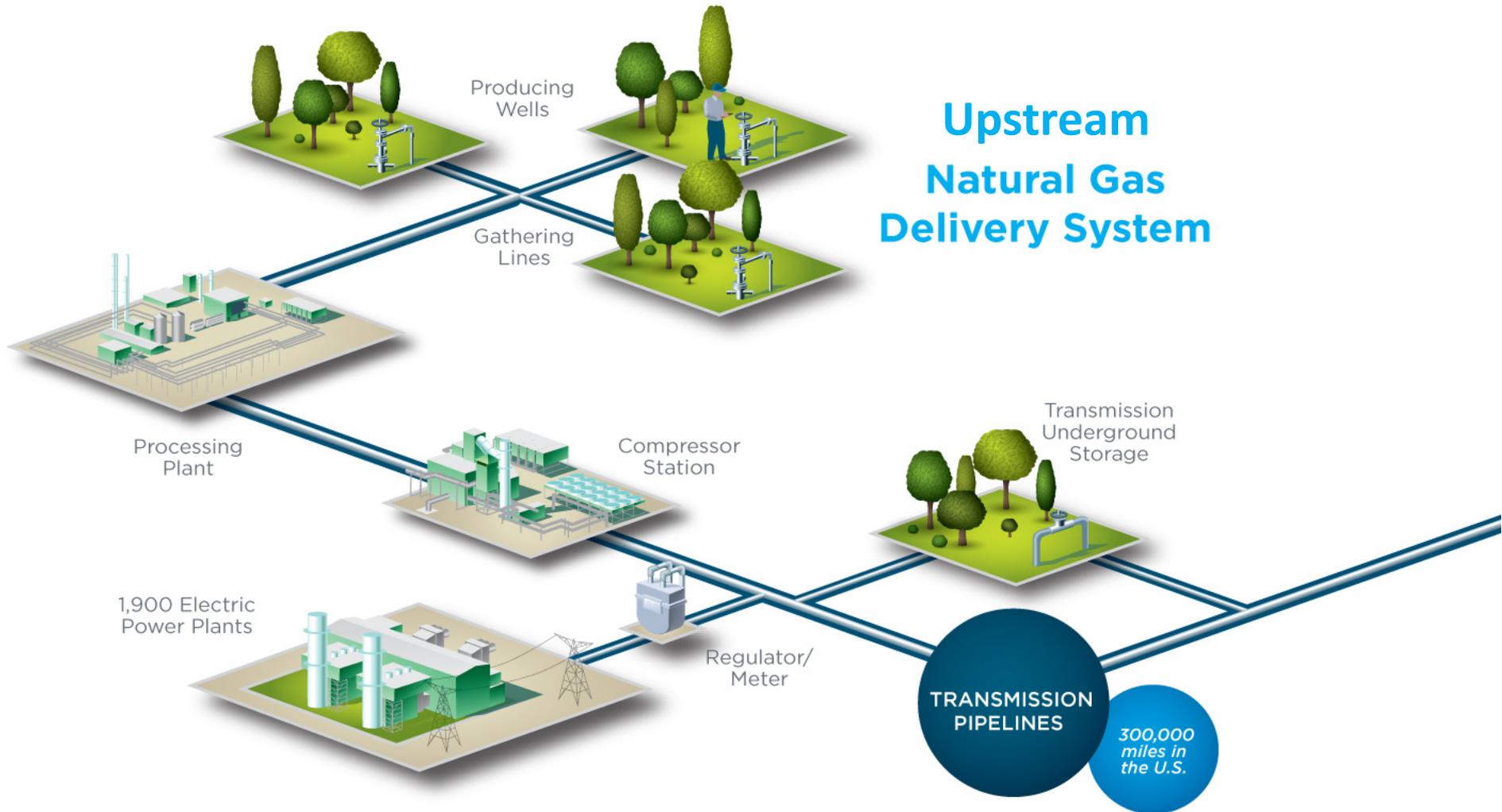


Natural Gas Getting It to Homes, Businesses and to Work for America



Upstream Natural Gas Delivery System

5.3 Million Commercial Customers
Offices, Hospitals, Hotels and Restaurants

66.7 Million Households

Utility
Underground
Storage

Regulator/
Meter

Regulator/
Meter

Local Utility
Regulator

Supplemental Fuels
Liquefied Natural
Gas, Propane Air for
Peak Demand Days

Regulator/
Meter

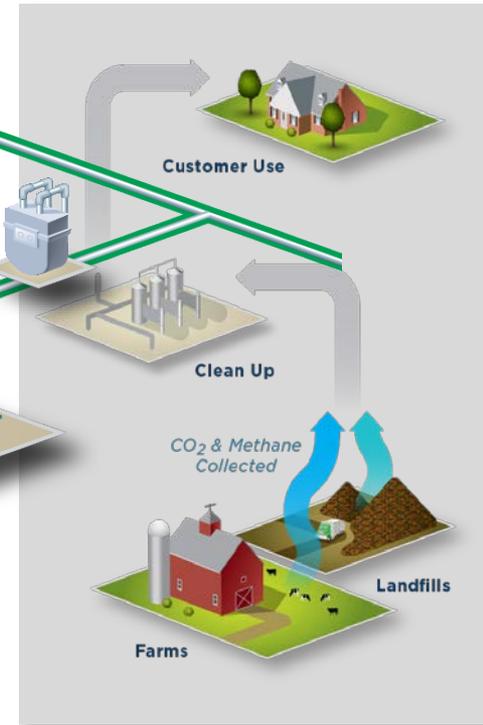
City Gate
Station

DISTRIBUTION
AND SERVICE
PIPELINES

Regulator/
Meter

192,000 Factories and
Manufacturers

Approximately
2.1 million
miles in U.S.



Downstream Natural Gas Delivery System

Energy Value Chain Efficiency

Natural Gas

SOURCE ENERGY

100
MMBtu

EXTRACTION, PROCESSING
& TRANSPORTATION

▼ 7% Energy Loss

93 MMBtu



GENERATION

*No energy conversion
necessary, therefore
no energy is lost*

DISTRIBUTION

▼ 1% Energy Loss

92 MMBtu



DELIVERED
TO CUSTOMER

92
MMBtu



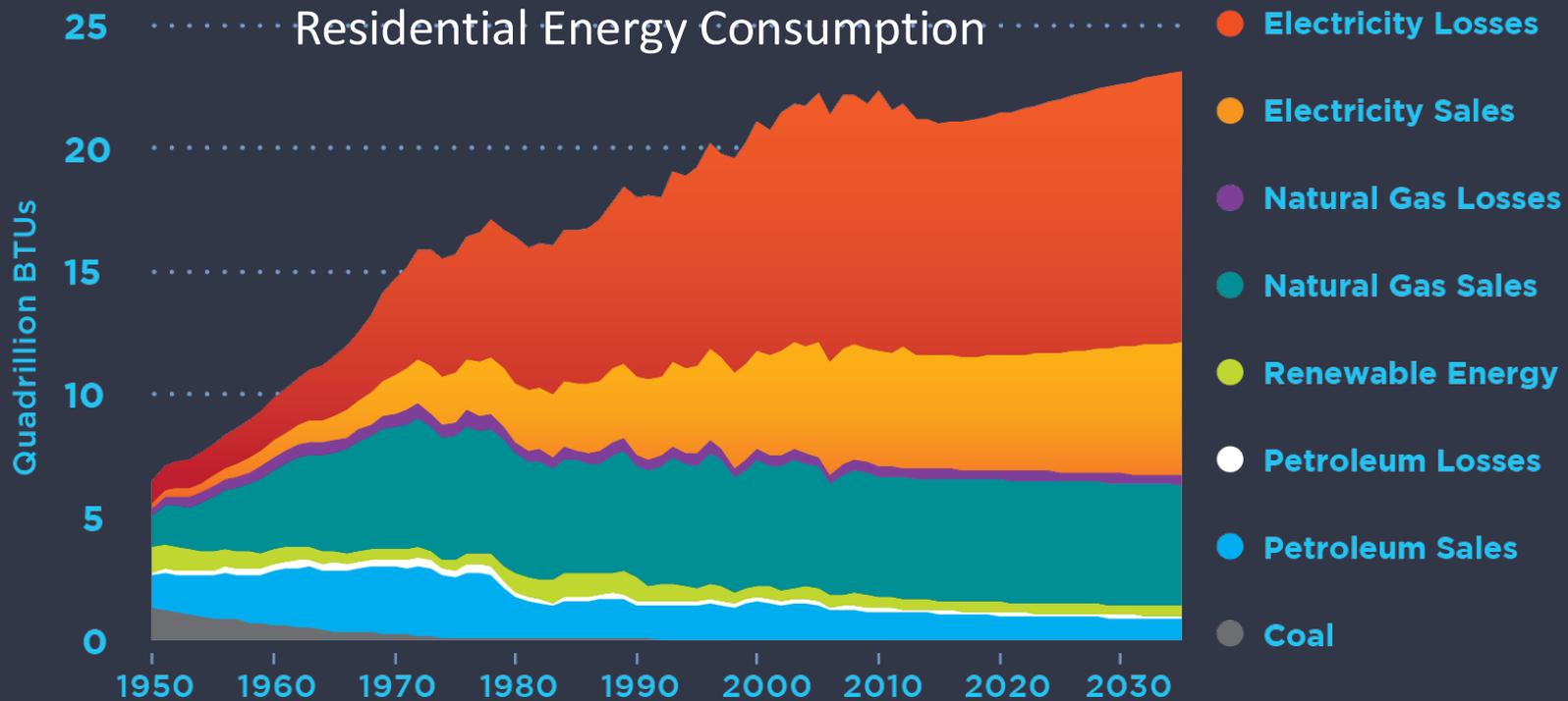
Extraordinarily Efficient

Comparing Residential Water Heater Efficiency*



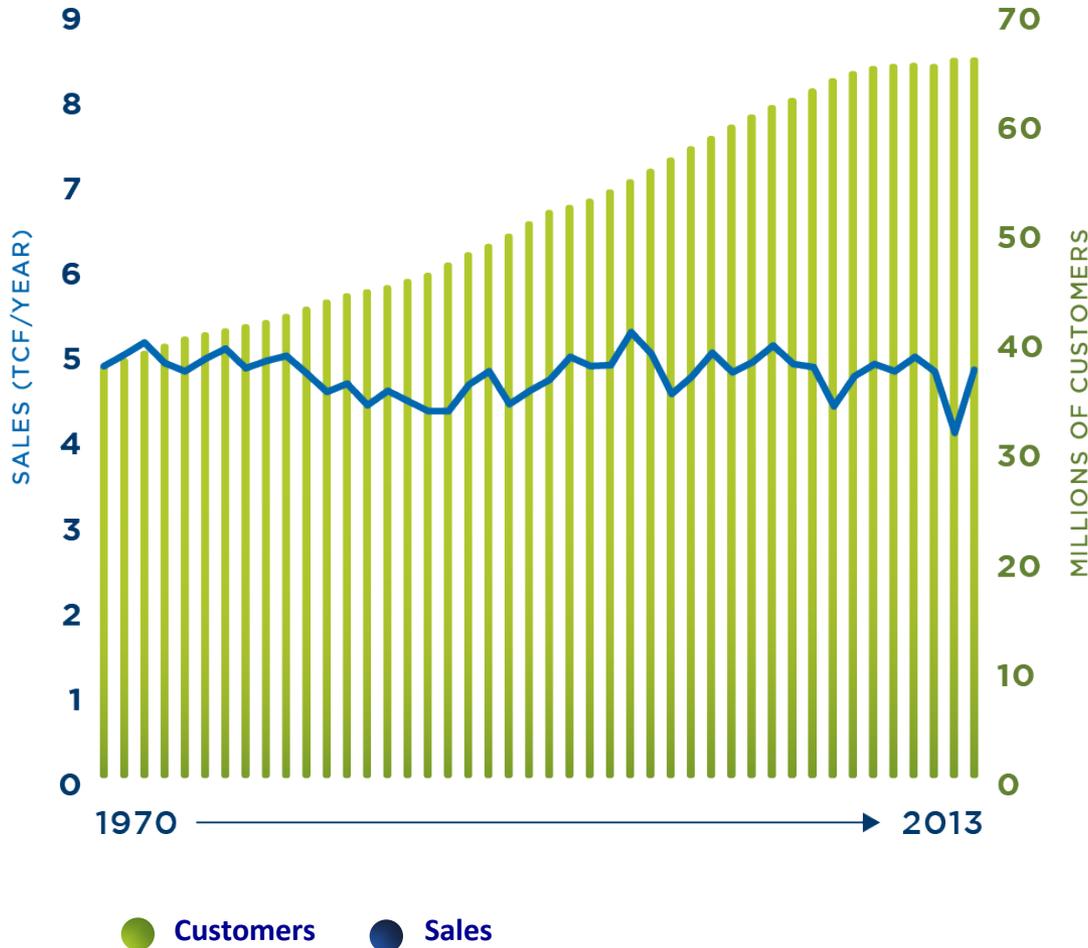
Opportunities to Reduce Overall Energy Consumption and Emissions

Expanding the direct use of natural gas in homes and businesses can reduce the energy lost in the generation and distribution of electricity.



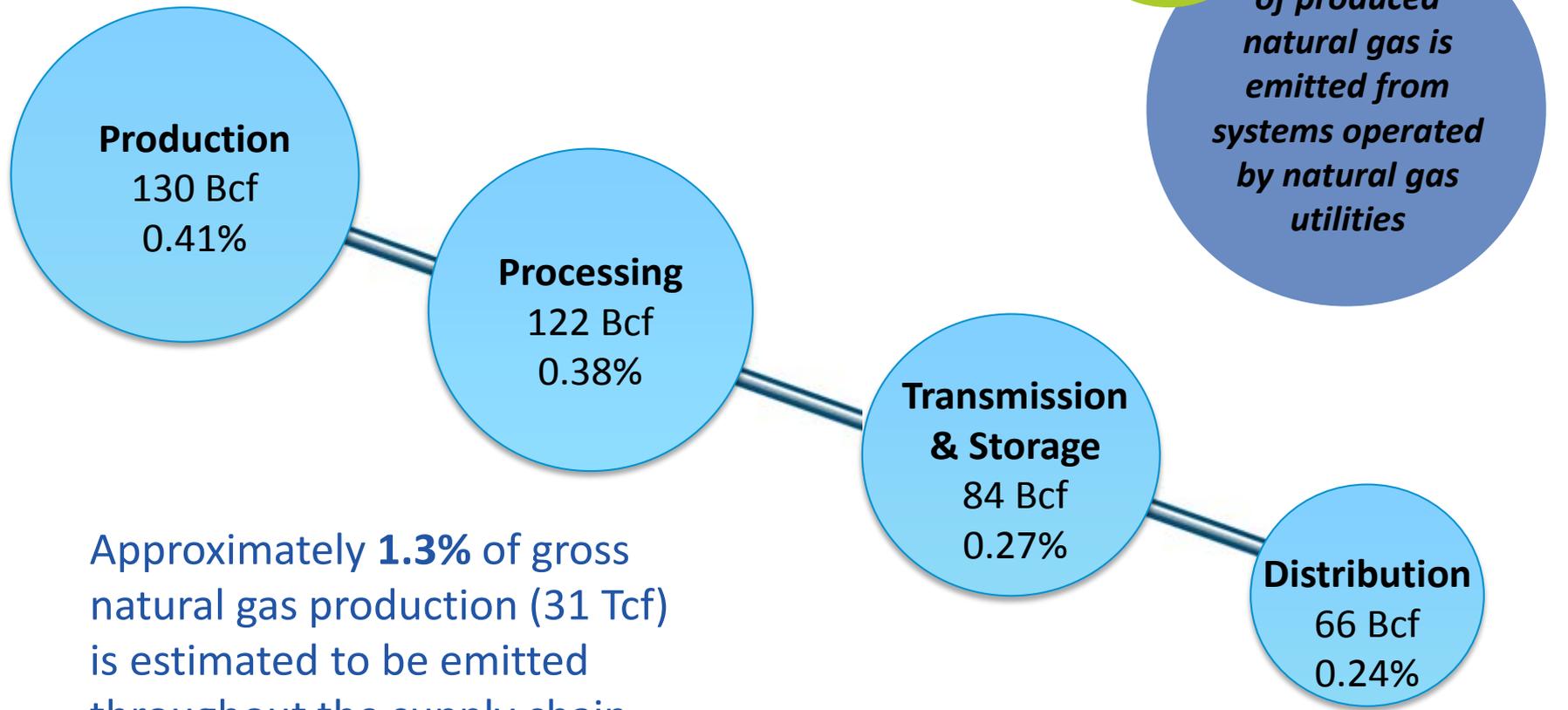
Source: U.S. Department of Energy, Energy Information Administration

Residential Natural Gas Use: An Efficiency Success Story



Natural gas usage per household has decreased even as overall demand for energy has risen. This trend is due in part to installation of tighter-fitting windows and doors, better insulation, utility sponsored energy efficiency programs, and the development of increasingly more efficient natural gas appliances.

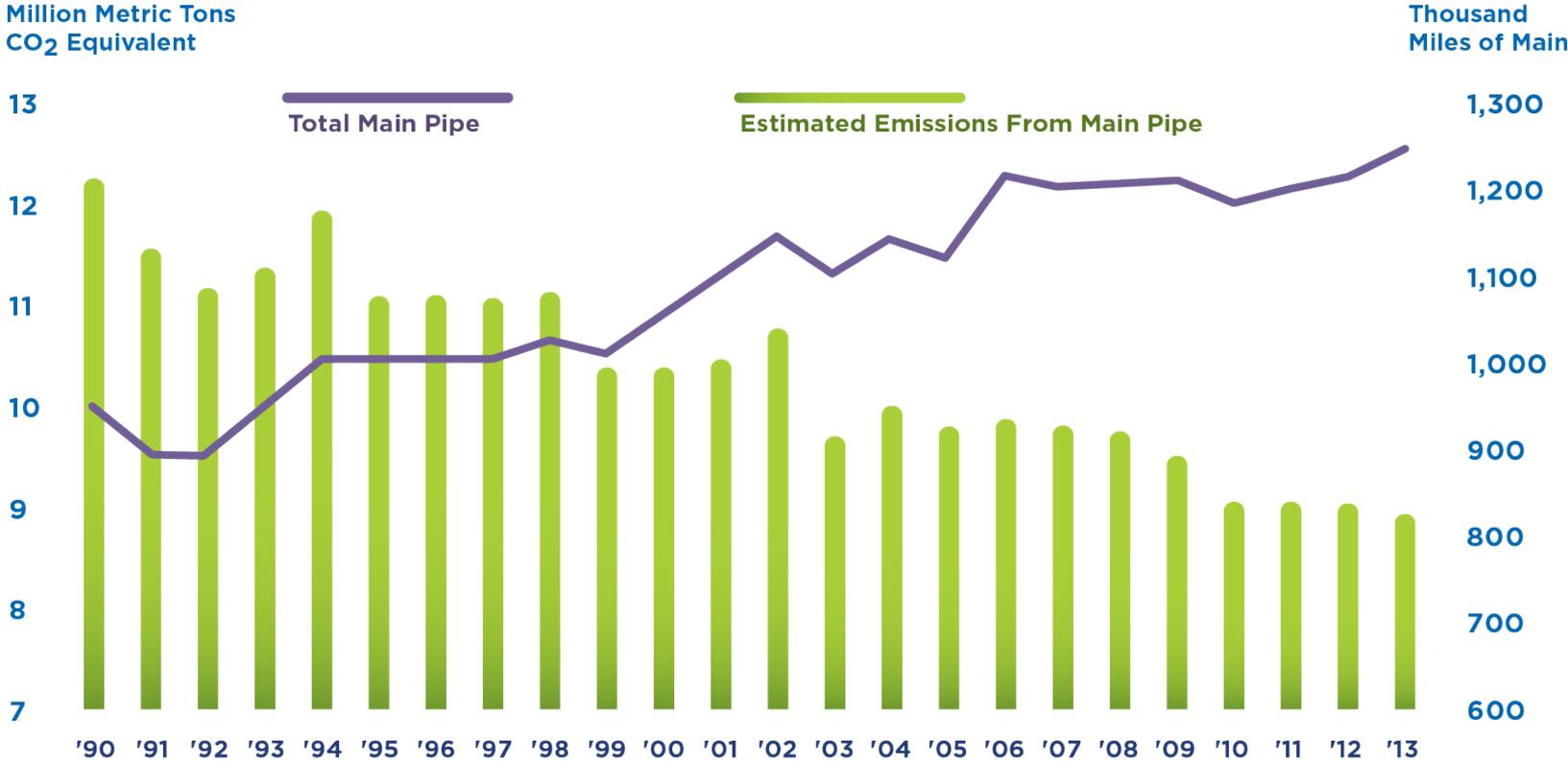
Natural Gas Value Chain Emissions Leakage Rates



Approximately **1.3%** of gross natural gas production (31 Tcf) is estimated to be emitted throughout the supply chain.

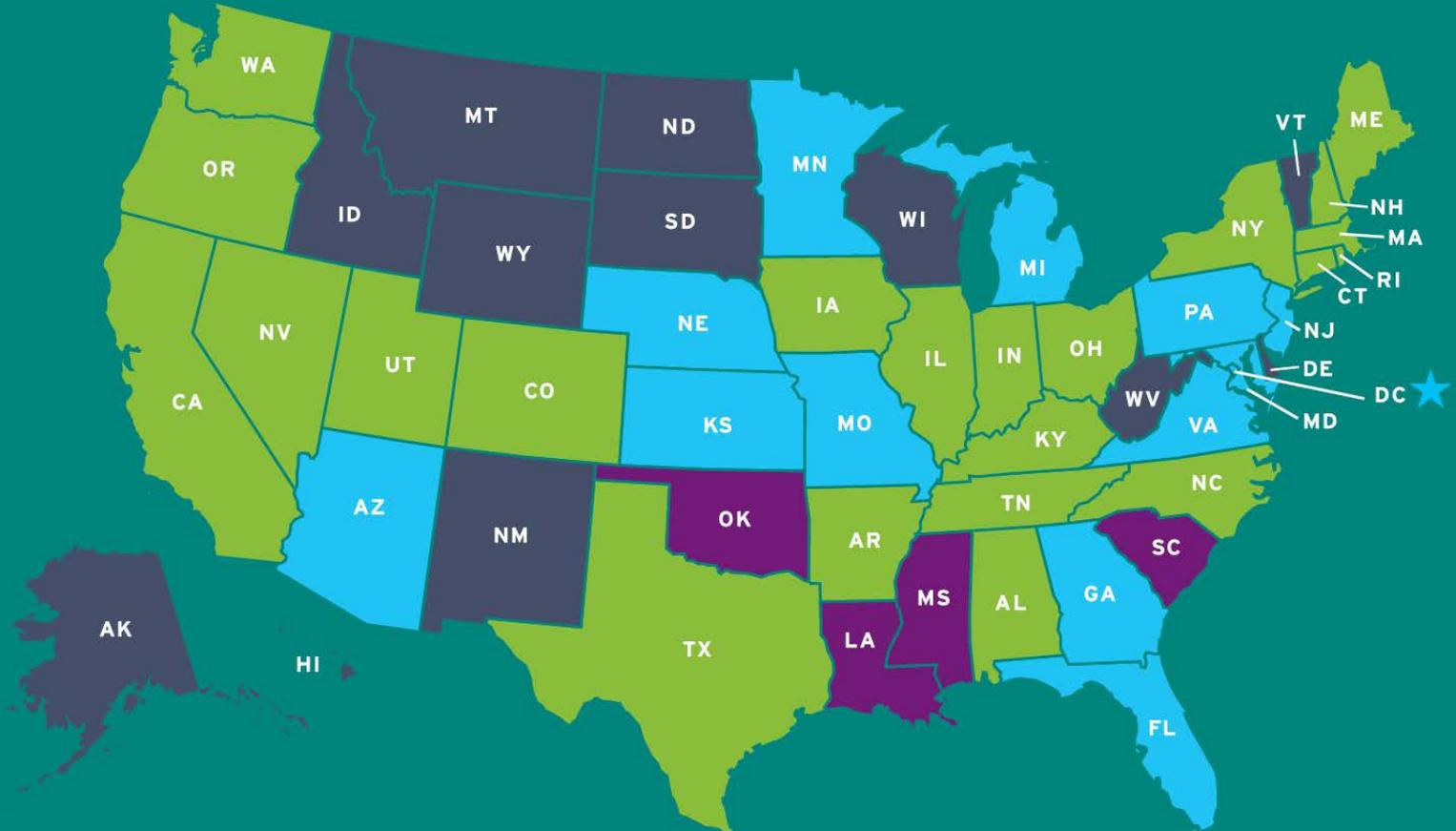
Source: U.S. Department of Energy and U.S. Environmental Protection Agency

Emissions Have Declined Even as Pipelines Have Expanded



Replacing pipelines with protected steel and plastic materials can reduce emissions more than 95%.

States with Innovative Infrastructure Cost Recovery Mechanisms



- Cost Recovery Tracker (22)
 - Surcharge (12)
 - Rate Stabilization Mechanism (4)
 - No Cost Recovery Tracker or Surcharge (12)
- * As of December 2014



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