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Customer Meeting

Austin, Texas

October 11, 2018



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John Donaldson

President



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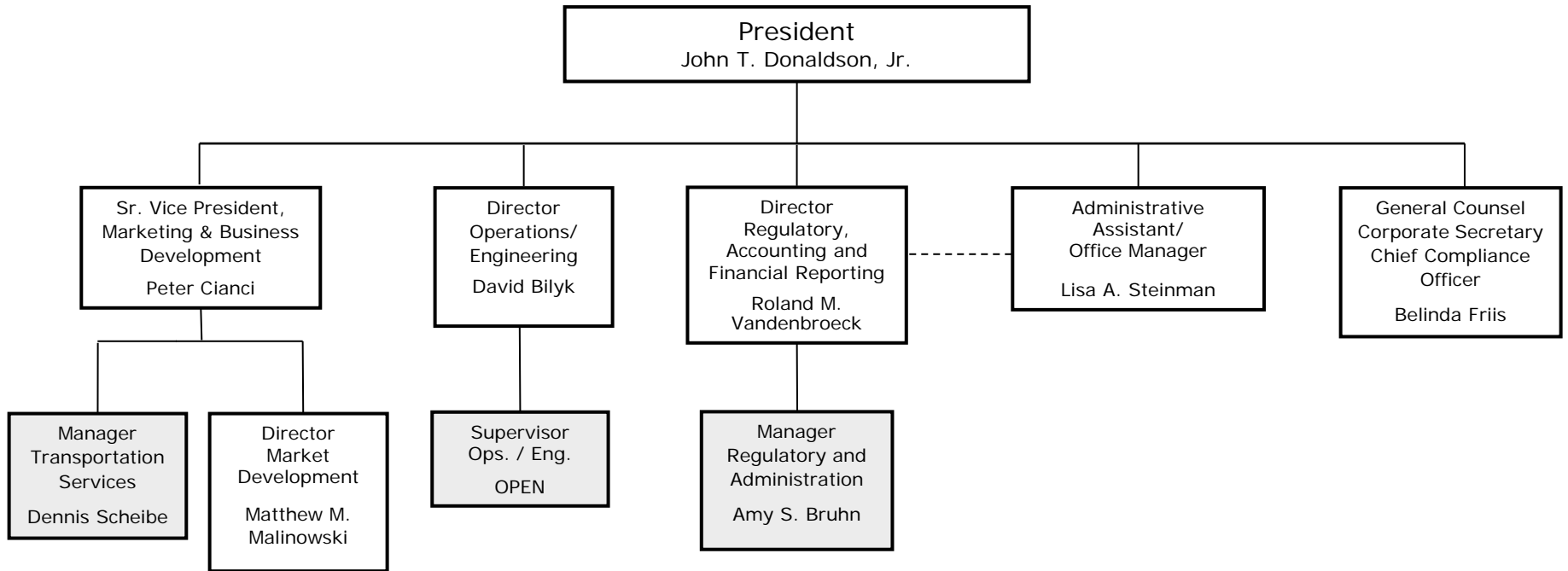
Meeting Agenda

- John – Welcome and Organizational Changes
- Pete
 - Project and System Update
 - What's Next
- Dennis
 - Mastio Survey Results
 - QuickNom / Latitude Update
 - Recent Regulatory Filing



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Organization





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Pete Cianci

SVP, Business Development & Marketing



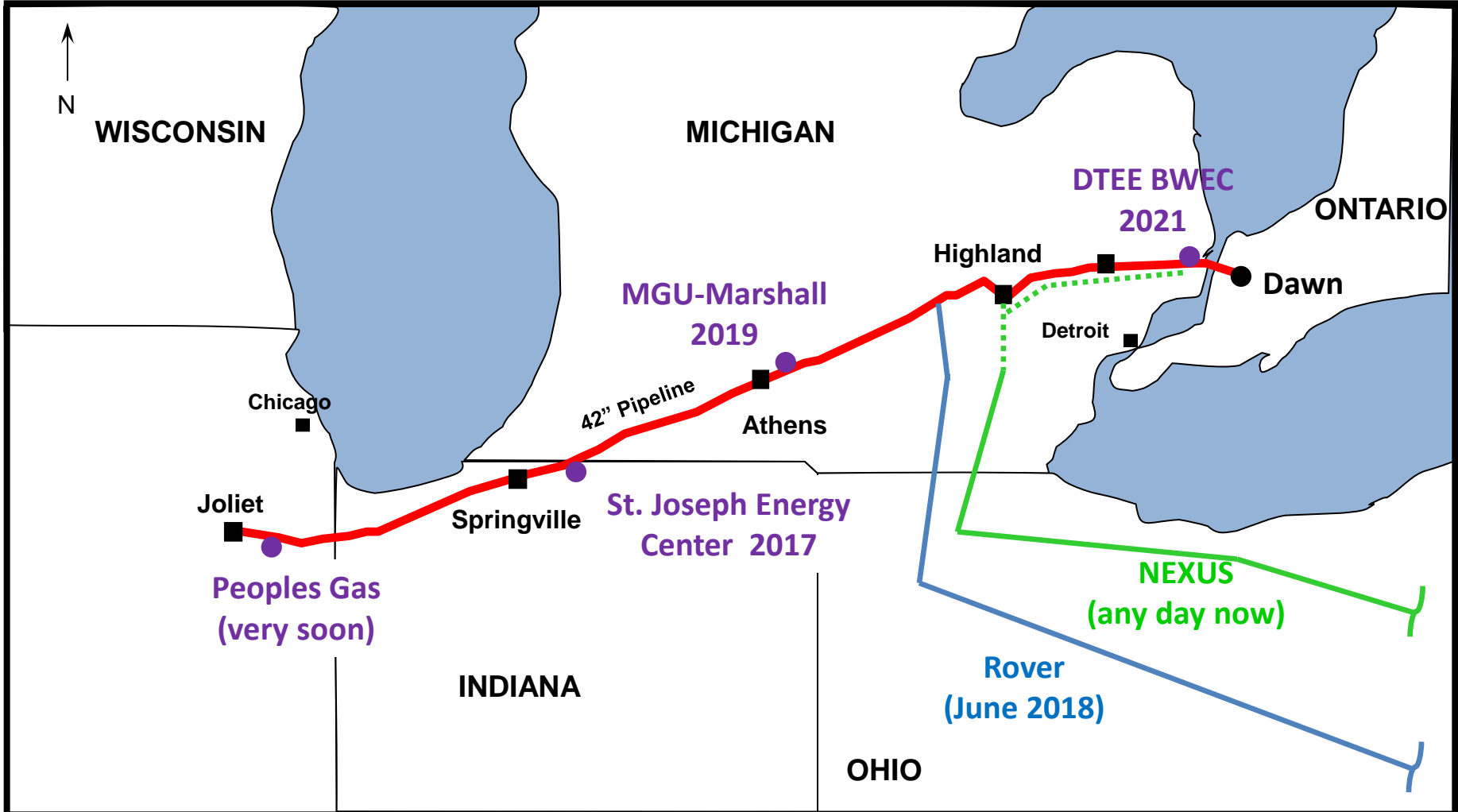
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Projects



New Interconnections

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SJEC

- St. Joseph Energy Center
 - New delivery in Indiana for a 700 MW Power Plant on PJM
 - Vector 1.5 mile, 20-inch lateral and meter station completed Summer 2017
 - Test gas began Q4 2017
 - Commercial in-service - April 2018
 - Operating at high load factor
 - Lateral sized to handle future “twin” plant



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Rover Interconnect

- New receipt near Howell, Michigan
- Meter Station Capacity-1.45 Bcf/d
- Began flowing gas June 2018
- Ramped up to full contract level by September 1
 - Peak volumes over 1.0 Bcf/d



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Milford Junction

- Modifications to allow the Vector-DTE Gas interconnection at Milford, Michigan to be bi-directional allowing for receipt of NEXUS Supply
- Install 0.6 miles, 30-inch “jumper line” to allow lower pressure receipts to flow into the inlet of Vector’s Highland Compressor
- Placed in-service 2018 and ready to receive NEXUS Supply

Peoples Interconnect

- Peoples Gas – Smith Road Interconnect
 - New delivery near Manhattan, Illinois with Peoples Gas Light and Coke
 - 280 MDth/d metering capacity
 - Predominantly winter-use for supply and redelivery of Michigan storage gas
 - In-service Fourth Quarter 2018



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MGU Interconnection

- MGU – Marshall Interconnect
 - New delivery near Marshall, Michigan with Michigan Gas Utilities
 - 35 MDth/d metering capacity
 - MGU will primarily use to fill its storage field in the summer months
 - Annual potential for MGU transport customers
 - In-service no later than April 1, 2019



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DTEE Interconnect (Proposed)

- DTE Electric – Bluewater Energy Center (DTEE-BWEC)
 - New 1100 MW powerplant to replace coal
 - Meter(s) and short lateral to be constructed near St. Clair, Michigan
 - 180 MDth/d load
 - Test gas 2021
 - Commercial in-service 2022



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Potential Projects

- Chicago/Northern Indiana Markets
 - Exploring growth within this region
- Continue pursuing LDC Interconnects
 - SEMCO
- New powerplants
 - Phase 2 SJEC (MISO)
 - 3 other announced developments close to our mainline
 - Coal retirements in Michigan



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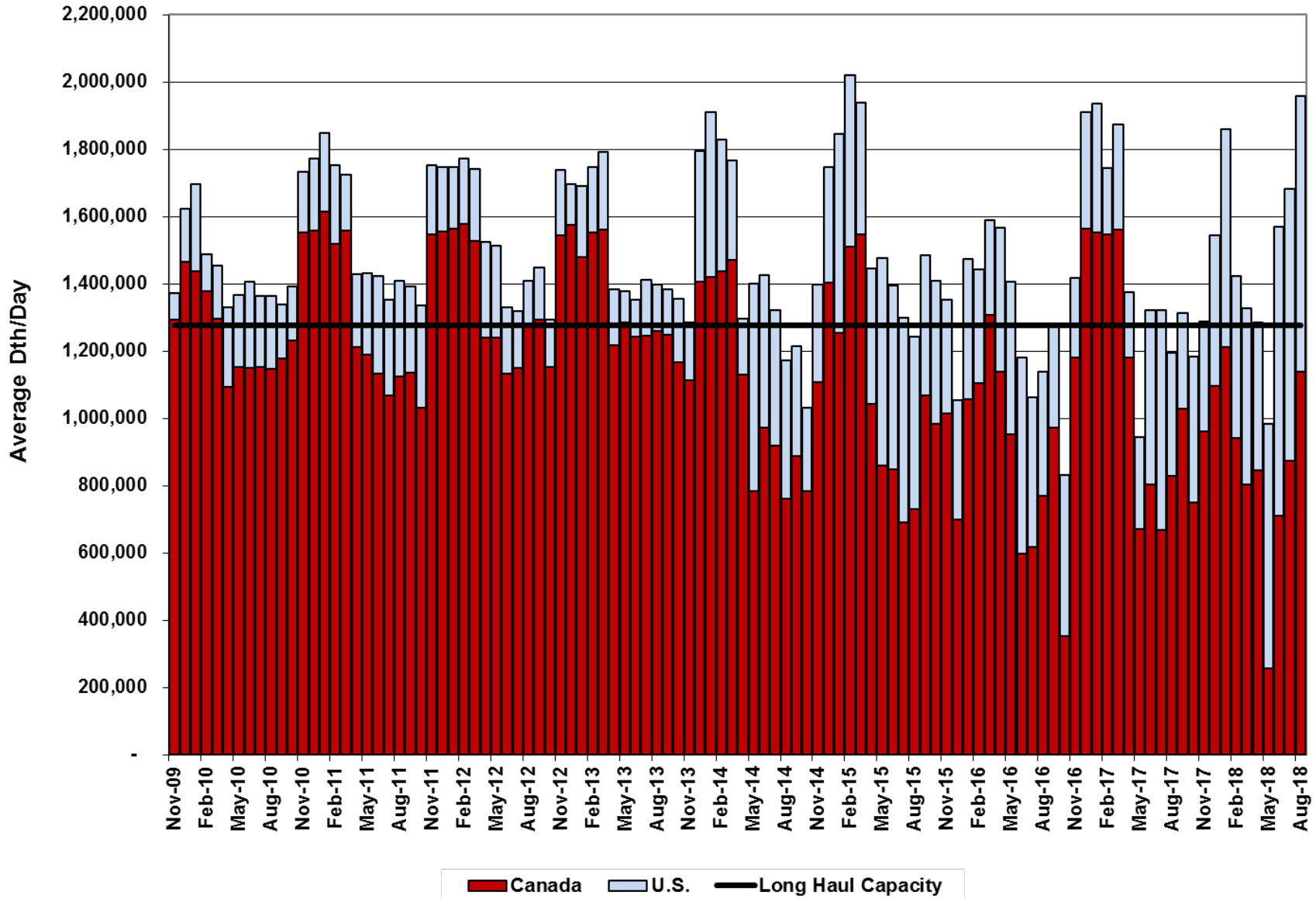
Recent Operations



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Scheduled Deliveries

(Includes Longhaul, Shorthaul, Backhaul and Segmentation)



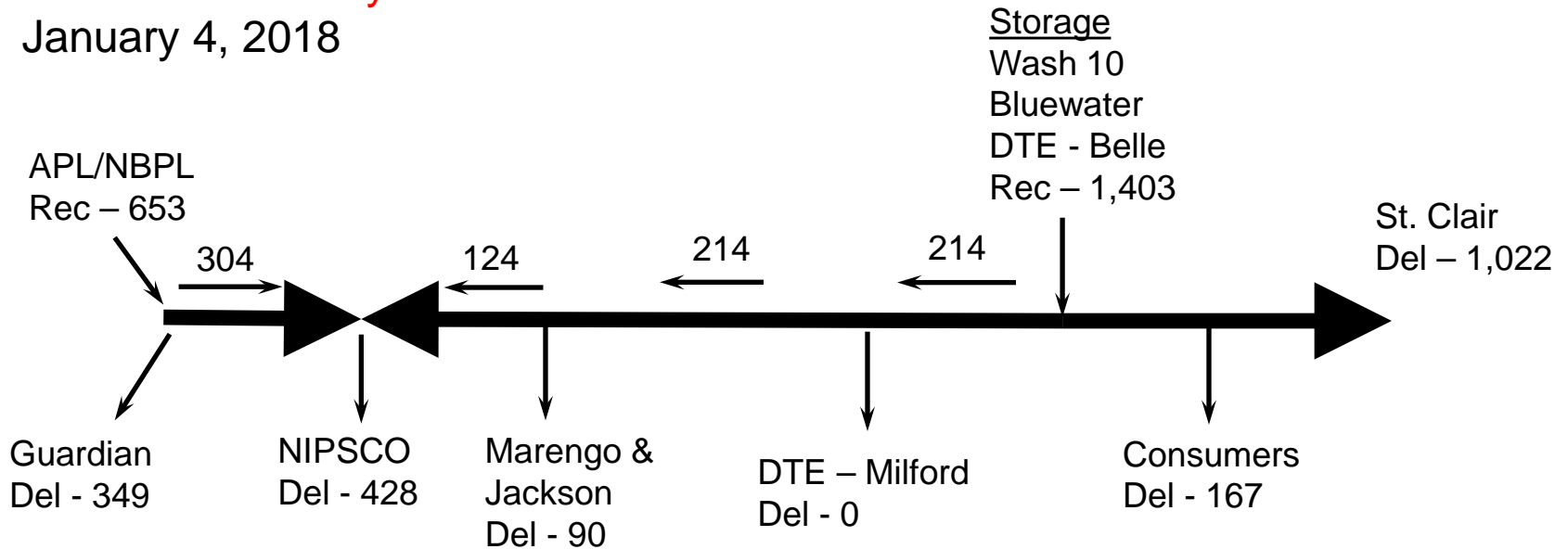


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Winter 2017/18

Winter 2017/18 System Peak – 2057 Dth

January 4, 2018



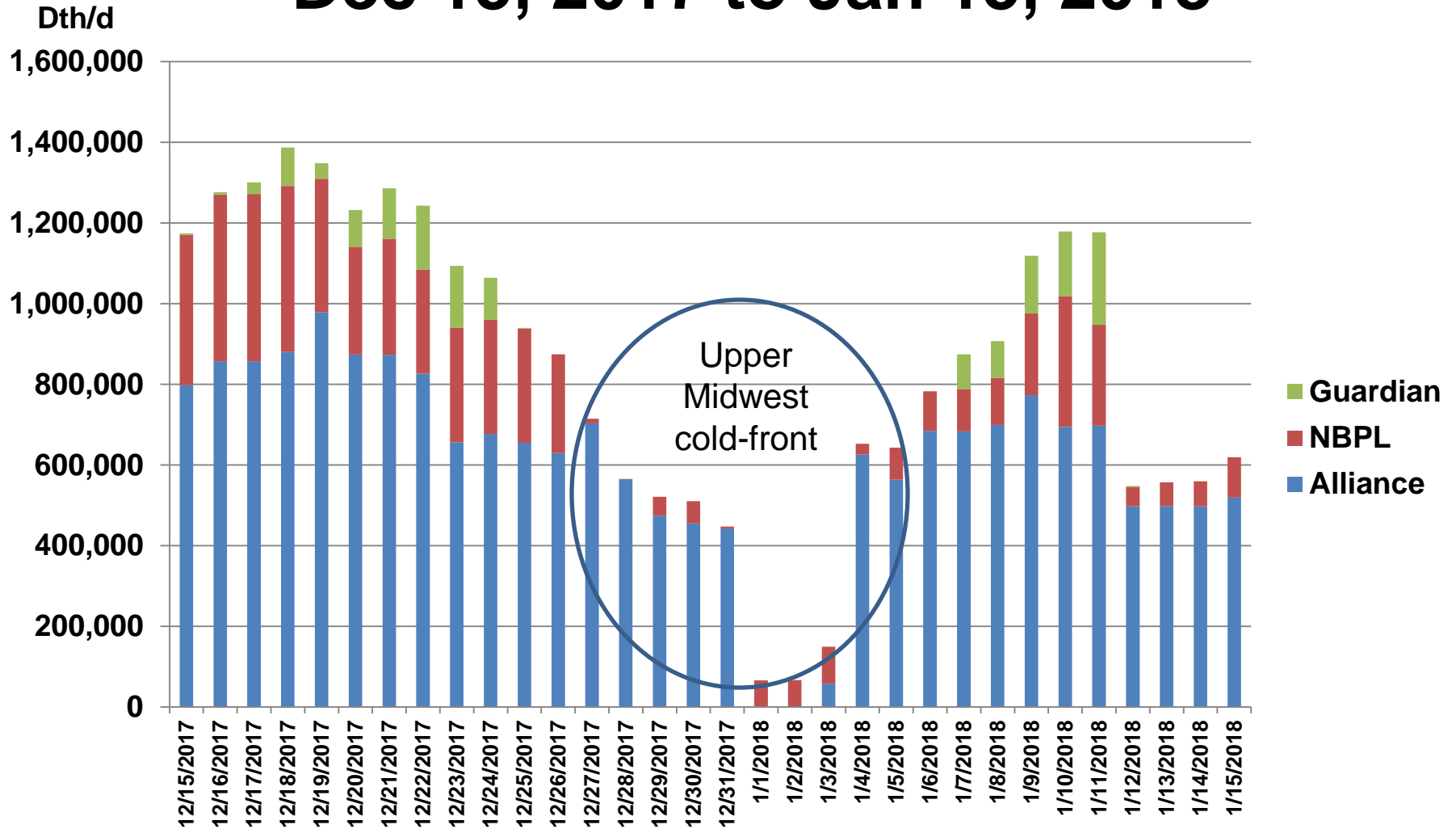
Temperature Range – S.E. Mich. (White Lake): 10°F High, -6°F Low



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Joliet Receipts

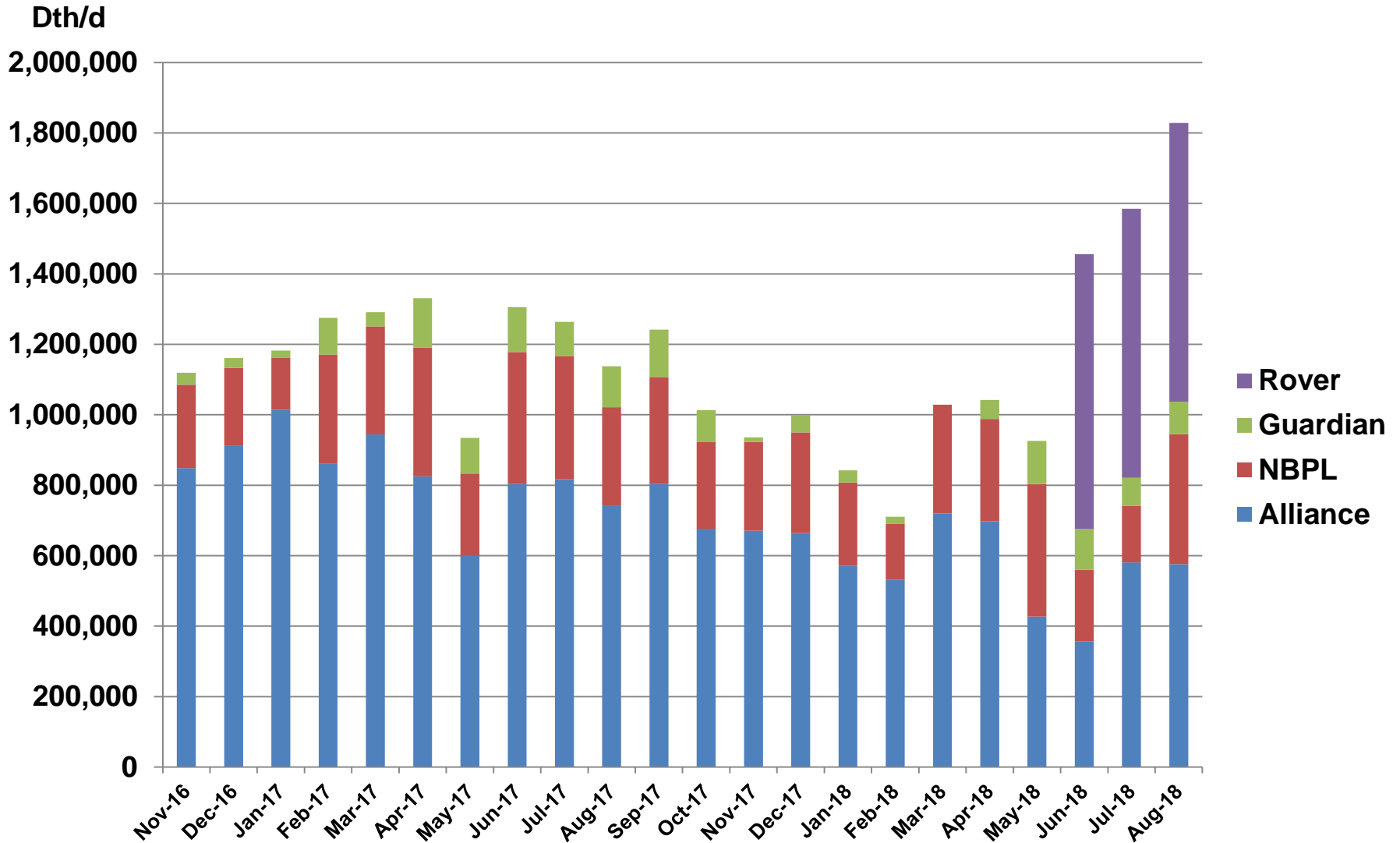
Dec 15, 2017 to Jan 15, 2018





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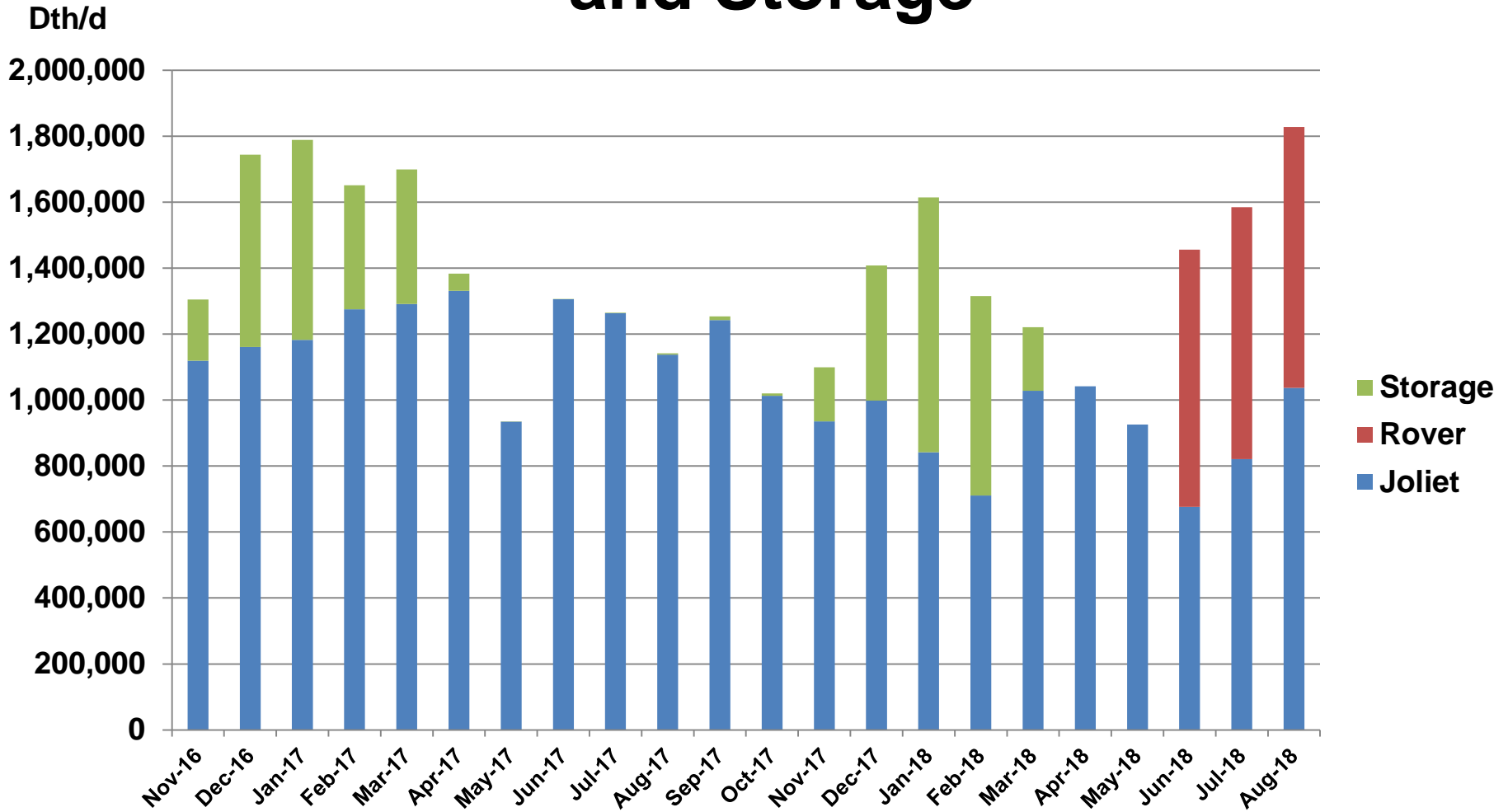
Receipts from Pipelines





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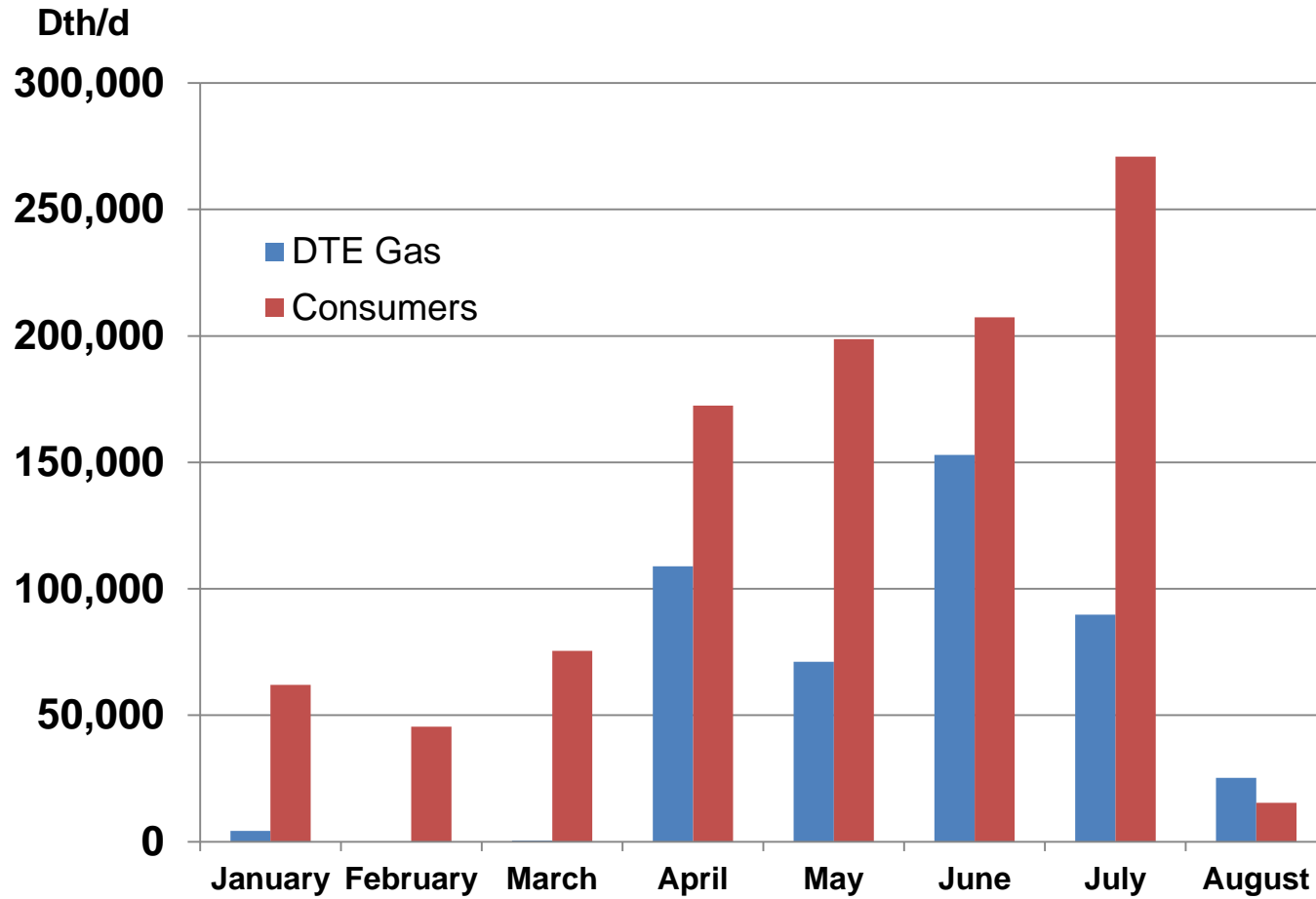
Receipts from Pipelines and Storage





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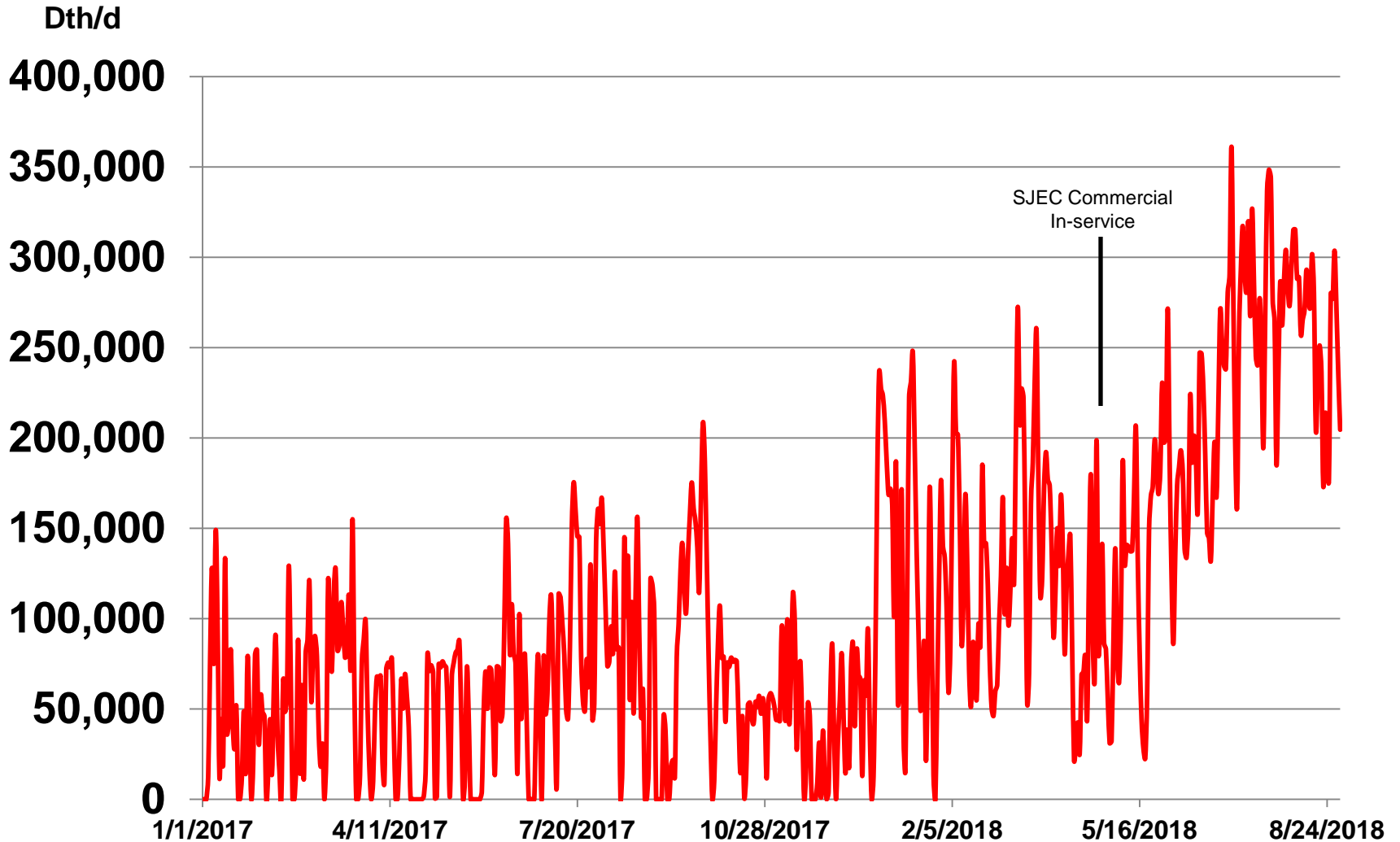
Deliveries to Michigan LDCs





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Deliveries to Power plants





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BTU Content

(Btu/cf @ St. Clair)

<u>Year</u>	<u>Btu/cf</u>
2010	1015
2011	1015
2012	1026
2013	1035
2014	1045
2015	1054
2016	1054
2017	1051
2018 YTD	1061



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Springville Compressor

2018-19

- Station currently has two 15,000 hp Solar Mars power turbines and is designed to flow west to east
- Add Bi-directional Capability
- New impellers on both gas compressors to handle wide range of flows
- Modify piping for lower flows (recycle loops)
- Construction underway – station unavailable for compression Oct 5 until late December.





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What's Next for Vector



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Coming Soon - Revisions to Capacity Postings

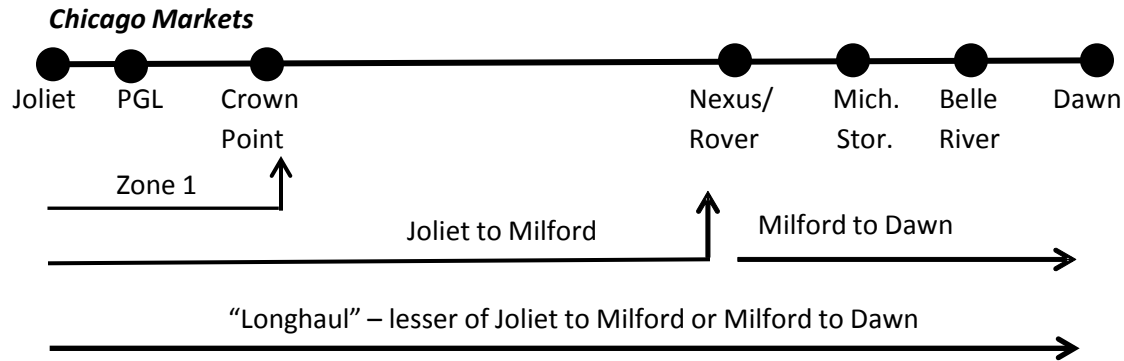
- Historically have posted only long-haul capacity (Joliet to Dawn)
- Capacity to be posted by segments:
 - Zone 1 – Joliet to Crown Point
 - Joliet to Milford
 - Rover / Milford to Dawn
 - Milford to Joliet (Backhaul)



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Capacity Posting by Segments

Forward Haul



Back Haul





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Contract Path / Secondary Points

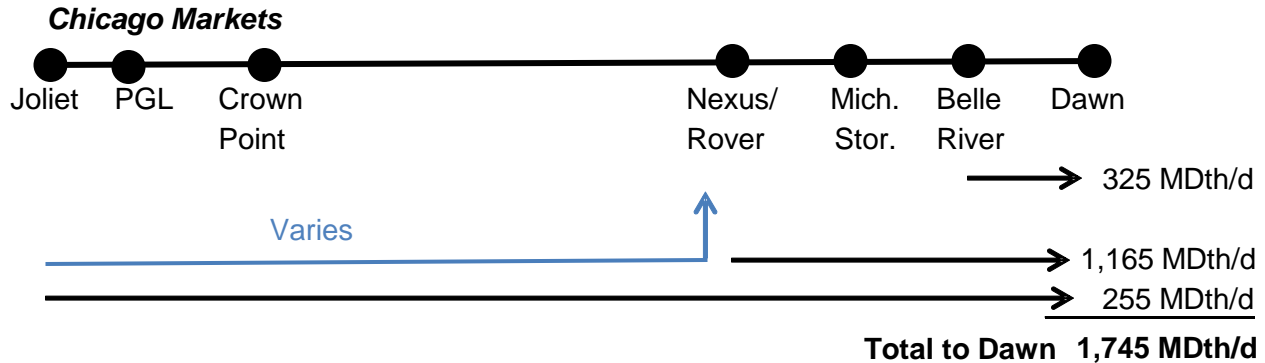
- Contract and flow patterns may limit Shippers' abilities to flow to secondary out-of-path points
- Secondary In-path: Between primary receipt and primary delivery and in the same direction at contract rate
- Secondary Out-of-Path: Outside of the primary receipt or delivery and/or in the opposite direction of the primary path.
 - Unless explicitly agreed to with Vector, secondary, out-of-path points are not discounted.



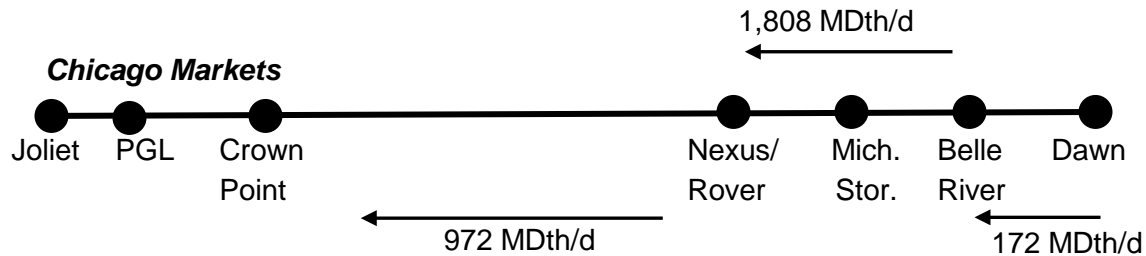
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Contractual Flows

Annual
Forward Haul



Winter
Back Haul





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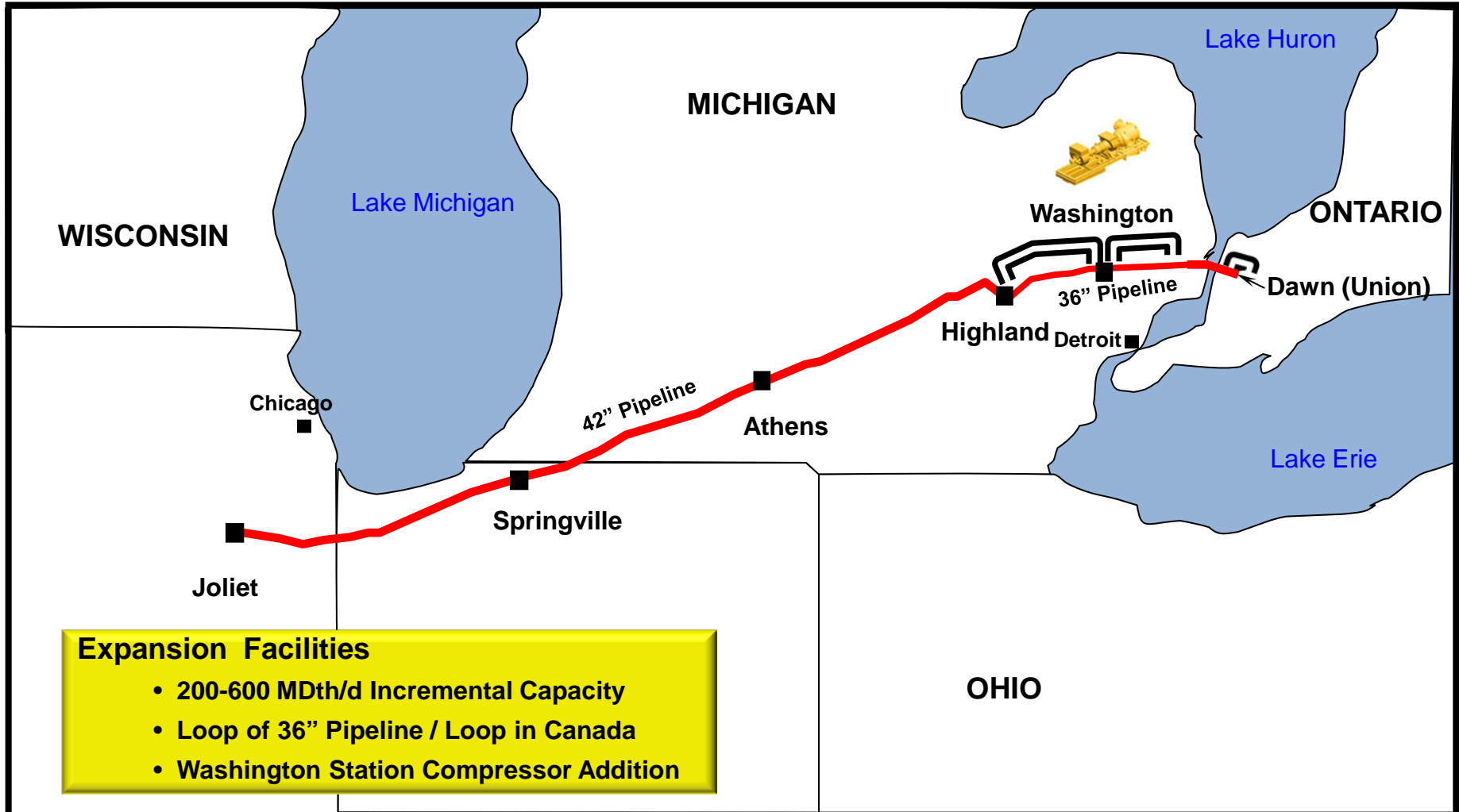
Status of Backhaul Availability

- Sold out for winter, at least until Springville work is completed
- Available capacity from storage to Joliet starting winter 2019
 - 30,000 Dth/d available starting Nov 1, 2019
 - Open season to be conducted in near future
- Additional volumes from Milford back to the west (over 200,000 Dth/d) available after Springville work is complete.
- Summer backhaul capacity available



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Future Expansion





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Winter 2018/19 Forecast





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Dennis Scheibe

Manager, Transportation Services



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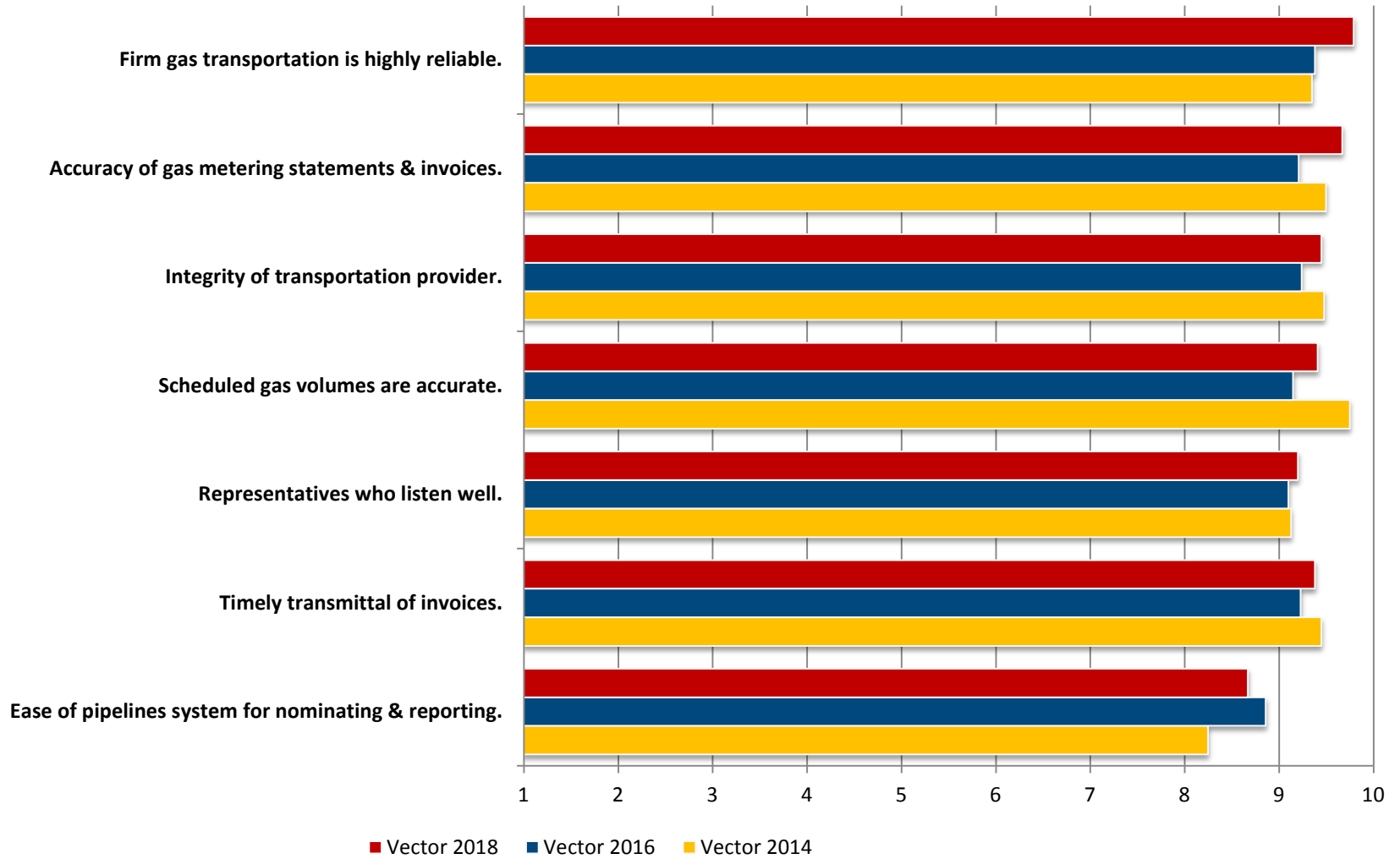
Mastio Customer Survey

- **Baseline Requirements**
 - Items a company is expected to be competent in
- **Conscious Differentiators**
 - Actively drive supplier selection decisions
- **Latent Differentiators**
 - Correlate highly to customer satisfaction
- **Low Impact**
 - Parity with competitors is sufficient



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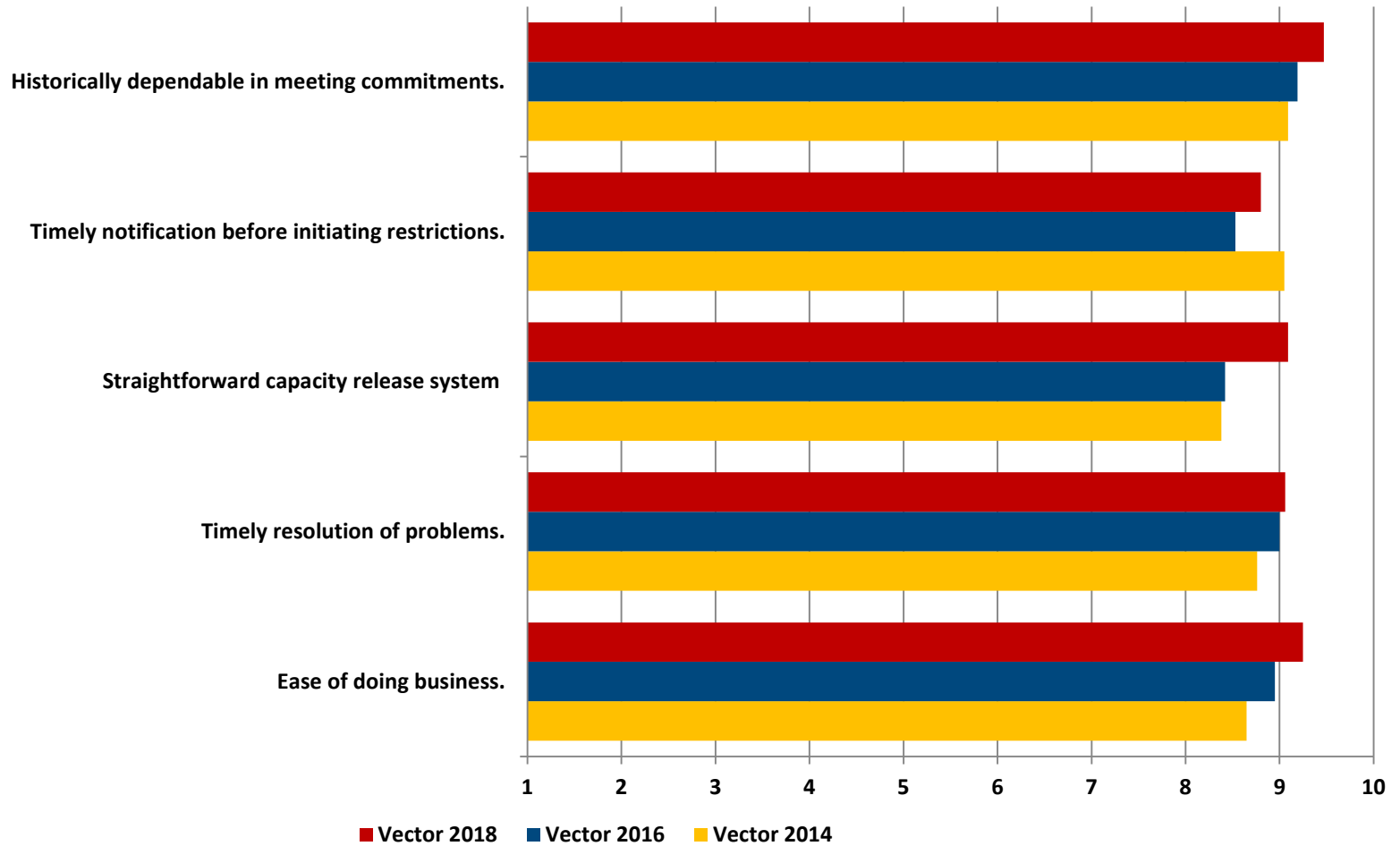
Baseline Needs





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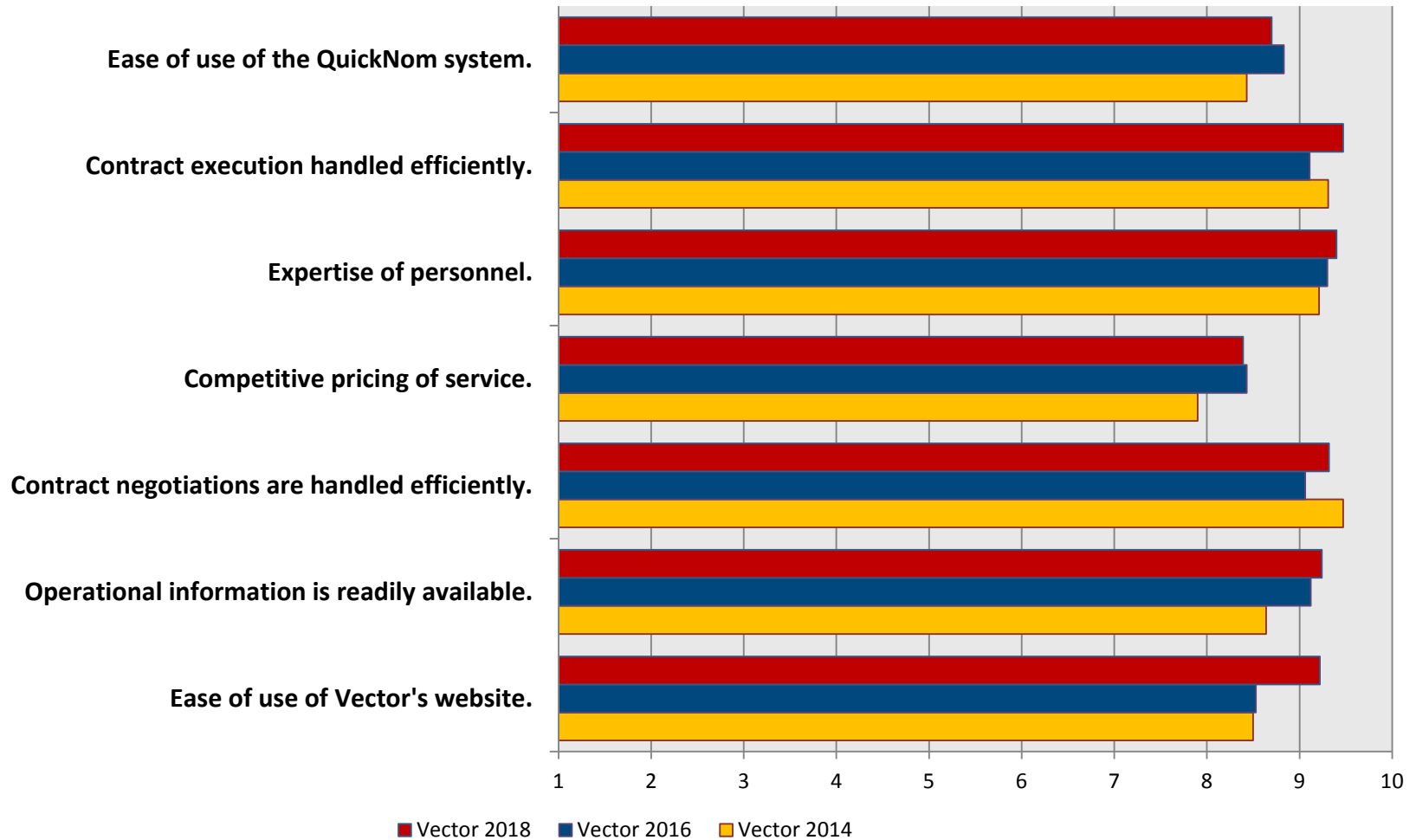
Conscious Differentiators





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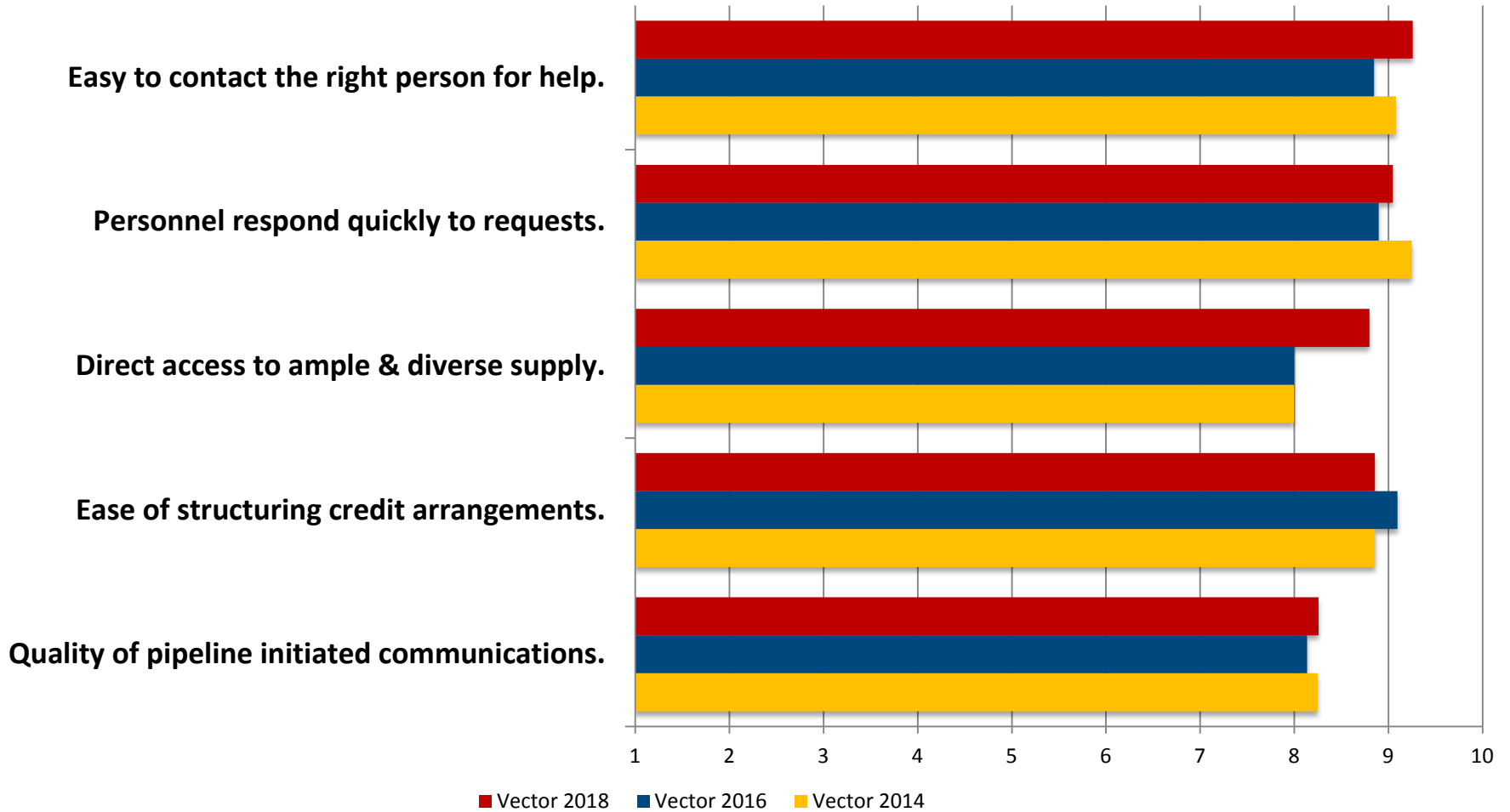
Latent Differentiators





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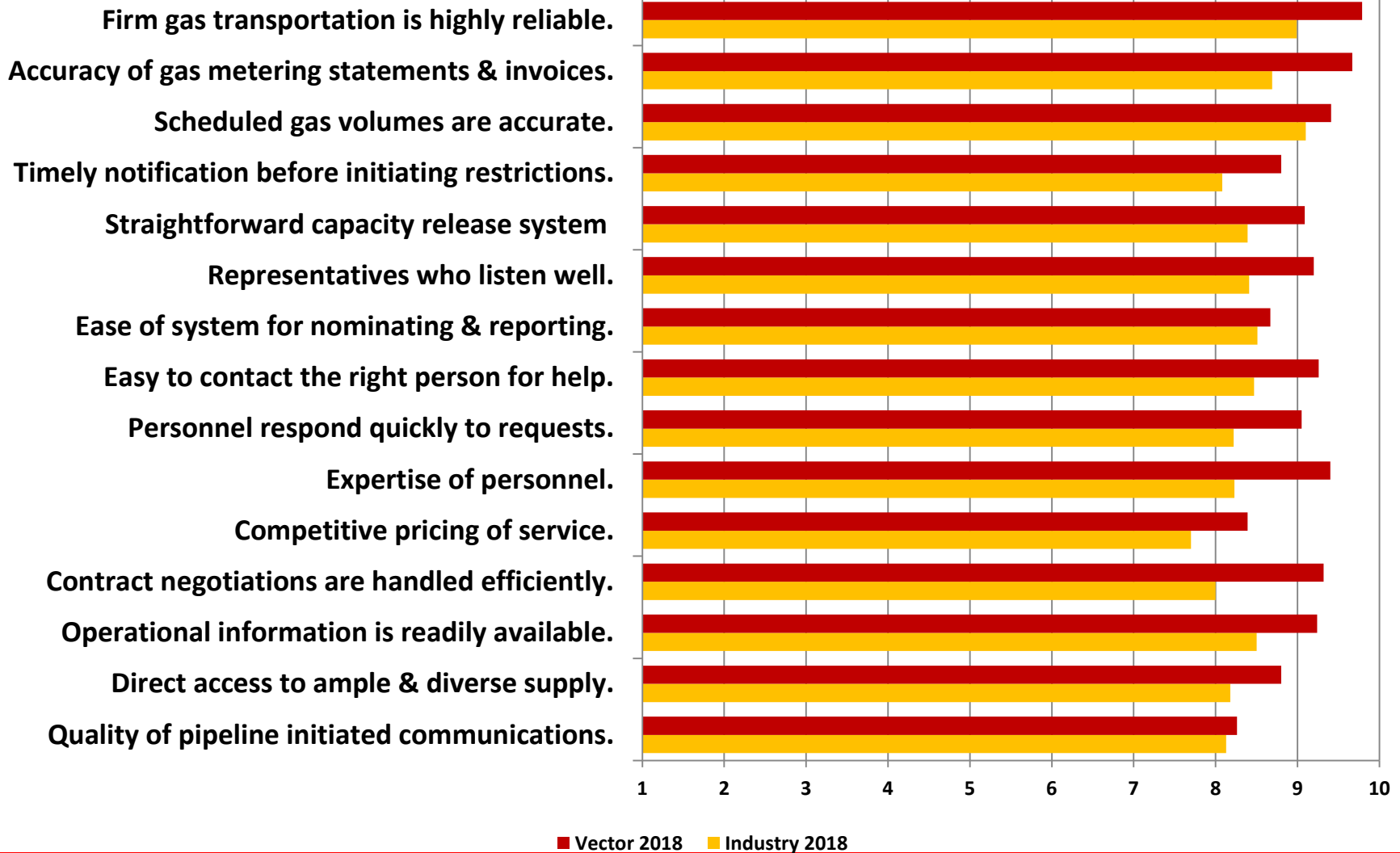
Low Impact





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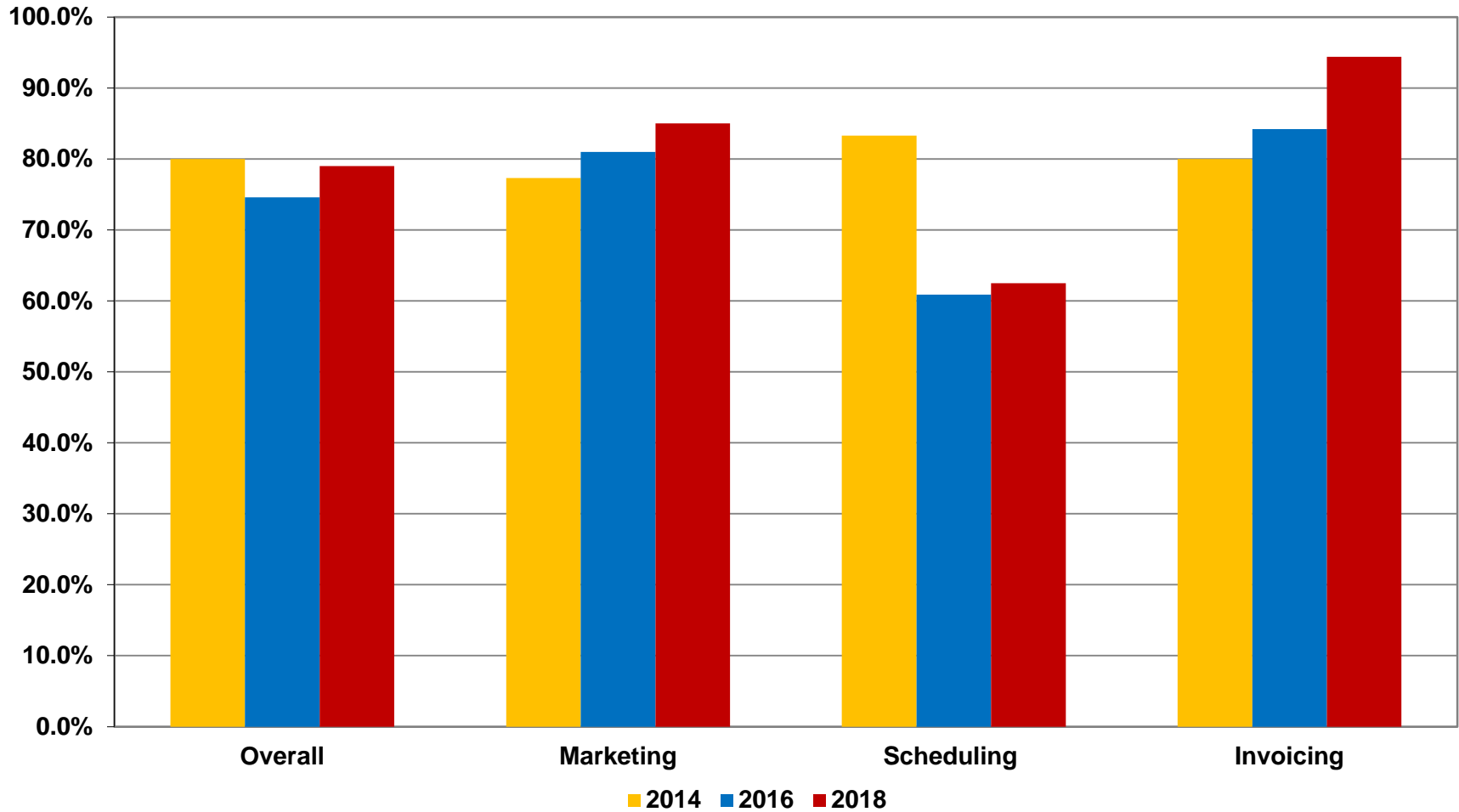
Vector vs. The Industry





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Net Promotor Score





Areas for Improvement

- Quicknom
 - Cyber-attack residual effects
- Scheduling
 - Turnover experienced with scheduling staff
 - Ongoing training is a priority.



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Latitude/QuickNom Incident



- Ransomware attack - BitPaymer
- Four day outage
- No data stolen



- Gas flowed
- Manual nominations
- Manual confirmations
- Used up/downstream numbers



- Segregation/Isolation between servers
- Utilizing AWS Cloud services
- Hired CISO
- Enhanced End-user training and monitoring



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Upcoming FERC Compliance Filing

- Related to Tax Cuts and Job Act of 2017
- 501-G Filing due today!
- Vector electing to File Option 1, Limited Section 4 Rate Reduction reflecting impact of reduced of corporate tax rate.
- Approximate 9.3% reduction in maximum recourse rates



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Questions

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Thank You!
We appreciate your business!