
Weekly Storage Report: Week Ending December 30, 2016

49 Bcf withdrawal below estimates

Morningstar Commodities Research 5 January 2017

Jordan Grimes
Director, Power and Gas Research
+1 312-244-7046
jordan.grimes@morningstar.com

Trey Dott
Associate Analyst, Power and Gas
+1 312-696-6046
trey.dott@morningstar.com

Atlantic Sunrise receives environmental approval

Williams' Partners received a favorable environmental impact statement from FERC on December 30. The project was confirmed to be built along the initially proposed route.

Atlantic Sunrise faced strong opposition from landowners and environmental groups. The EPA offered two alternative routes for the pipeline to avoid environmental impacts, but FERC ultimately ruled that the alternative routes would not have environmental advantages. The FERC environmental review largely agrees with Transco's assessment and only requires four minor route variations of the 132 total variations proposed.

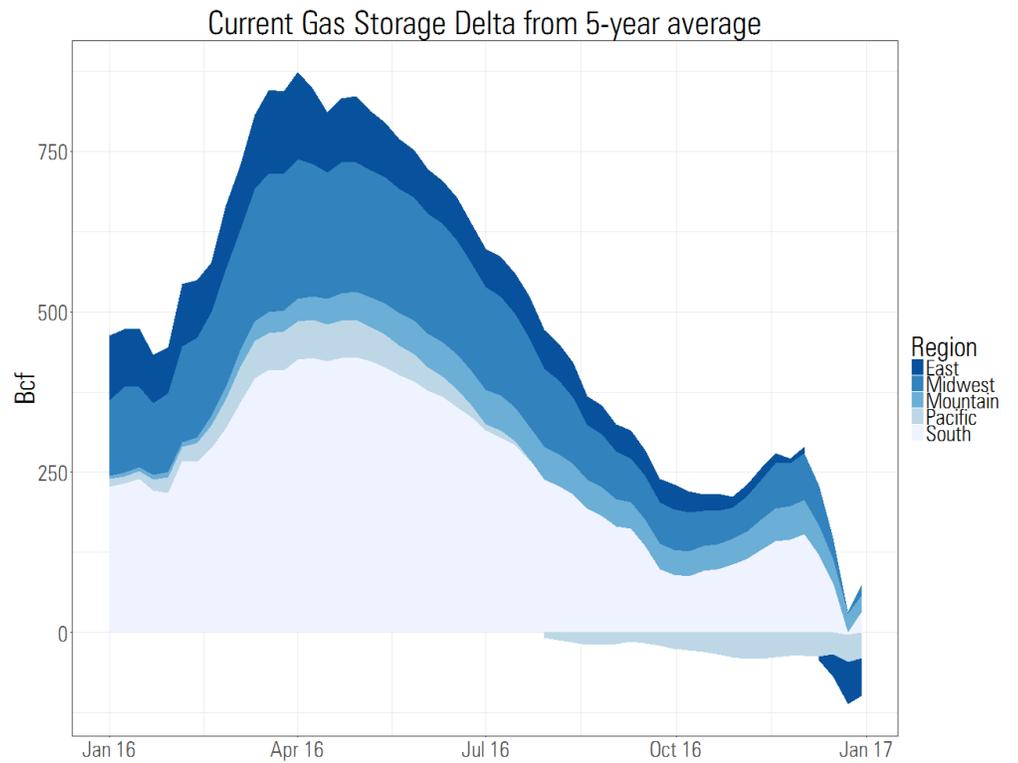
The Atlantic Sunrise project is expected to provide an additional 1.7 Bcf/d of gas to the Transco mainline supported by increased Marcellus production. The additional capacity will help supply New York City and send Leidy gas south towards the Gulf. The project requires 183 miles of new greenfield pipe with two new compressor stations. Compressor stations south of the project until South Carolina will also receive modifications to allow bi-directional flow.

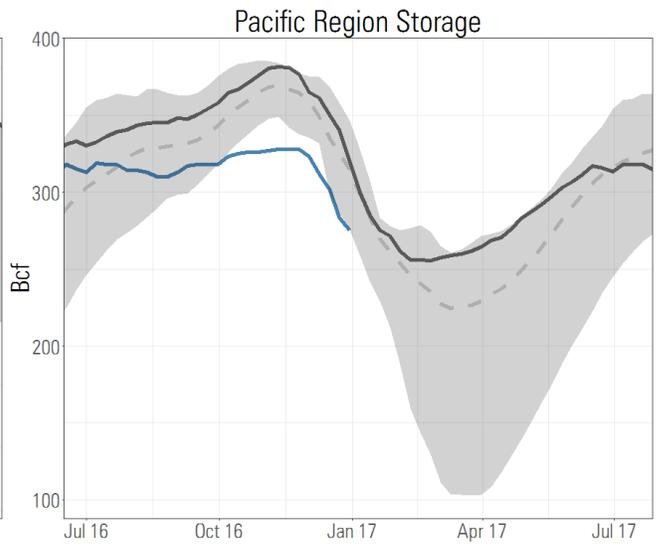
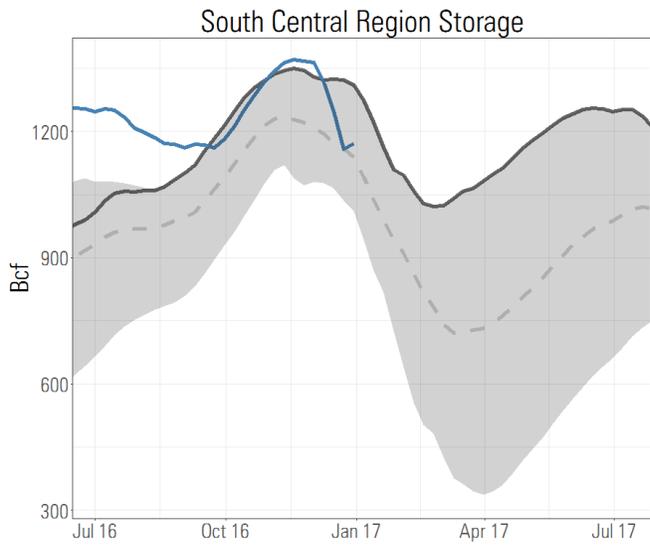
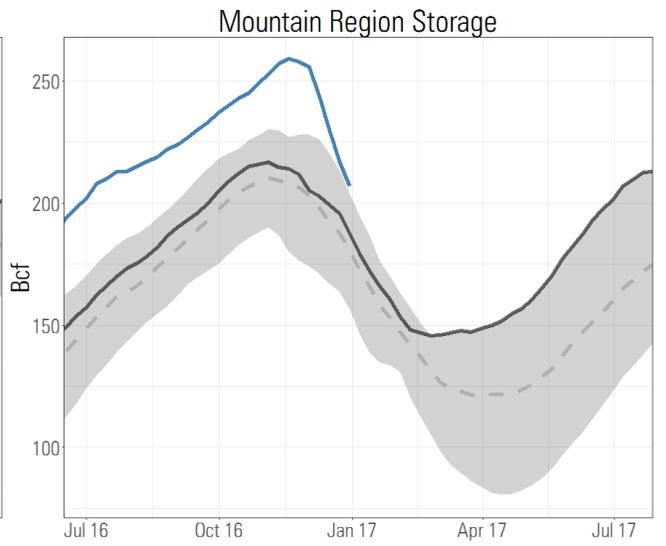
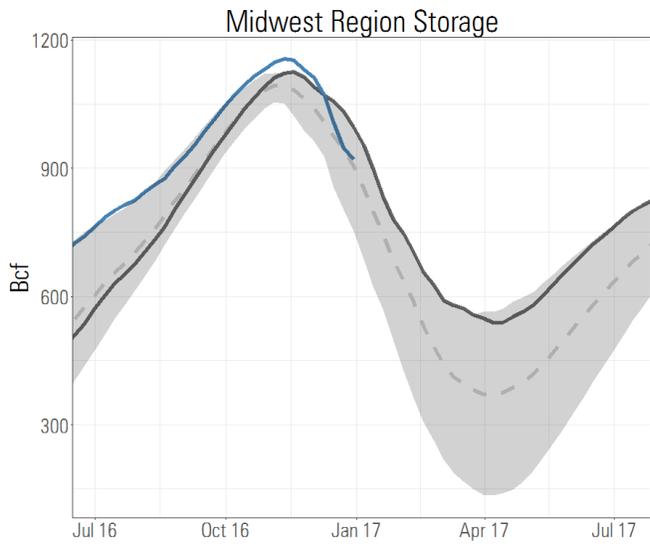
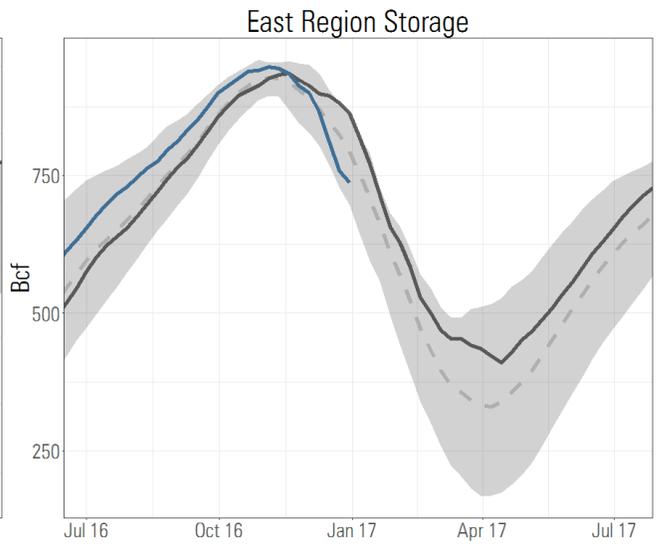
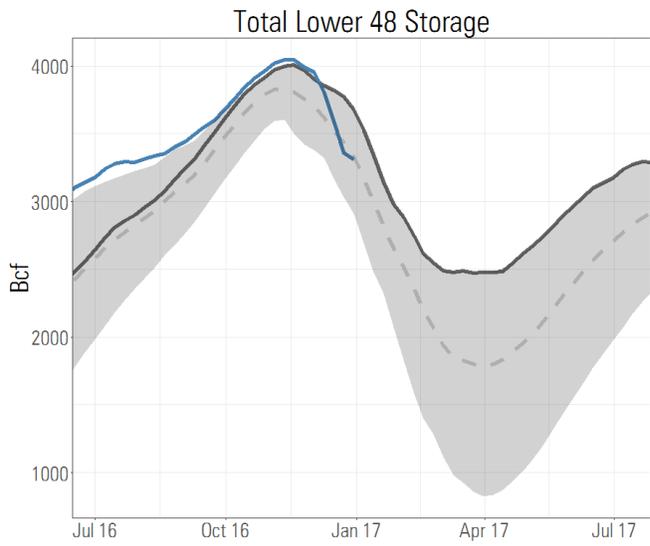
We expect outages related to this project to be bullish Transco mainline gas in 2017. Construction on the points where Atlantic Sunrise interconnects with existing Transco lines will require significant outages. These outages should directly affect Transco mainline gas capacity. With the recent backflow addition at station 210, the effects could be far reaching along the pipeline possibly reaching as far down as Zone 5.

Transco plans to begin mainline construction mid-year and greenfield construction late this year. Due to the final approval for the pipeline, we have adjusted our expected in-service date to October 2018 up from November 2018.

49 Bcf withdrawal for Week Ending December 30, 2016

The EIA reported a 49 Bcf storage withdrawal for the week ending December 30, below the 64 Bcf withdrawal market estimate. Front-month Henry Hub was down \$0.07 after the number was released to \$3.19/mmbtu and calendar 2018 Henry Hub was unchanged at \$3.00/mmbtu. Working gas in storage now sits at 3,311 Bcf and is now 364 Bcf lower than last year at this time and 21 Bcf below the 5-year average. Use Markets symbol EIA.TOTAL.US for historic storage numbers.





— 2015 – 2016 — 5yr Avg 5yr Range

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For More Information

+1 800 546-9646 North America
+44 20 3194 1455 Europe
commoditydata-sales@morningstar.com



22 West Washington Street
Chicago, IL 60602 USA

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