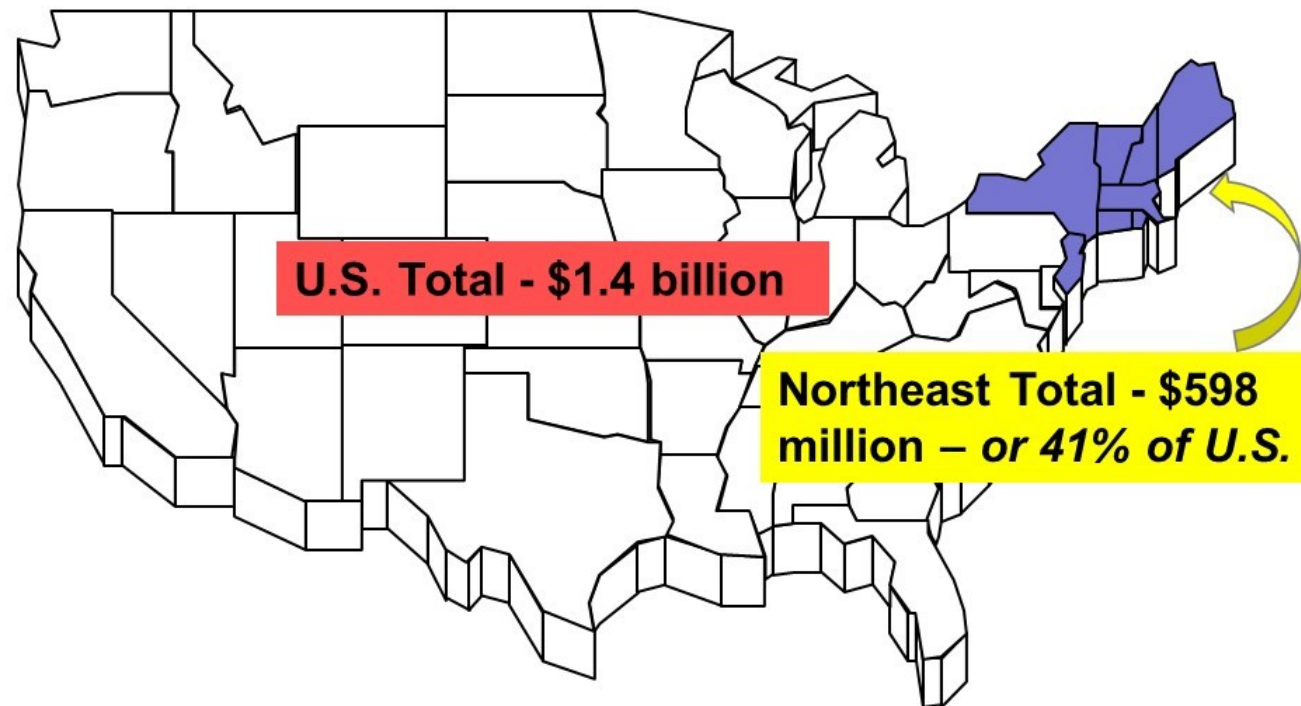
**Green = approved by FERC.**



# Northeast States Lead U.S. in Gas Efficiency Investments



## Natural Gas Efficiency Program Budgets



Source: ACEEE, "2014 Energy Efficiency State Scorecard"

# Points

- New infrastructure – from Marcellus (*not so far*) – will strengthen region's gas capacity and stabilize its price situation.
- Gas utilities continue to see growth on systems and to plan infrastructure investments to meet that growth.
- Power market has been debating its relationship with natural gas in the region for well over a decade. Governors' joint focus is welcomed and provides a way forward.