

Natural Gas Industry Structure



- Three parts of natural gas industry
 - Exploration and Production (E&P)
 - Interstate pipelines and storage facilities
 - Local Distribution Companies (LDCs)
- E&P companies are not price-regulated
- Interstate companies are regulated by FERC (Federal Energy Regulatory Commission)
- LDCs are regulated by state commissions

Natural Gas Utilities



- 4 Local Distribution Companies (LDCs) in the state
 - Piedmont Natural Gas Company, Inc.
 - PSNC Energy
 - Frontier Natural Gas Company, LLC
 - Toccoa Natural Gas
- 1 Intrastate Gas Pipeline (Cardinal Pipeline Company, LLC)
- 8 Municipal Gas Systems – rates not regulated by the Commission
- 1 Interstate Gas Pipeline (Transco) crosses the State
 - 2 others (Columbia and Patriot) provide small volumes
 - Atlantic Coast Pipeline (in planning/permitting)
- 1 interstate liquefied natural gas storage facility
(Pine Needle LNG Company, LLC)

Miles of Natural Gas Pipes in North Carolina



Gas Pipeline Miles by System Type - 2016

Time run: 1/12/2018 5:02:37 PM

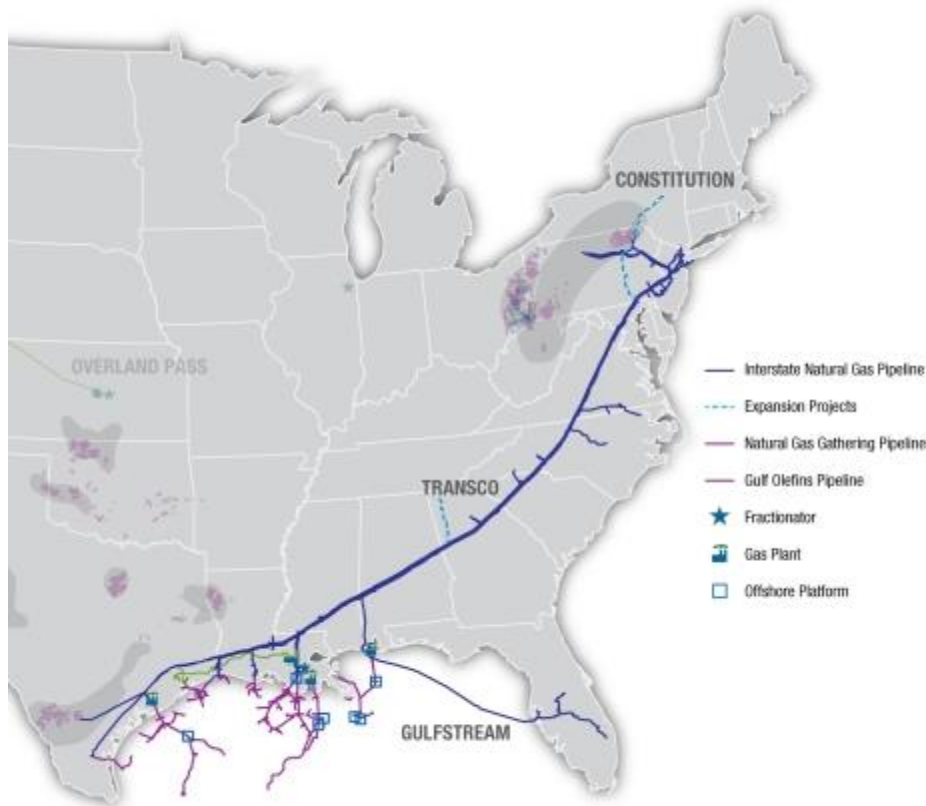
Data Source: US DOT Pipeline and Hazardous Materials Safety

Portal Data as of 1/12/2018 2:08:24 AM

STATE: NORTH CAROLINA

System Type	System Detail	Miles
GAS DISTRIBUTION	Main Miles	30,792
GAS TRANSMISSION	Miles	4,223

Interstate Pipeline: Transco (Williams Company)



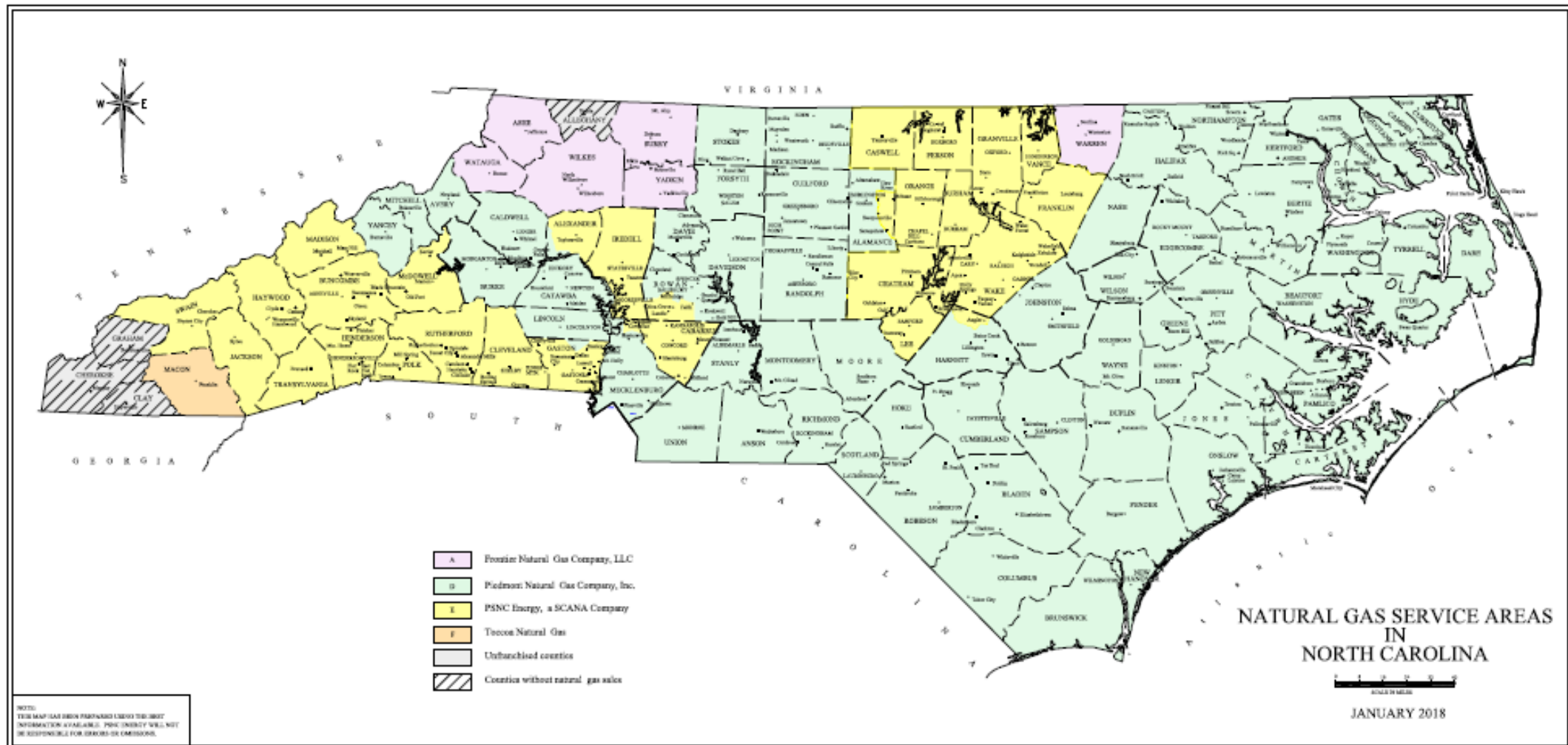
[Transco](#), the nation's largest-volume interstate natural gas pipeline system. The mainline extends nearly 1,800 miles between South Texas and New York City, and is a large-scale provider of natural gas services to markets in the Southeast and Atlantic Seaboard states, including New York, New Jersey and Pennsylvania.

[Gulfstream](#), a 745-mile pipeline delivering natural gas across the Gulf of Mexico to Florida.

Plus several [gathering and processing facilities](#) — including processing plants, pipelines and floating production platforms — along the Gulf Coast. We have also developed the [Gulfstar](#) floating platform system, which features a core design with modular “plug and play” options that reduce delivery time and lower the risk of engineering and construction cost overruns.

Source: Williams Company (<http://co.williams.com/operations-2/atlantic-gulf-operating-area/>)

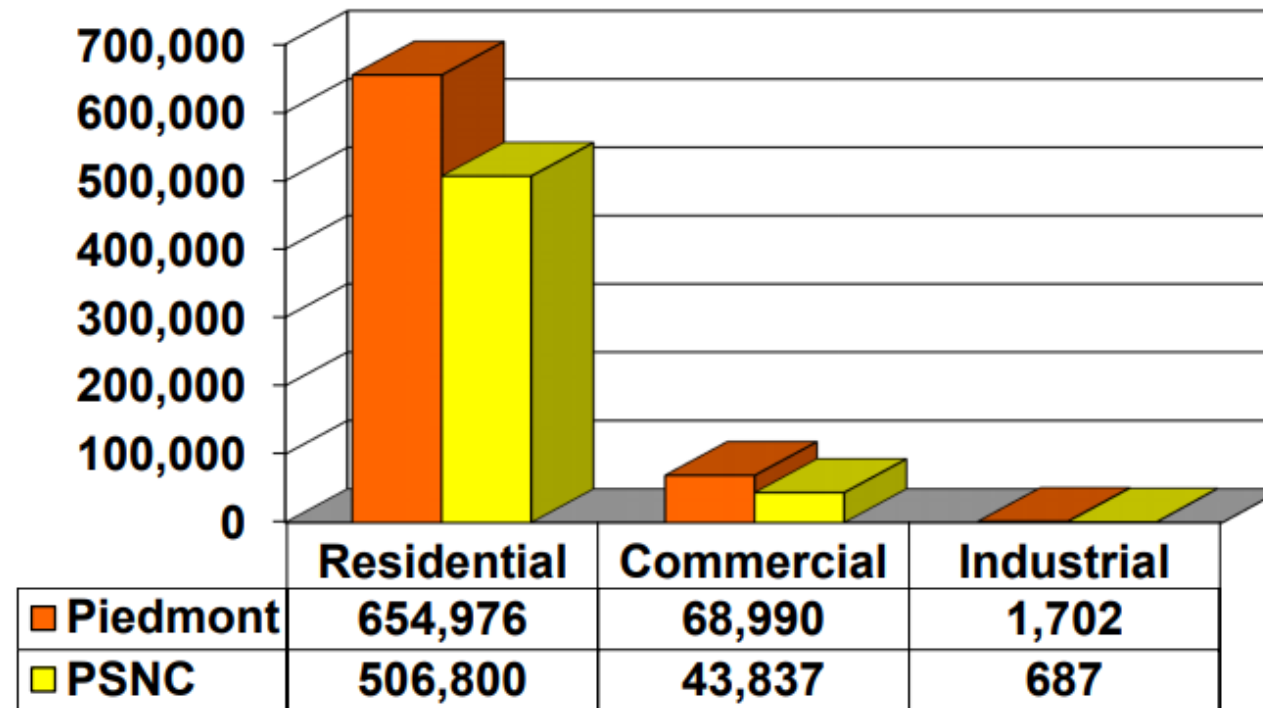
Natural Gas Service in North Carolina & LDC Service Territories



Natural Gas Customers in NC

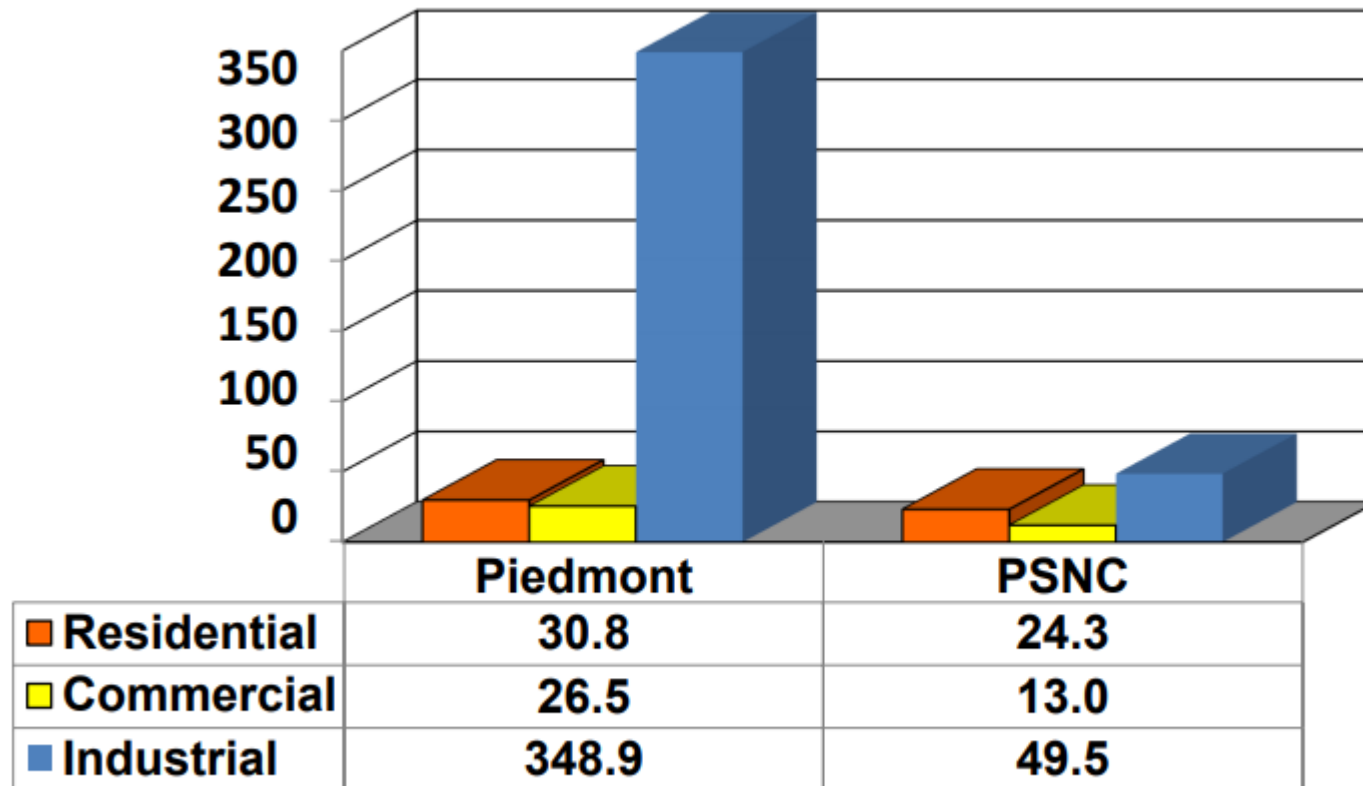


Major Local Distribution Companies' Number of Customers (As of 6/30/17)



Volumes of Natural Gas Delivered in NC (millions of Dekatherms)

(12-Month Period Ending 6/30/17)



Note: "Industrial" volumes include deliveries to gas-fired electric generators;
Piedmont's "Industrial" volumes include deliveries for resale to municipal gas systems.