



# Natural Gas Infrastructure in Virginia

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of Virginia**

***A NiSource Company***

# Natural gas in Virginia overview

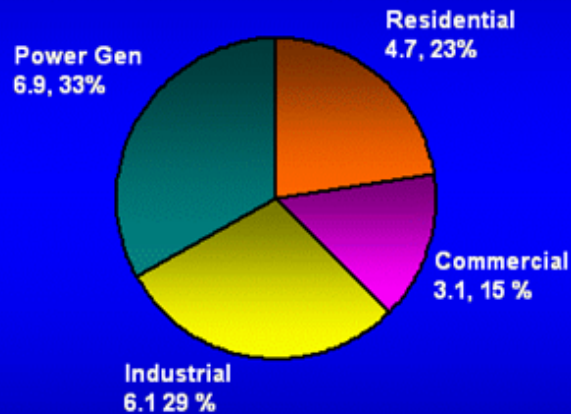
- Virginia population is 7.9 million (#12), expected to be **10.5 million** by 2035
- About 1.2 million natural gas consumers (37%), compared to 3.5 million electric customers
- Energy consumption increasing about 1.5% per year
- VA energy supply needs to grow 14.6% to meet est. 2020 demand
- More than 7,200 Mw new electric generating capacity needed by 2020
- Annual VA gas consumption currently about 300 bcf



# Virginia vs. national natural gas use

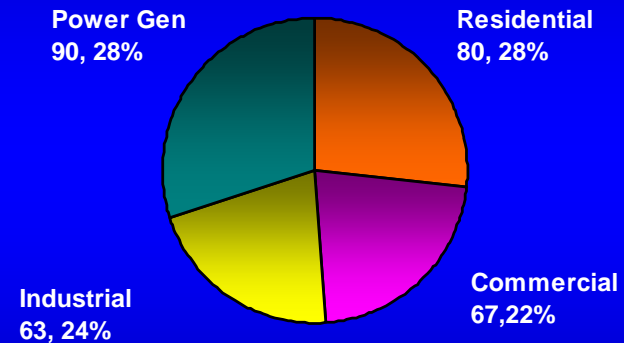
## Natural Gas Applications

U.S. Consumption 21 tcf



## Natural Gas Applications

Va consumption 299 bcf

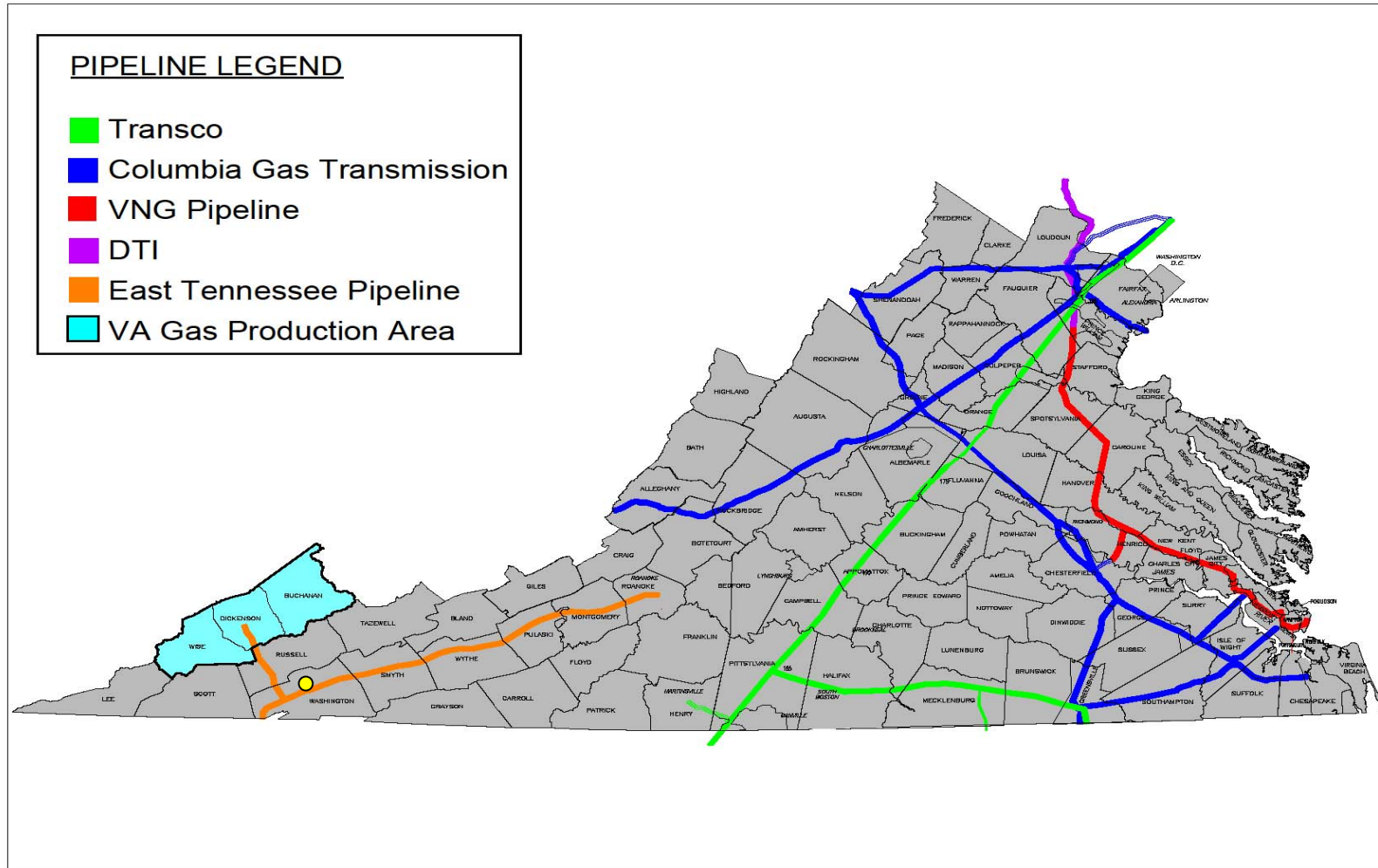


## Natural gas in Virginia (cont.)

- **NG infrastructure - more than 26K miles of pipe**
  - 3,000 miles of interstate pipe
  - 23,000 miles of gathering and distribution pipe
  - 7,300 wells producing 140 bcf
- **Pipelines provide good supply portfolio**
  - Traditional Appalachian/Gulf supply
  - New supply sources in Rockies and shale plays
  - LNG through Cove Point
  - Offshore is “way off”
- **VA has 7 investor-owned utilities, 3 municipal companies**
  - Discreet service areas
  - Competition from propane, electric

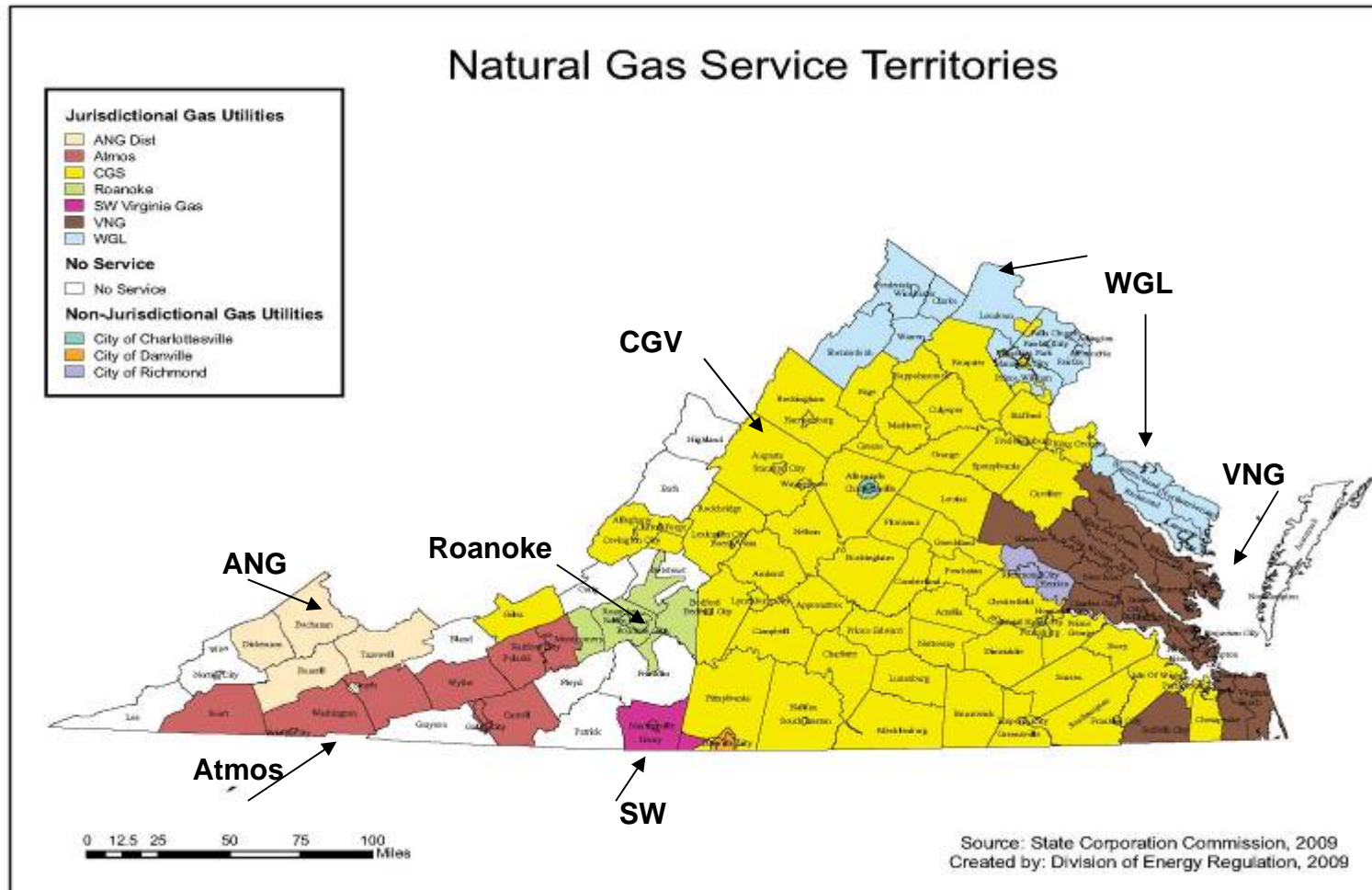


# Virginia interstate pipeline and production



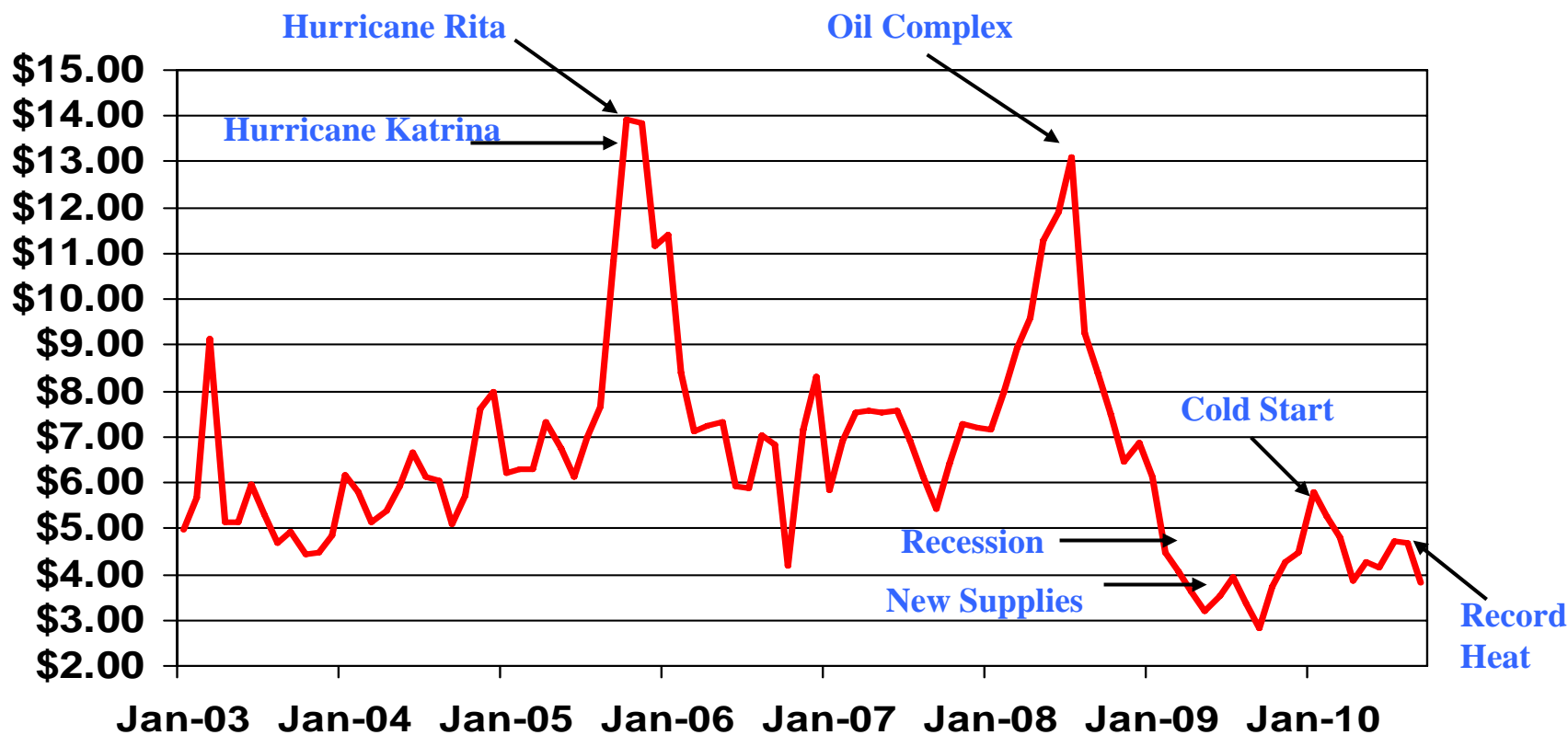


# Natural gas distribution coverage



# Price response to supply – decreasing volatility

## NYMEX Expiration



# Attractive futures pricing for gas

Stability, not volatility!

