“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](http://www.northeastgas.org/about-nga/antitrust-guidelines)
Marcellus Shale Production – Nearby & Prolific

Marcellus Production, 2007-2015, Mcf/d

Source: U.S. EIA, 7-14

Source: U.S. EIA, 3-15
5 Interstate Pipelines Within New England

- Algonquin
- Iroquois
- Tennessee
- PNGTS
- M&NE
4 LNG Import Terminals

Northeast Gateway

Distrigas

Neptune

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

![Chart: U.S. EIA, February 2015](image)

**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

- Iroquois, "Wright Interconnect" (Green = approved by FERC)
- PNGTS, "C2C"
- Tennessee, "Northeast Energy Direct"
- Williams & Cabot, "Constitution Pipeline"
- Tennessee, "Connecticut Expansion"
- Spectra, "Atlantic Bridge"
- Spectra, "Salem Lateral"
- Spectra, "AIM"

Prepared by NGA, based on publicly available information. Project locations approximate. As of 5-15.
Northeast States Lead U.S. in Gas Efficiency Investments

Natural Gas Efficiency Program Budgets

U.S. Total - $1.4 billion
Northeast Total - $598 million – or 41% of U.S.

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.