

## A MESSAGE FROM FRANK

Dear Transco customers,

As we begin 2013, we reflect on the accomplishments of 2012 and look toward the opportunities that this new year will bring. Last year, we became attuned to being a stand-alone energy infrastructure company after completing the spin-off of our E&P business. The split has led to many changes within our company.

**THANK YOU FOR BEING A PART OF OUR FUTURE AND ALLOWING US TO PROVIDE NATURAL GAS TRANSPORTATION AND STORAGE SERVICES TO YOUR COMPANY.**

What has not changed during this evolution, however, is our commitment to provide exceptional customer service, as evidenced by the results of the latest customer satisfaction survey. We are delighted with our overall score of 8.7 (on a scale of 1 to 10) and the strides we've made, but we're continually looking to improve and develop strategies to better serve you. That's why your feedback on our performance is crucial. Thanks to all of you for providing honest feedback to us throughout the year.

Sadly, last year we said goodbye to a dynamic leader and great friend. Randy Barnard, president of Williams Gas Pipeline, passed away in September after a battle with cancer. Many of you

knew Randy and appreciated what a strong, purposeful leader he was. He was well-respected within the company and throughout the industry. Randy is deeply missed.

We were saddened to watch the lives of employees, customers and residents of the East Coast region disrupted by the massive destruction of Hurricane Sandy. Our hearts go out to those still struggling

and to everyone who suffered losses during this superstorm.

To help rebuilding efforts in the areas hardest hit, Williams has donated to four local organizations

including the Rockaway Point Volunteer Fire Department, the Rockaway Youth Task Force, the Stephen Siller Foundation Hurricane Relief Fund to be directed to Staten Island Relief, and to the American Red Cross of Northern New Jersey. As our friends and neighbors on the eastern seaboard continue to recover from the storm's aftermath, we encourage you to support Sandy victims, either through relief organizations or through the [American Red Cross](#).

The new year ushers in a new company organization structure, with Rory Miller at the helm of our new Atlantic – Gulf Operating Area, which includes Transco. The new structure, which went into effect on Jan. 1, 2013, is designed to better

focus our resources on opportunities around the vast supplies of natural gas and natural gas products in North America, and to ensure that we're fully focused on our customers at all levels within the organization. Also, we're elevating our focus on our engineering and construction capabilities so that we can execute effectively on energy infrastructure projects to ensure products reach the highest value markets as timely and efficiently as possible. With that said, we have many growth projects under way, with more to come.

I'm excited about our company's outlook and our ability to be the premier provider of large-scale energy infrastructure. Thank you for being a part of our future and for allowing us to provide natural gas transportation and storage services to your company. We appreciate the trust you have bestowed on us and look forward to working closely together in 2013.

On behalf of all of us at Williams, we wish you continued success in the new year.

Sincerely,



Frank Ferazzi  
*Vice President and  
General Manager  
of Transco*

# LEADERS SELECTED FOR NEW ATLANTIC – GULF OPERATING AREA

The new year marks the beginning of a new structural configuration of Williams with the company organized into regional operating areas. Transco, along with Midstream’s Gulf Coast franchise, comprises the new Atlantic – Gulf Operating Area. As of Jan. 1, 2013, Atlantic – Gulf includes Transco, Discovery, Gulf Coast East, Gulf Coast West and Gulfstream. This operating area is led by senior vice president Rory Miller.

Prior to joining Northwest Pipeline in 1990, Rory held various commercial roles at Tennessee Gas Pipeline and then worked as a senior gas buyer at Delhi Gas Pipeline. At Williams, he has held Midstream commercial leadership positions in the West, the Gulf and in



Rory Miller

Business Development. In 2004, he was named vice president, responsible for Midstream’s Gulf Coast gathering and processing business. He later assumed responsibility for all of Williams’ onshore gathering and processing business and in January 2011, he was named Williams’ senior vice president responsible for all Williams’ Midstream business. Effective January 2013, he stepped into his new role as leader of Williams’ Atlantic – Gulf Operating Area.

Rory brings a collaborative, team-building discipline and creative leadership to his new role. He’s committed to building upon the best of both Transco and Midstream to meet and exceed customer expectations. Reporting to Rory will be Frank Ferazzi, vice president and

general manager of Transco; Al Taylor, vice president and general manager of Gulf East; Pat Carroll, vice president and general manager of Gulf West; Kevin Rehm, vice president and general manager of Discovery; Stafford Menard, manager of Gulf Star Development; and Tom Janorschke, director of Tactical Projects and Technical Services.

Frank continues to be responsible for all operations and commercial functions for Transco. Reporting to Frank will be Jim Moore, vice president of Commercial Operations; Scott Turkington, director of Rates and Regulatory; Hector Alatorre, newly appointed Joint Venture Specialist; Mario DiCocco, director of Princeton Division operations; James Shannon, director of Charlottesville Division operations; Dave Williams, director of Atlanta Division operations; and Paul Egner, newly appointed director of Cypress Division operations. Previously, Hector was leading the Northern Customer Services Group and Paul was the director of Customer Services.

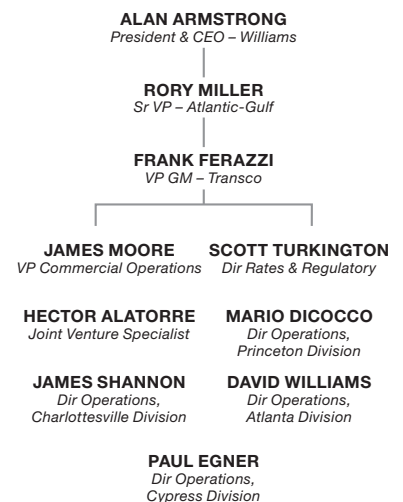
Reporting to Jim in Commercial Operations is Melissa Casey, director of Transportation Services and 1Line; Camilo Amezcuita, newly appointed director of Customer Services; and Transco’s business development team. Previously, Camilo was director of Gas Control and Gas Management.

Terry Fitch and Linette Schneider will both remain in their same roles, leading the Southern and Northern Transportation Services teams, respectively, and will continue reporting to Melissa. Reporting to Camilo is Larry Cunningham, who will continue to lead the Southern

Customer Services Area, and Keith Higginbotham, who will be leading the Northern Customer Services Area. Keith was previously in Business Development. Also reporting to Camilo is Dick Szepe, who will continue to be responsible for Production Area Customer Services.

An additional change includes Tom Compson, previously director of Business Development, who transitioned to the Construction and Engineering function to assume the role of director of Onshore Project Development for the Gulf.

The new company structure and roles went into effect Jan. 1, 2013. For contact information, please see the Marketing Services Contact List on 1Line or by clicking [here](#). ■



## ATLANTIC – GULF

Some of Williams’ most geographically diverse assets are part of the new Atlantic – Gulf Operating Area. Transco’s 10,200-mile interstate pipeline is a major supplier of natural gas to the Southeast, Mid-Atlantic and Northeast U.S. markets, while Williams’ Gulfstream joint venture pipeline serves growing Florida markets from the Gulf and Mid-continent. Williams’ gathering, processing, storage and natural gas liquids assets along the Gulf include more than 1,000 miles of offshore oil and gas gathering lines, and plants and facilities from north Padre Island, Texas, to Mobile, Alabama.

# TRANSCO'S SYSTEM EXPANSIONS SERVE CUSTOMERS' NEEDS... WHEN THEY NEED IT

Burgeoning new shale supplies and increasing demand, in large part due to increasing power generation load, continue to drive expansions of the Transco system. A number of projects are in development to ensure customers' transportation service requirements are met as efficiently as possible.

Our Mid-Atlantic Connector project ("MAC") was placed into service in early January 2013. MAC is an expansion of our mainline in North Carolina, Virginia and Maryland consisting of 2.78 miles of 42-inch pipeline loop and 18,950 horsepower of compression at existing Stations 165 and 175. The project provides a total of 142 Mdt/d of incremental firm capacity for Virginia Power and Baltimore Gas and Electric.

The FERC certificate for our Northeast Supply Link project ("NESL") was accepted in November 2012 and we commenced construction on the greenfield compressor station located in Essex County, New Jersey in December. Construction on the pipeline segments and other required work is expected to commence in the second quarter of 2013. We anticipate that NESL will be placed into service in late 2013. NESL provides incremental firm capacity of 250 Mdt/d on our Leidy Line to our Zone 6 Pool at Station 210 with 200 Mdt/d of the capacity extending further downstream into the New York City area.

We initiated the FERC pre-filing process on the Virginia Southside project ("VSS") in May 2012 and filed for a FERC certificate on December 19, 2012. VSS is the first of our projects to create

incremental capacity in a north to south direction on our mainline, turning the mainline into a bi-directional system. The capacity of VSS is 270 Mdt/d with deliveries to a proposed power plant in Southeast Virginia and a distribution company LDC in North Carolina. VSS is expected to be placed into service in late 2015.

Although it is hard to believe, we have been developing our Northeast Connector and Rockaway Delivery Lateral projects ("NEC" and "Rockaway") since 2009. Portions of the Rockaway project required an easement or lease of property within the Gateway National Recreation Area on Long Island. Easements or leases such as those planned for the Rockaway project require Congressional action. In 2012, Congress passed the NYC Natural Gas Supply Enhancement Act and it was signed into law by President Obama in November. The Act grants the National Park Service the authority to enter into the necessary agreements for the portion of the Rockaway project that crosses the Gateway National Recreation Area – paving the way for both projects to move forward. With the Act signed into law, we filed the FERC certificate application in early January 2013 for the Rockaway project and we expect to file the certificate application for the NEC project in the second quarter. Together, these projects provide incremental delivery capacity on our mainline and a new delivery lateral into National Grid's system providing both supply flexibility and increased capacity to meet future incremental demand growth. The NEC project will provide 100 Mdt/d of incremental firm capacity starting at our Station 195 and extending

to the Rockaway lateral. The Rockaway project will be contracted under our Firm Delivery Lateral Service and will have a capacity of 647 Mdt/d. If approved by the FERC, we expect to place both projects into service during the second half of 2014.

We received binding shipper commitments of 469 Mdt/d for our Leidy Southeast project ("LSE") in late 2012 and requested to enter the FERC's pre-filing process in January 2013. LSE is the second of our projects that provides incremental firm capacity in a north to south direction on our mainline. LSE provides incremental firm capacity on



our Leidy Line and extends as far south as our Zone 4 and 4A pools in Alabama. If approved by the FERC, we expect to place LSE in service in late 2015.

In September 2012, we placed 95 Mdt/d of capacity in service for Phase I of the Mid-South project. With the necessary approvals from FERC in hand, construction is under way for Phase II which will add 130 Mdt/d of capacity in June 2013. Once both phases are in service, Mid-South will provide 225 Mdt/d of incremental firm capacity from our Station 85 in Alabama to delivery points in Georgia and North Carolina, including our interconnect with Cardinal Pipeline. The project facilities consist of approximately 22.6 miles of 42-inch loop and 47,780 horsepower of compression.

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TRANSCO'S SYSTEM EXPANSIONS  
SERVE CUSTOMERS' NEEDS...  
**WHEN THEY NEED IT**

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We have a binding shipper commitment for the entire capacity in the Woodbridge Delivery Lateral project ("Woodbridge"), which has a planned capacity of 264 Mdt/d. Service on the lateral will be provided under our Firm Delivery Lateral Service. The Woodbridge project will connect Transco's mainline in Middlesex County, New Jersey to the proposed Woodbridge Energy Center power plant, a 725-MW combined-cycle facility in Woodbridge, New Jersey. The open season for the project closed in early January 2013. This lateral is another in a long line of laterals serving power plants that have recently been placed into service by Transco to serve the growing electric demand from gas-fired power generation in the northeast. We expect to place the project into service in April 2015. ■

## INCREASED ACCESS TO MARCELLUS SUPPLY

Flows on Transco's Leidy Line continue to grow as customers utilize it to access Marcellus Shale gas supply. The addition of four new Leidy Line receipt point interconnects, which went in service during the third and fourth quarters of 2012, increased the overall receipt capacity along the line by 2,100 Mdt/d. This brings the total number of Leidy Line interconnects that can access Marcellus Shale gas supply to 17 with a total receipt capacity of approximately 5,000 Mdt/d. Agreements are in place for several more interconnects that will provide an additional 700 Mdt/d by the end of 2013.

Flowing volumes at these Leidy Line interconnects exceeded 2,000 Mdt/d in December. During the past six months, receipts on Transco's Leidy Line have increased by 1,000 Mdt/d.

As mentioned in our expansion update article, the Northeast Supply Link project will add 250 Mdt/d of new firm capacity on the Leidy Line, while the Leidy Southeast project will provide another 469 Mdt/d of new firm transportation capacity from interconnect locations with access to Marcellus Shale gas supply to markets along the East Coast.

A summary of our Leidy Line interconnects and their locations can be viewed on the "Active and Proposed Marcellus Shale Interconnects" map under the "Resources" tab on 1Line. ■



*Randy Barnard*

Randy Barnard passed away on Sept. 8, 2012 after a battle with cancer. Randy, who was 54, had a career at Williams that spanned 30 years. Among a variety of positions, he served as a

## BARNARD'S CAREER AND FRIENDSHIPS AT WILLIAMS **BRIDGED THREE DECADES**

member of the Executive Officer Team and president of the gas pipeline business unit since February 2011. Among his other accomplishments, he was well known among employees throughout Williams for his efforts in support of a diverse, inclusive work force. In 2008, Randy was the first recipient of the Williams Women's Business Resource Group's Leave the Ladder Down Award, which recognizes a leader who fosters an environment that attracts a high-performing and diverse workplace.

Friends and colleagues who worked with Randy during his years at Williams remember him as an approachable, caring leader whose honesty and sense of humor won the hearts of Williams employees across the country. He left an indelible impression on the Williams organization that will not be forgotten.

He leaves behind his wife Joanie, two sons and his Williams *work family*. ■

# SURVEY RESULTS TESTAMENT TO OUR COMMITMENT TO EXCELLENT SERVICE

The results of the 2012 Transco customer satisfaction survey are in. Transco received an overall score of 8.7 (on a scale of 1 to 10), a significant improvement from the 8.4 we received in 2010. Additionally, scores improved in 17 of the 20 areas surveyed. The highest scores were in the areas of reliability and honest and forthright communication, each earning a score of 9.4. Overall, 72 percent of the customers surveyed rated Transco's service better than the service provided by other pipelines.

While the overall performance score was high, the survey identified areas for improvement including communications of storage issues and performance issues due to changes to 1Line. We are evaluating the responses and developing action plans to address them. We have already implemented improvements to 1Line that address some of the performance issues and plan to continue

to focus our efforts on making the system as responsive as possible. Transco will continue to communicate changes made in response to the feedback and as the survey process is completed.

The biennial customer survey, administered by Energy Insights, serves as a guideline for identifying areas of improvement and allows us to target specific actions that address your business concerns and requirements. Energy Insights surveyed 82 people from 54 companies, including executives, middle management and front line representatives across our customer base.

Thank you again for your participation in the survey. And please remember, you do not need to wait for the survey to let us know how we are doing. Your concerns or suggestions for improvement are always welcome. ■

## SUPERSTORM SANDY

Although the Transco pipeline didn't experience any significant operational issues during Superstorm Sandy last year, the liquefied natural gas storage facility and compressor station in Carlstadt, New Jersey, experienced flooding when the levees surrounding the plant gave way, allowing two feet of water to engulf the facility. Repair crews got to work immediately when it was safe to do so, repairing two breaches in the levee so that water could be pumped out of the plant. Throughout the event

Transco facilities in Carlstadt and other locations remained operational with the help of natural gas generators. ■

### NEW REPRESENTATIVE TO SERVE YOU

*The latest employee to join Williams is Tiffany Wagner, serving as a Transportation Services Rep II in the North. She graduated from the University of Texas with a degree in Accounting and Pre-Med. Please join us in welcoming her to the team.*

## NEWSLETTER E-MAIL NOTIFICATION

A subscription has been set up for you to receive the customer newsletter. To access and update your contact information or subscribe to the different publications available on Transco's Informational Postings page, access the form under "Subscriptions" found along the top menu bar. Enter your First Name, Last Name and E-Mail Address; then click on the circular arrow after "select the notices you would like to receive" to bring up your information. For changes or updates, complete the rest of the form and submit. You may also unsubscribe at any time following the same process.

**IF YOU FORWARD THIS NEWSLETTER TO OTHERS IN YOUR ORGANIZATION PLEASE ENCOURAGE THEM TO SIGN UP SO THEY CAN RECEIVE THE NEWSLETTER DIRECTLY FROM TRANSCO.**

Transco has added the ability for 1Line and non 1Line users to subscribe to different publications on the Informational Posting's Page. Customers without a 1Line user ID will be able to subscribe to Critical, Non-Critical, Planned Service Outages, NAESB News, Customer Newsletter and 1Line Training modules. If you currently are a 1Line user and receive 1Line Critical, Non-Critical and Planned Service Outages postings, there is no need to subscribe to these notices again.

To access and sign up for the different publications on the portal, go to the Daily Informational Postings under [www.1Line.Williams.com](http://www.1Line.Williams.com). Click on "Subscriptions" on the top menu bar next to the "Safety" tab. Complete the form, submit and then you will receive a pop up confirmation. You may also unsubscribe at any time.