Industry Trends

• Shift in electricity generation from coal to natural gas
• Continued growth of generation from renewable sources
• Abundant natural gas supply will continue to drive pipeline infrastructure investments
Retiring Coal Units
Coal to Natural Gas Conversions
Planned Natural Gas Plants
Oil and Gas Pipelines

2014-2035: Planned Miles by Sector

- Natural Gas: 338,800
- NGL: 15,100
- Crude Oil: 188,600
Top Locations
Planned Transmission Pipelines
Pipeline Construction, 2014-2035: Miles by Diameter

<table>
<thead>
<tr>
<th>Diameter</th>
<th>Natural Gas</th>
<th>NGL</th>
<th>Crude Oil</th>
</tr>
</thead>
<tbody>
<tr>
<td>1&quot; to ≤ 8&quot;</td>
<td>291,200</td>
<td>171,600</td>
<td>0</td>
</tr>
<tr>
<td>8&quot; to ≤ 16&quot;</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>16&quot; to ≤ 24&quot;</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>&gt; 24&quot;</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Gas Distribution

• The Pipeline and Hazardous Materials Safety Administration established new regulations in 2011 requiring every Gas Company to replace ‘highest-risk pipeline infrastructure.’

• PHMSA estimates that 48,000 miles of gas distribution mains and 2.6 million miles of gas distribution service lines are in need of replacement.

• Gas Distribution companies plan Capital Expenditures totaling $91 billion on gas infrastructure through 2019.
EPA Clean Power Plan

• Final Rule with carbon emission reduction goals released August 3, 2015.
• On February 9, 2016, the Supreme Court stayed implementation of the Clean Power Plan pending judicial review
• States are key players moving forward