

## Transco Pipeline Delivers Record Volumes

As frigid weather conditions blanketed the U.S., Williams delivered a record amount of natural gas on its Transco interstate gas pipeline, providing essential services to gas distribution companies, power generators, LNG exporters and other customers located along the Eastern Seaboard and Gulf Coast.

The nation's largest-volume natural gas transmission system, Transco delivered a record-breaking 15.58 million dekatherms on Jan. 5, 2018. The new peak-day mark surpasses the previous high that was set on Jan. 1, 2018. The Transco system, which stretches from South Texas to New York City, also established a new three-day market area delivery record, averaging 14.90 million dekatherms from Jan. 4 to Jan. 6, 2018.

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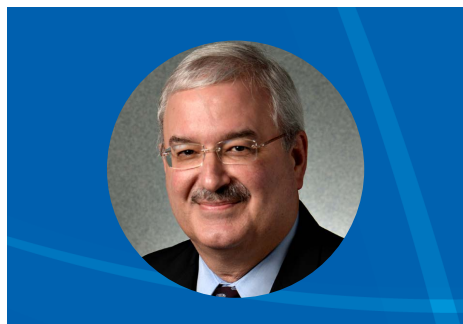
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## Momentum continues for Transco as LNG export markets surge

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[Read the full story on page 3.](#)



## Ferazzi Charts Course for Williams' Atlantic-Gulf Operating Area

Last summer, Transco veteran Frank Ferazzi assumed the role of senior vice president of Williams' Atlantic – Gulf Operating Area, which includes Williams' Eastern Interstates, Gulf West and Gulf East franchises.

[Read the full story on page 4.](#)

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"Setting this peak day record was a tremendous milestone for us, one that would not have been possible without incredible cooperation and teamwork between Williams and our customers," said Director of Customer Service Hector Alatorre.

"Although the weather conditions were extreme, our capabilities were tested and performed well, thanks in large part to our customers' diligence in managing their deliveries and producers for maintaining

supply. We sincerely appreciate their patience and collaboration to make this peak day record possible."

The natural gas delivery records were made possible thanks to additional firm transportation capacity created by five fully-contracted Transco expansions completed in 2017. Together, Transco's "Big 5" expansions (Gulf Trace, Hillabee Phase 1, Dalton, New York Bay and Virginia Southside II) added more than 2.8 million dekatherms of firm transportation capacity to the existing pipeline system.

As natural gas demand continues to increase, construction is currently underway on two additional Transco projects (Atlantic Sunrise and Garden State Phase II), which are designed to create approximately 1.9 million dekatherms of additional pipeline capacity in 2018. [w](#)

## Scott Hallam Named VP GM of Eastern Interstates



Scott Hallam has been named vice president and general manager of the Atlantic-Gulf Operating Area's Eastern Interstates franchise.

In this capacity, Scott reports to Frank Ferazzi, senior vice president, Atlantic-Gulf, and oversees all commercial and operational activities for Eastern Interstates, which includes Transco, Gulfstream Natural Gas System, Pine Needle LNG and Cardinal Pipeline.

Scott previously served as vice president of Williams' Northeast Operating Area, overseeing all operational activities in Williams' Bradford, Utica and Susquehanna supply hubs.

A native of Cleveland, Ohio, Scott has a background in engineering along with a master's degree in business administration. He has more than 18 years of experience in the natural gas industry, performing in different leadership capacities in the upstream, midstream and downstream sectors, including time with Dominion Energy's transmissions pipeline and storage business. [w](#)

# TRANSCO CUSTOMER Connection



## Momentum continues for Transco as LNG export markets surge

Williams is well-positioned to take advantage of the projected surge in liquefied natural gas (LNG) demand, as its Transco pipeline passes through every U.S. state with an LNG export facility currently under construction. This includes six LNG projects underway in Texas, Louisiana, Georgia and Maryland that will support natural gas exports in excess of 10 billion cubic feet per day.

The Transco pipeline currently has firm transportation contracts to deliver gas to four of these six LNG export terminals representing approximately 2 billion cubic

feet per day of export capacity. One is Cheniere's Sabine Pass facility in Louisiana – the nation's only LNG terminal in operation.

In 2017, Williams placed its Gulf Trace project into service to feed the Cheniere liquefaction export terminal. The 1.2 million dekatherm per day project allows Transco's production area mainline and southwest Louisiana lateral systems to flow gas bi-directionally from Station 65 in St. Helena Parish to Cameron Parish, La.

Efforts to serve the surging LNG market continued in February 2018 as construction kicked off on the Gulf Connector project.

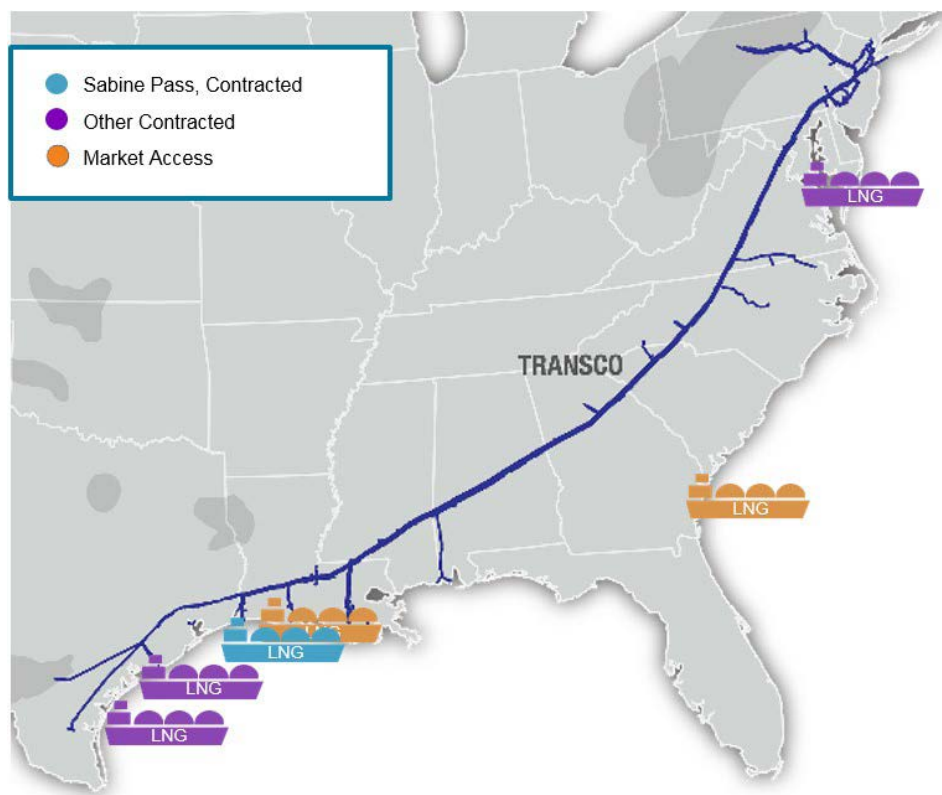
Constructed in two phases, Gulf Connector is designed to deliver 75,000 dekatherms per day to Freeport LNG Development, L.P.'s liquefaction project by the second half of 2018, and 400,000 dekatherms per day to Cheniere Energy's Corpus Christi liquefaction terminal in 2019.

The Gulf Connector Project involves adding compression and allowing gas to flow bi-directionally on a portion of the Transco system between Louisiana and South Texas. The project has been designed to provide incremental firm transportation from Transco's Station 65 to mainline interconnects with proposed header pipelines in Wharton County and San Patricio County, Texas.

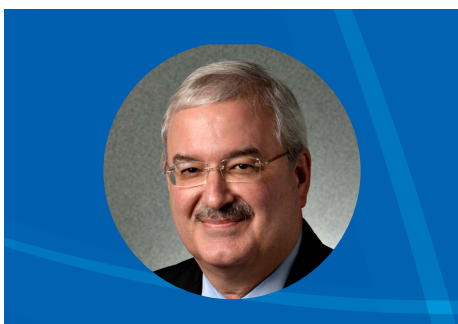
Projects like Gulf Trace and Gulf Connector, which leverage existing gas pipeline infrastructure, are great examples of Transco's unique market position to connect abundant domestic supply with emerging international markets.

According to energy analysts Wood McKenzie, natural gas demand to serve LNG export facilities along the Transco pipeline is expected to grow by approximately 11 billion cubic feet per day by 2025.

The U.S. Energy Information Administration anticipates that the nation will become a net exporter of natural gas this year for the first time since 1957 as production outpaces domestic demand. By the end of next year, it anticipates U.S. companies will have the capacity to process 9.5 billion cubic feet of LNG per day. [w](#)



## Ferazzi Charts Course for Williams' Atlantic-Gulf Operating Area



Last summer, Transco veteran Frank Ferazzi assumed the role of senior vice president of Williams' Atlantic – Gulf Operating Area, which includes Williams' Eastern Interstates, Gulf West and Gulf East franchises.

Previously, Ferazzi served as vice president and general manager of Williams Eastern Interstates, a position he held since 2012. In that role Ferazzi was responsible for all commercial and operations activities for Williams' Eastern Interstate pipelines, which includes the Transco natural gas pipeline – the largest interstate natural gas pipeline in the country. Additionally, this included responsibility for operations activities for Gulfstream Natural Gas System, Pine Needle LNG and Cardinal Pipeline.

Frank has a combined 36 years of service between Transco and Williams. He talks about his role and reflects on his tenure in the industry in the following interview:

### **What was your first job in the industry?**

**Frank:** I started off working in the rates department at ANR Pipeline in Detroit, Michigan. I really liked the industry and realized, that if I wanted to progress in my career, it would be much easier if I were in Houston. So in 1981, I moved to Houston

and started my career with Transco as a rates analyst.

### **What was it like working in the pipeline industry at that time?**

**Frank:** Obviously it was a lot different. At the time there was a shortage of gasoline and the market for natural gas was growing. As a result, Congress put in place price incentives to encourage production, particularly in deep formations in the Gulf of Mexico. That's the reason the offshore infrastructure on Transco developed the way it did. With the shortage of natural gas, average prices at the time were around \$3 per Mcf – which is slightly higher than they are today. When you adjust those prices for inflation, natural gas was much more expensive when I started in the industry than it is today.

### **What has been the biggest change you've seen in the industry during the past 30 years?**

**Frank:** The biggest change that has occurred is the development of the technology that has allowed natural gas to be economically produced from shale formations. This has dramatically increased the supply of domestically produced natural gas and reduced both price and volatility. The increased availability of natural gas at reasonable and more predictable prices – along with the environmental advantages over other fossil fuels – has made natural gas the preferred fuel for power generation and has helped spur increased development of industrial loads.

It was not long ago that the perceived shortage of natural gas supplies resulted in billions of dollars being invested in LNG import facilities, particularly in the Gulf

Coast and along the Eastern Seaboard. The increased availability of domestically produced natural gas has resulted in very little LNG import activity, with substantial additional investment deployed to develop the capability to liquefy and export LNG from some of the same facilities. Williams has already taken advantage of the early activity on the LNG export side by committing to serve three export facilities in the Gulf Coast. One is our Gulf Trace project that was placed in service last year, and the other is Gulf Connector, which is slated to go in service in 2019.

### **What has been the key to Transco pipeline's strong growth?**

**Frank:** Just like real estate, location is critical. The Transco pipeline has a very strong presence along the Eastern Seaboard and in the Gulf Coast, which provides access to the largest- and fastest-growing markets in North America. Through our ownership interest in Gulfstream, and now with our Hillabee expansion, we also provide access to the Florida market. Also, we also have connections to nearly all of the LNG import/export facilities in North America.

On the supply side, our pipeline has access to traditional supplies in the Gulf Coast, as well as major assets in the Marcellus producing region. This has been the impetus behind much of our growth during the last several years. The pipeline complements our Gulf Coast deep water activities in our Gulf East, Gulf West and Discovery franchises. It also is well positioned relative to the gathering and processing activities conducted by Williams' Northeast Operating Area. [w](#)

## Business Briefs

### Project Development



#### Greenfield Construction Progressing on Atlantic Sunrise Project

Construction in Pennsylvania is well underway on the greenfield portion of the Atlantic Sunrise pipeline project – an expansion of the existing Transco natural gas pipeline to connect abundant Marcellus gas supplies with markets in the Mid-Atlantic and Southeastern U.S.

Construction broke ground in Pennsylvania on Sept. 15, 2017, and is scheduled to be wrapped up in mid-2018. The Atlantic Sunrise project is the largest project in the Transco pipeline's history. The \$3 billion expansion includes more than 180 miles of new pipe and two new compressor facilities. Once complete, the project will increase Transco pipeline deliveries by 1.7 million dekatherms cubic feet per day.

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#### Construction kicks off on Gulf Connector Project



In February 2018, construction officially kicked off on Williams' Gulf Connector Expansion Project, which is designed to bring more gas to two LNG export terminals on the Gulf Coast.

The Gulf Connector Expansion Project is a 475,000 dekatherm per day expansion of the Transco pipeline system in Texas and Louisiana. Constructed in two phases, Gulf Connector will deliver natural gas to feed two liquefied natural gas export terminals in Texas — one located on the northern coast of Corpus Christi Bay, and another located on the coast of Freeport Bay. Both phases of the project are anticipated to be placed into service in the first half of 2019.

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#### Garden State Project Placed into Service



In March 2018, Williams placed into service the facilities constructed as part of Phase 2 of the Garden State Expansion Project, an expansion of the Transco pipeline system designed to deliver 180,000 dekatherms a day of additional natural gas capacity to New Jersey Natural Gas. Phase 1 of the project was placed into service in September 2017.

The project consisted of the installation of a new compressor station, meter and regulating station in Burlington County, N.J., in addition to modifications and the addition of compression at an existing Transco compressor station in New Jersey.

[Read More ▶](#)

#### Virginia Southside II Expansion Placed into Service

In December 2017, Williams announced that it had successfully placed into service its Virginia Southside II expansion project, expanding the capacity of Williams' Transco pipeline system by 250,000 dekatherms per day to supply Dominion Virginia Power's new electric generation facility in Greensville County, Virginia.

The Virginia Southside II project included horsepower additions and the construction of approximately 4 miles of new 24-inch diameter pipeline extending from the Transco Brunswick Lateral in Brunswick County, Va., and terminating in Greensville County, Va.



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## Business Briefs

### Project Development

#### Southeastern Trail Project Filed with FERC



In April 2018, Williams announced that it had filed an application with the Federal Energy Regulatory Commission (FERC) seeking authorization for its Southeastern Trail expansion project, which would create 296,375 dekatherms per day of additional firm transportation capacity to markets in the Mid-Atlantic and Southeastern U.S. for the 2020/2021 winter heating season.

The company has executed precedent agreements with utility and local distribution companies located in Virginia, North Carolina, South Carolina and Georgia for firm transportation service under the project. Once complete, the project will help meet the growing natural gas demand in the Southeast, as well as provide access to new sources of domestic natural gas supply while enhancing system reliability.

[Read More ►](#)

#### FERC Issues Environmental Assessment of Rivervale South to Market Project



In March 2018, the Federal Energy Regulatory Commission (FERC) completed its environmental assessment for Williams' Rivervale South to Market natural gas pipeline project, concluding that the project would not significantly affect the environment.

The Rivervale South to Market project is a 190,000 dekatherms per day expansion of the Transco interstate natural gas pipeline to provide additional service to natural gas consumers in the Northeast — including New Jersey and New York City — in time for the 2019/2020 winter heating season. The company has executed an agreement with Direct Energy Business Marketing and UGI Energy Services for firm transportation service under the project.

[Read More ►](#)

#### Gateway Expansion Filed with FERC



In November 2017, Williams announced that it had filed an application with the FERC seeking authorization for its Gateway Expansion Project, designed to create 65,000 dekatherms per day of firm transportation capacity for northeastern markets in time for the 2020/2021 winter heating season.

Transco has executed precedent agreements with PSEG Power, LLC (PSEG) and UGI Energy Services, LLC for firm transportation service under the project. Once complete, the project will help meet the growing demand for natural gas by northeastern consumers in New Jersey and New York.

Subject to regulatory approval, the Gateway Expansion Project will consist of adding electric horsepower at an existing Transco compressor station in New Jersey, in addition to making modifications to two existing Transco meter stations. Virtually all of the project activities are proposed within Transco's existing rights of way and/or property boundaries.

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# TRANSCO CUSTOMER Connection



Business Briefs Continued

## Corporate Citizenship

### Williams wins award for Atlantic Sunrise Environmental Stewardship Program



The Southern Gas Association (SGA) has announced that Williams is the recipient of the 2017 SGA Environmental Excellence Award for its [Atlantic Sunrise Project Environmental Stewardship Program](#).

The award will be presented during the opening General Session of the SGA Environmental, Safety & Health, and Training Conference in Fort Lauderdale, Fla.

According to SGA, the Environmental Excellence award is designed to recognize companies that have made significant impacts in protecting the environment by supporting environmental programs on the job or in the community.

[Read More ►](#)

**Click the play button to watch a video highlighting Williams' Atlantic Gulf Environmental Stewardship program.**



### Williams' Rockaway pipeline project receives prestigious engineering award

The American Council of Engineering Companies of New York has recognized Williams' Rockaway Delivery Lateral project with its prestigious Platinum Engineering Excellence Award.

The award recognizes the engineering work associated with the Rockaway project, which was successfully placed into service in 2015. The 3-mile, 26-inch offshore pipeline provides natural gas from the existing Transco pipeline in New York Bay to the Rockaways. The project marked the first new delivery point for interstate natural gas infrastructure into New York City in more than 40 years.

[Read More ►](#)

## Continued strong support for Williams' communities in 2017



Williams and its employees are highly visible community partners, encouraging its employees to give back locally and get involved in their communities. In 2017, close to \$13 million was provided to support schools and organizations in 47 states and the District of Columbia, through a variety of Williams giving programs.

[Read More ►](#)

In addition to our financial commitment, hundreds of Williams employees are engaged in local communities, serving as volunteers and nonprofit board members, school mentors, Little League coaches, volunteer firefighters and school board members.

## Business Briefs Continued

### Operations

#### Another Busy Maintenance and Construction Season in 2018



It has been a busy year for Transco operations. More than 300 pipeline maintenance jobs were scheduled in 2017, primarily project work related to increases in pipeline capacity, pipeline inspections and anomaly repairs.

With so much growth on the Transco system, it should come as no surprise

that 2018 is shaping up to be another maintenance-intensive year. Please be sure to regularly check the maintenance schedule on 1Line for scheduled work, as dates are subject to change.

To view or download the maintenance schedule, [click here](#).

#### Rate Case Update

As agreed in Article VI of the Stipulation and Agreement in Docket No. RP12-993, et al., Transco will file a NGA Section 4(e) general rate case no later than Aug. 31, 2018.

Assuming that the filing date is Aug. 31, 2018, the base period for the rate case will be June 1, 2017 –May 31, 2018 and the test period will be June 1, 2018 to Feb. 28, 2019.

Assuming a full five month suspension period for the new rates, the effective date of the rates will be March 1, 2019.

#### Wharton Storage Update



Transco's Station 535 remains offline following a December 2016 incident at its Wharton Storage Facility in Potter County, Pa. The company is currently undertaking a comprehensive assessment of the facility, including the storage field and the related injection and withdrawal lines to and from storage.

The company anticipates that all necessary repairs will be complete on

both the storage field and the compressor station in time to provide service for the 2018-2019 withdrawal season.

The objective of the assessment is to ensure that all of the Wharton Storage Facilities continue to operate in a safe and reliable manner once the repairs are complete and placed back in service. Transco intends to continue to implement measures designed to mitigate potential impacts of this event on its ability to provide Rate Schedule GSS service.

#### Leidy Line Update



In December 2017, PHMSA lifted the Corrective Action Order (CAO) following Transco's June 2015 failure of the 24-inch Leidy line "B" between Station 517 and Station 520. As a result, all of Transco's Leidy Lines are back to normal operations.

Integrity testing continues on other portions on the Leidy system. This includes over 325 miles of pipeline. The tests include the use of various pigging technologies, hydrotests, etc.



# TRANSCO CUSTOMER Connection

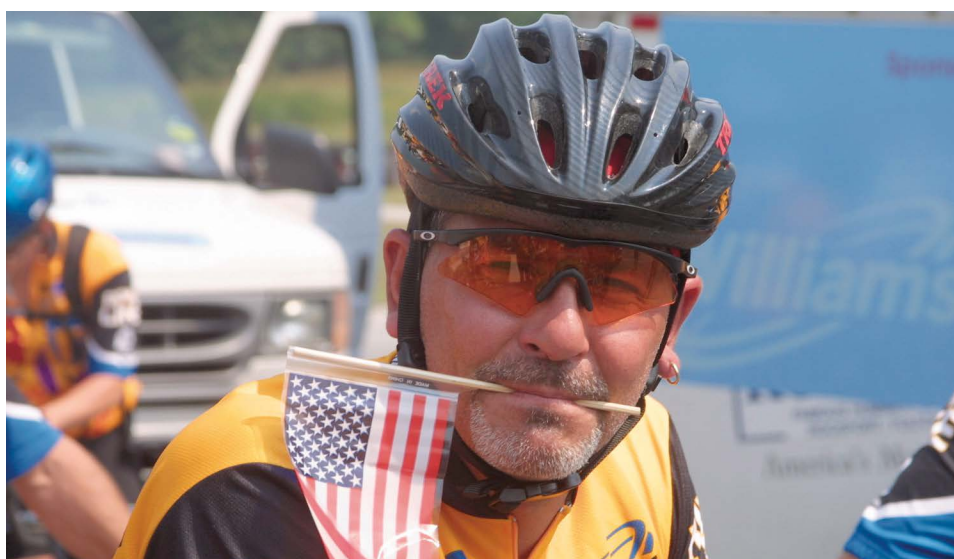


## From the Archives: Williams Executes Most Successful Fundraiser in United Way History

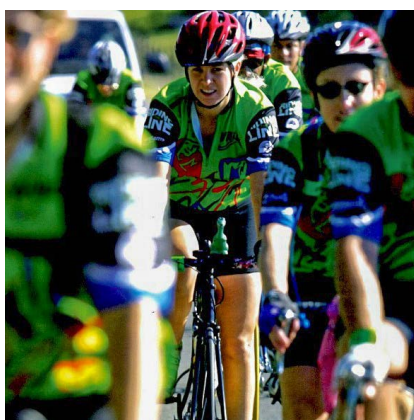
### October 2000

It was nearly 18 years ago that 80 Williams employees completed an eight-day, 2,000-mile cycling odyssey along the length of the Transco pipeline from New York to Texas.

Known as Riding the Line 2000, the event raised a record \$12 million for United Way. At the time, it was the largest fundraiser in United Way's 110-year history and the nation's most successful cycling fundraiser.



**2,000 MILES | 80 WILLIAMS CYCLISTS | \$12 MILLION RAISED**



### Quotes from participants:

*"What a great experience. Riding up and down the hills in Georgia and Alabama my legs were tired. But my struggles seemed unimportant when I thought of my small child in North Carolina with his walker and how every bump to him must be like a mountain."*

- Mike Stanley, Transco Station 120, Stockbridge Ga.

*"The trip changed from a novelty to a true understanding of the Heart of 'Williams'."*

- Dave Williams, Transco Atlanta Division

*"I can't say enough about the camaraderie. It was just spectacular. As we approached the Williams Tower in Houston, it all just seemed to hit me. The team's accomplishment hit me like a ton of bricks. Wow, I thought. This is great."*

- Larry Dial, Williams Gas Pipeline


*"I can't explain the feeling. To get out there in the communities and see how sincerely appreciative these people are is very rewarding. It was a challenge, but it was also a great experience."*

- Ivory Tatum, Williams Gas Pipeline


## Did You Know?

# Common Questions Fielded by Transco Customer Services Reps

**Q: How will I communicate with my rep now that Instant Messenger has been phased out?**


**A:** By now you've probably heard the news that AOL Instant Messenger shut down on Dec. 15, 2017. AIM has been a primary method of communication between Transco and its customers for many years. The company has decided to utilize the ICE Instant Messenger going forward. You can sign up for this application at <https://iceim.theice.com/tribe/login/index.html?container=idp> 

**Q: What are my options when considering turning back capacity?**

**A:** If you are considering turning back capacity, whether its transportation or storage, it is a good idea to contact customer services to discuss all options. In some instances, offering the capacity to another party through a permanent capacity release can offer advantages including, but not limited to 1) Ability to reduce exposure by releasing to a new party prior to a contracts termination date and 2) provide a lucrative opportunity to existing buyer through independent negotiation of capacity to new buyer. However, it is highly recommended to refer to Transco's FERC gas tariff and/or discuss with your customer services representative before making any decisions. 

**Q: When Atlantic Sunrise comes online, what are the shipper Zone 6 flexible path options?**


**A:** When the Atlantic Sunrise project comes online this year, the project will place two greenfield lines, "Central Penn Line – South" and "Central Penn Line – North", in service connecting to the Leidy Line and Mainline in Zone 6. Existing firm shippers in Zone 6 will have secondary rights on the Central Penn Line. Atlantic Sunrise shippers will have secondary rights on Leidy and the Zone 6 Mainline. In order for Transco to determine the priority of the transaction, the user will need to select the "Route" of the nomination to designate the lines in which the gas will utilize to get to its delivery point. The "Route" is an existing NAESB element that will become a requirement for all nominations in Zone 6 that have a receipt/delivery location where route options are available. Further information is available on Transco's Informational Postings Page or by clicking [here](#).

Note: Given the nature of the changes, Transco highly recommends all shippers that utilize EDI X12 and Flat Files to test out the new functionality in a training environment as soon as possible, if they have not already. 

**Q: What is Transco's modernization program?**

**A:** Transco is engaged in an effort to evaluate its assets, prioritize modernization needs, and develop a risk-based modernization program, with the primary goal of maintaining pipeline safety and service reliability through the implementation of high priority projects. The implementation of strategic facility and pipeline projects will address potential risks to the reliability of Transco's firm transportation service.

Transco will prioritize eligible projects through the evaluation of a facility's impact to system deliverability and where benefits are the more widely distributed. The prioritization strategy is based on 3 broad categories: the asset's condition, the asset's strategic fit in Transco's value-creating growth opportunities and the asset's ability to meet current and emerging air emissions regulations.

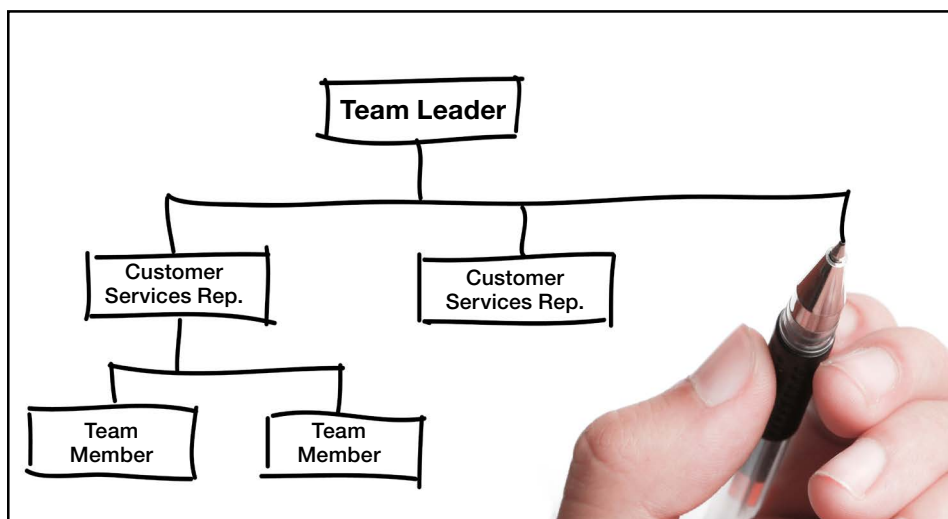
Transco will continue to keep Customers updated on the progress of the modernization program. 

Click here to access Transco's 1Line Portal page, or go to [www.1Line.Williams.com](http://www.1Line.Williams.com), then select Transco Info Postings.

# TRANSCO CUSTOMER Connection



## People on the Move



**Leneva Aschermann** has graciously accepted a position to extend her service with the company to provide support to the Regulatory Compliance group. Leneva is a graduate of the University of Texas and has been with Williams for 37 years. [w](#)



**Sean Xin** has been with Williams for more than four years, started with Transportation Services and transitioned into the 1Line support role to further enhance his skills and broaden his knowledge of the Transco system. Sean is a welcomed addition to our Customer Services team and will be responsible for handling customer accounts and activities in the Texas and Louisiana area of the Transco system. Sean has accomplished both a MBA and BBA in Finance degree from the University of Houston, as well as 9 years of experience in the Natural Gas industry on the marketing and pipeline side of the business. [w](#)



**Martha Janousek** has joined the Customer Service team as the Customer Service Contracts Manager, replacing Leneva Aschermann. Martha previously held a lead position in the Transportation Services group and has been in the industry for over 23 years, with 13 of those at Williams. Martha has a BBA from Texas A&M and brings a broad spectrum of leadership experience as well as experience in scheduling, accounting and contracts administration. [w](#)



**Mike Ledford** has recently moved to the Transportation Services team in a lead position, replacing the vacant spot left by Martha Janousek. Mike has been with Williams since 1999 and holds a BBA in Finance from the University of Phoenix. Mike recently vacated the Customer Service Representative position and also held positions in IT, Transportation Services and Service Delivery Improvement. [w](#)

## Whom Should I Call?

