# UGIES Midstream Services

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DOE Pittsburgh, PA

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UGI Energy Services

# UGI Corporation

**UGI Corporation**

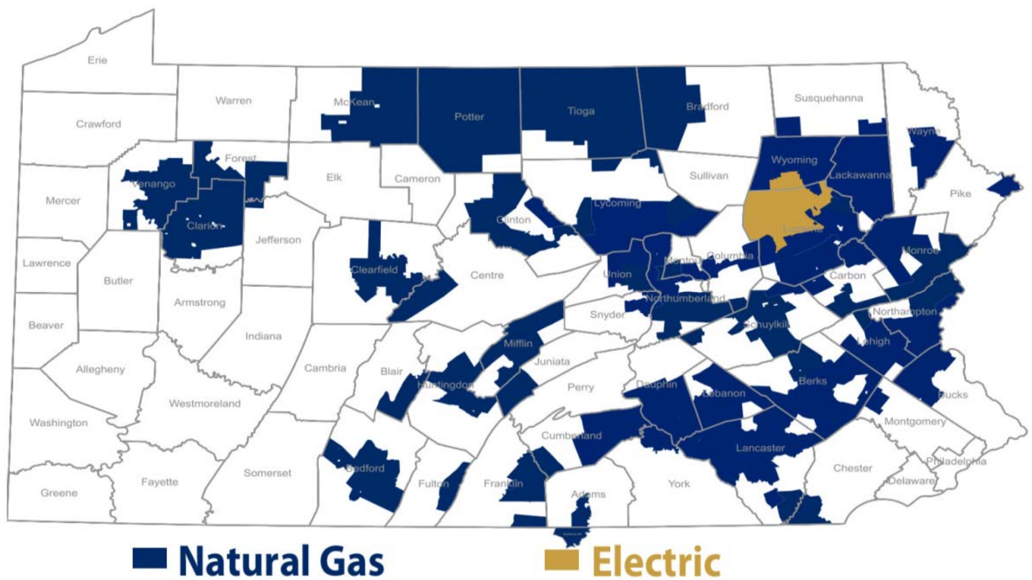
- **Domestic Propane**
  - AmeriGas – America's Propane Company
- **International Propane**
  - antargaz – Le choix naturel
  - FLAGA
  - AVANTIGAS
- **Regulated Utilities**
  - UGI – Energy to do more
- **Midstream & Marketing**
  - UGI Energy Services Inc.
  - UGI Storage Company
  - UGI LNG Inc.

# UGI Utilities

## Currently Pennsylvania's largest gas utility

- 45 of the 67 PA counties served
- Service provided in 709 PA municipalities

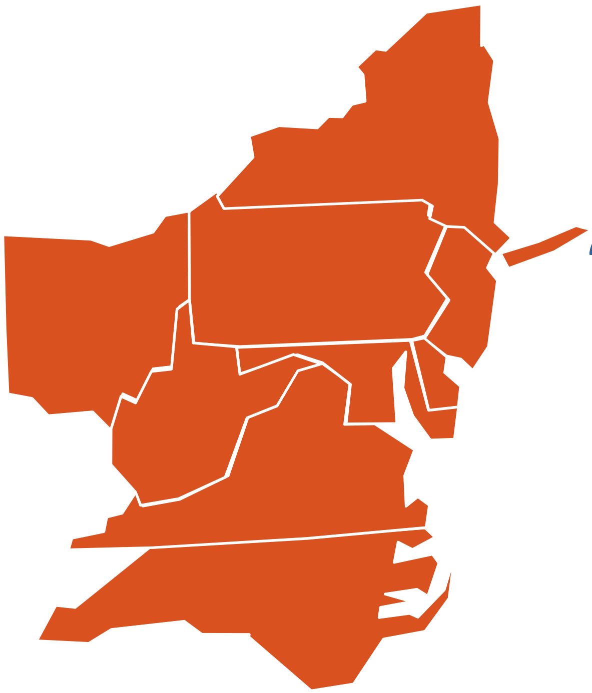
- ~600,000 gas customers
- ~60,000 electric customers




## Growing service areas

- Gas Utility customer growth of ~2% in 2012
- UGI System covers 28% of the total square miles in PA
- Approximately 12,000 miles of main

# UGI Energy Services



UGI Energy Services Inc.

## Marketing

**Natural Gas**
- ~ 100 Bcf
- > 41,000 locations
- 36 LDCs

**Power**
- > 2 MM MWhrs
- > 10,000 locations
- 20 EDCs

## Midstream

**Pipelines , liquid fuels, peaking and Gathering**
- 1.25 Bcf LNG Storage , 15 bcf NG storage
- Existing and in-development, ~1 Bcf/d of gathering and Transmission

## Generation

**Generation**
- Hunlock: 125 MWs combined cycle
- Conemaugh: 102 MWs coal-fired
- Renewable energy: ~ 17 MWs

# UGIES – Midstream Strategy

## Link Supply to Markets

- *Leverage existing UGI infrastructure and build to new & existing markets*

## Integrate Pipeline Infrastructure with other Midstream Assets

- *Bundle the use of storage, peak shaving, and pipeline capacity when appropriate*

## Develop Integrated Products and Services

- *Enable markets to transition from long-haul contracts to regional options*

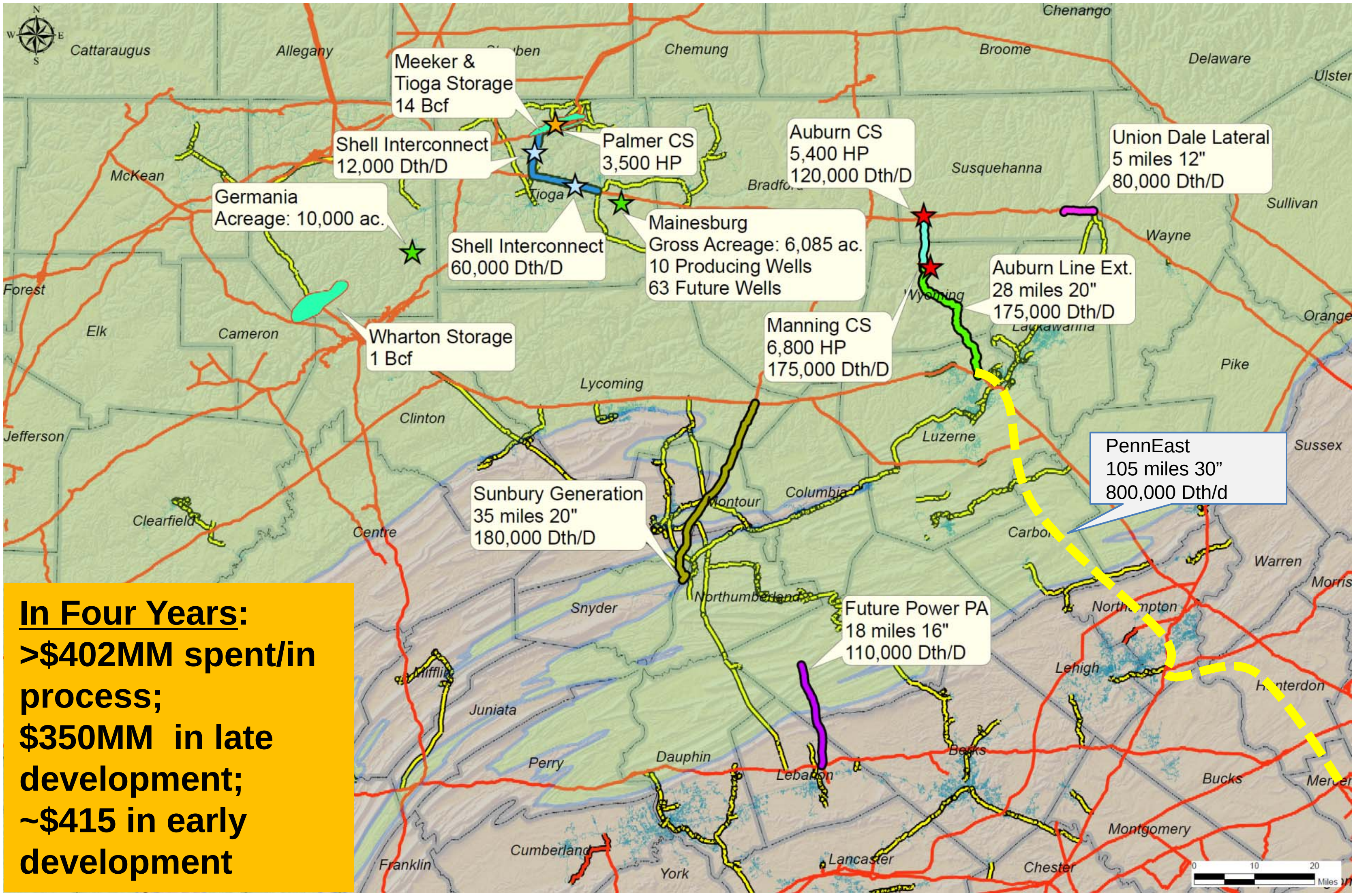
## Provide Timely, Flexible, and Competitive Services

- *Help producers execute their development plans with timely market access*

## Construct and Acquire Foundational Investments

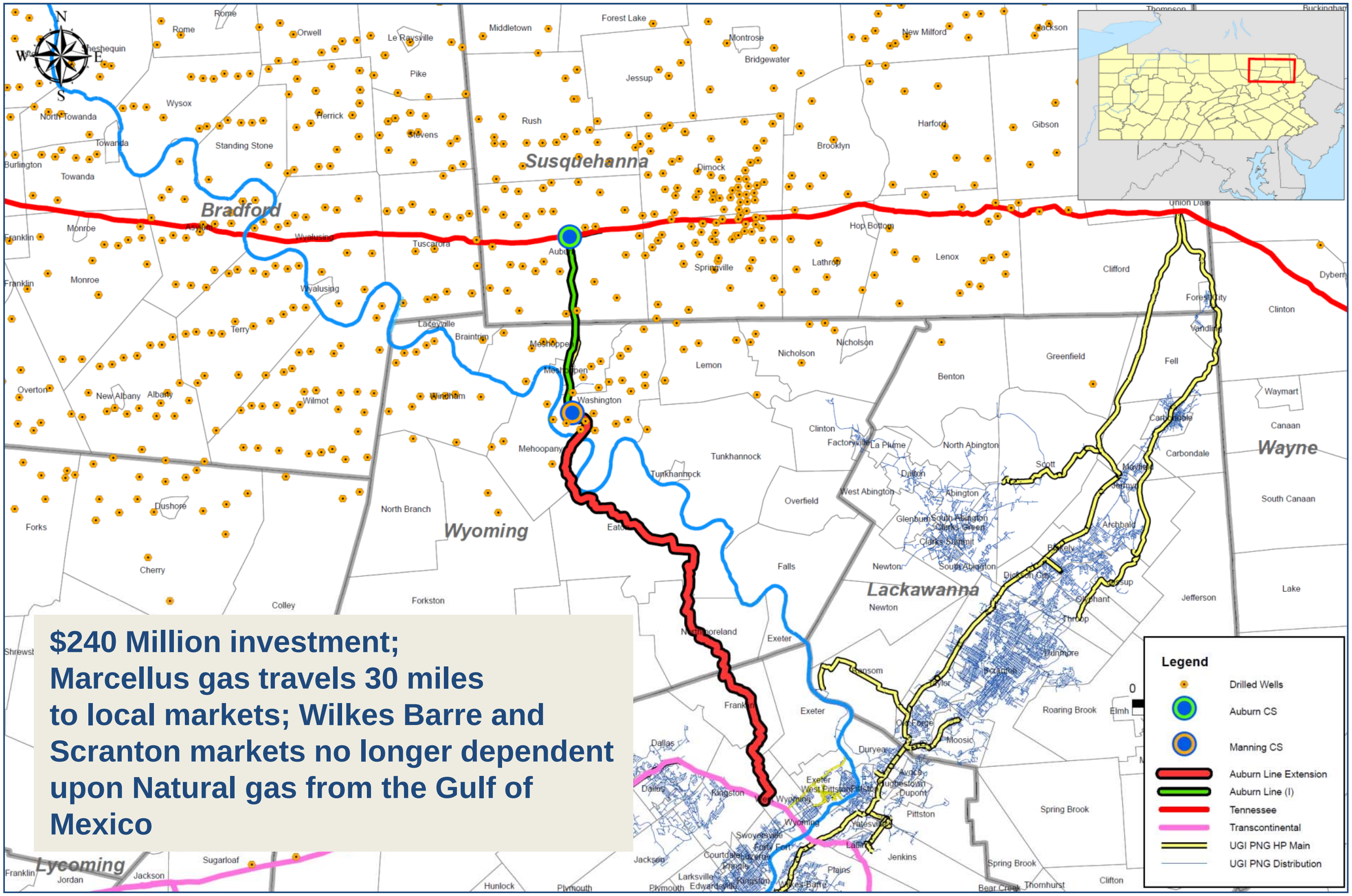
- *Support longer-term growth opportunities*

# Projects: Current through 2017



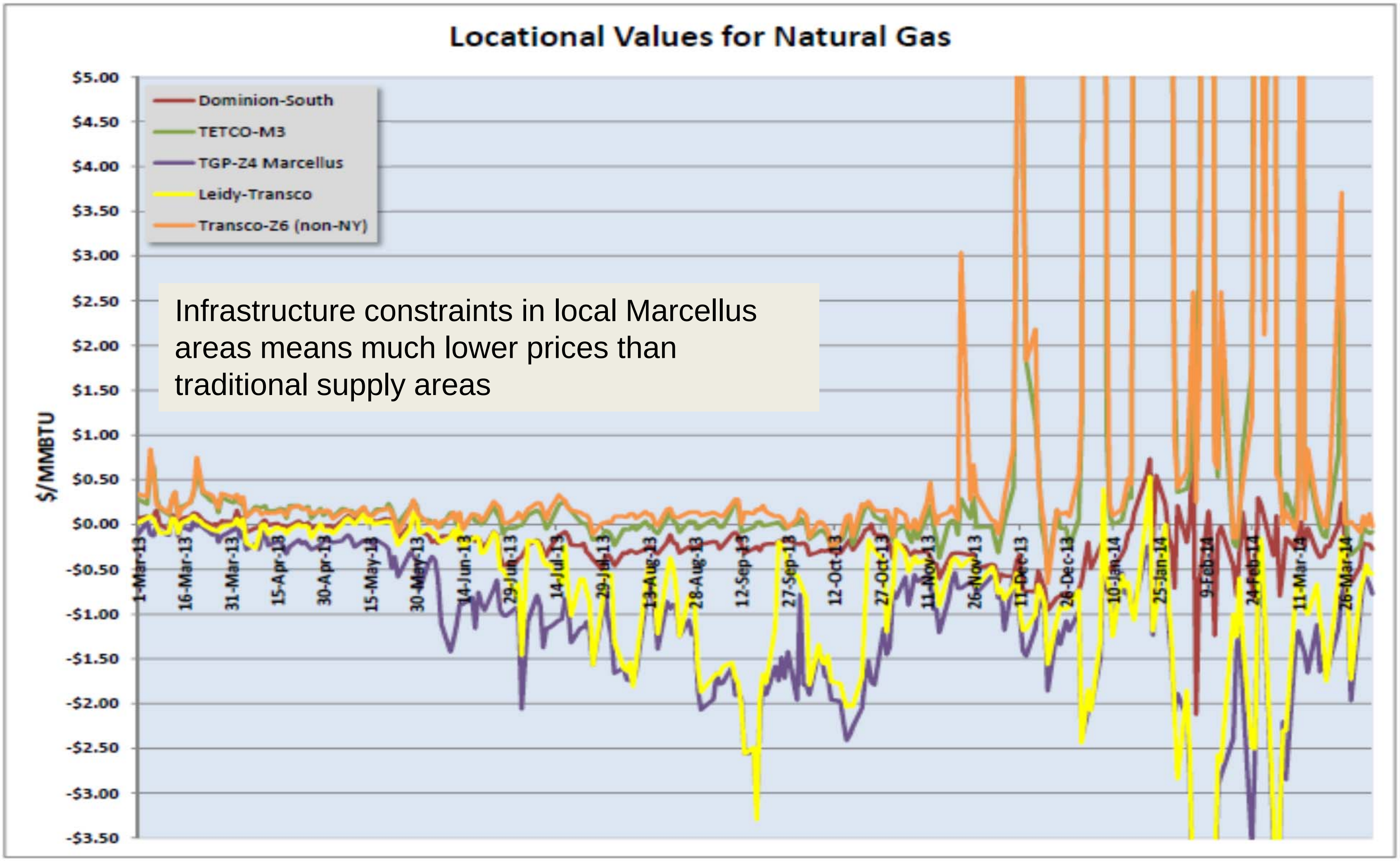

**<u>In Four Years</u>:**
**>$402MM spent/in process;**
**$350MM in late development;**
**~$415 in early development**

# UGIES Assets – Auburn Gathering System

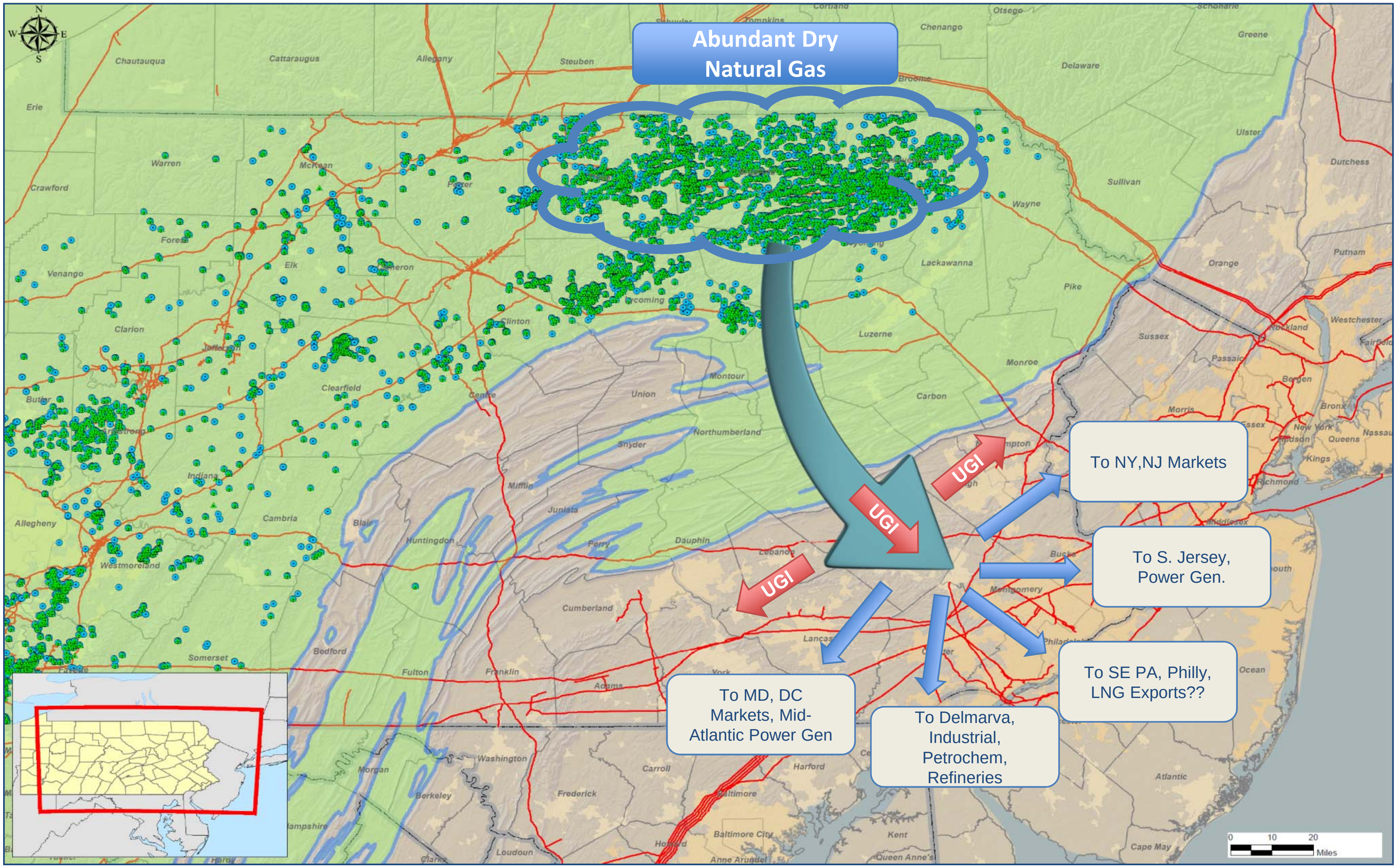



**$240 Million investment; Marcellus gas travels 30 miles to local markets; Wilkes Barre and Scranton markets no longer dependent upon Natural gas from the Gulf of Mexico**

# Locational volatility and spreads



# A Direct Pipe From Supply to Market



# Gaining Momentum: Marcellus to SE PA

- **Drivers**: Low gas prices in NE PA and a large gas market in SE PA, South Jersey and Northern Delaware; Access to East Coast Pipes such as TETCO, Transco, Columbia
- **Opportunities**: Connect "trapped gas" in NE PA with primarily Pennsylvania markets; a catalyst fro growth
- Philadelphia Chamber of Commerce—The CEO Council for Growth views expanded natural gas infrastructure as key to growth in SE PA
- Significant natural gas expansion opportunities in existing markets

# UGI Utilities – Conversions from 2009 – 2013 (Cntd..)

## Residential

- *31,000 homes converted*
- *2.7 BcF/year of additional volume*
- *65,000 tons/year of $CO_2$ displaced*

## Natural Gas Vehicles

- *8 fleet conversions to CNG (90 vehicles)*
- *87,000 McF/year of additional volume*
- *1,400 tons/year of $CO_2$ displaced*

# Other Potential for Oil to Gas SE Pennsylvania

## 5 County Philadelphia Region

- *Bucks, Chester, Delaware, Montgomery, and Philadelphia Counties*

## Residential

- *Over 300,000 potential conversions to natural gas*
- *Total potential incremental volume of 29 BcF/year*

## Commercial

- *Over 50,000 potential conversions to natural gas*
- *Total potential incremental volume of 23 BcF/year*

## Total

- *Over 50 BcF/year of total incremental volume from conversions; 70-80 BcF/year with UGI Utilities potential;~450,000 McF/day of additional winter demand*
- *Highest conversion potential exists in Bucks and Chester Counties*

# *Thanks!*

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