

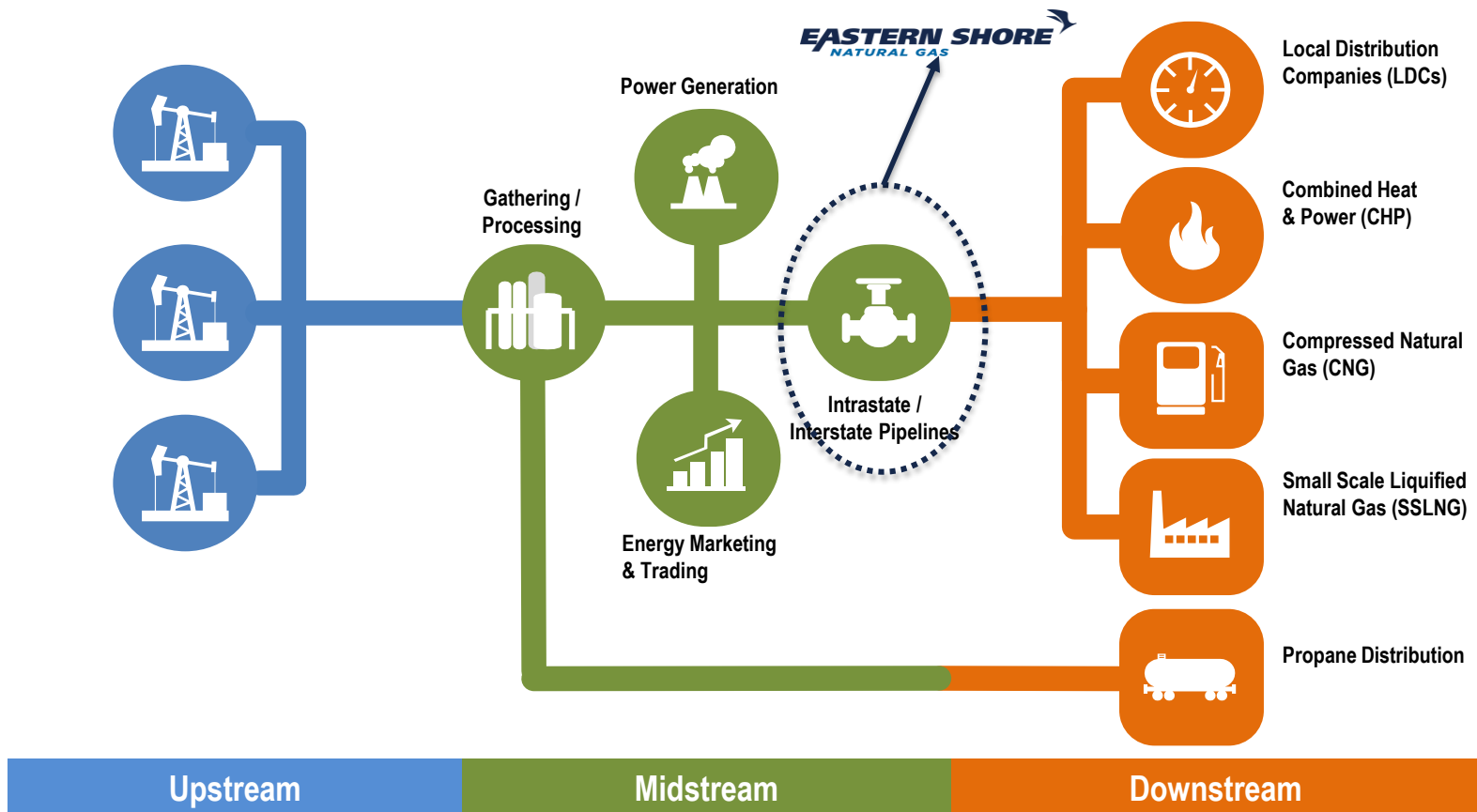
Natural Gas Transportation on the Delmarva Peninsula

December 15, 2015

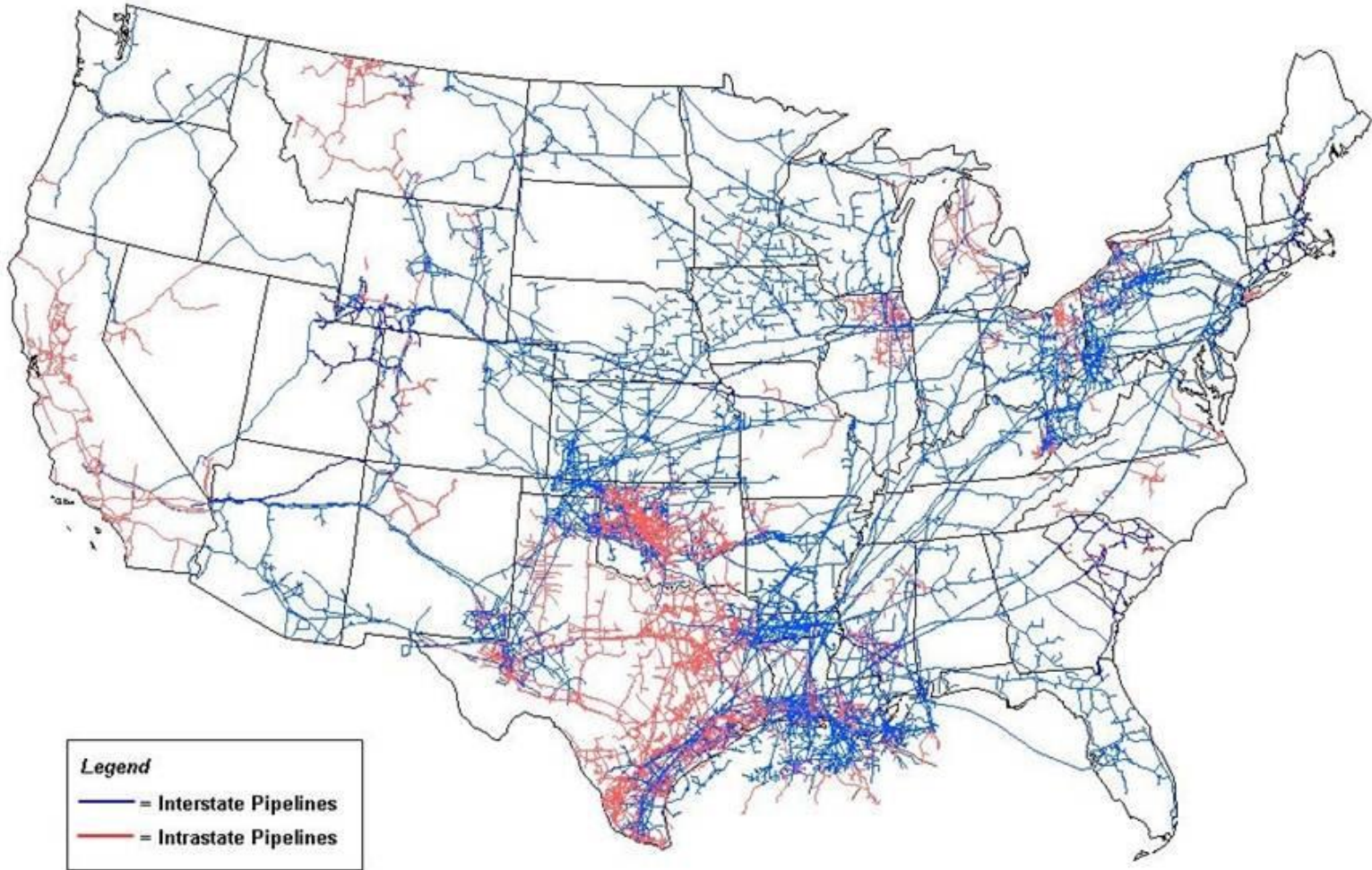


Nationwide Natural Gas Interstate Pipeline System

Natural Gas Energy Chain



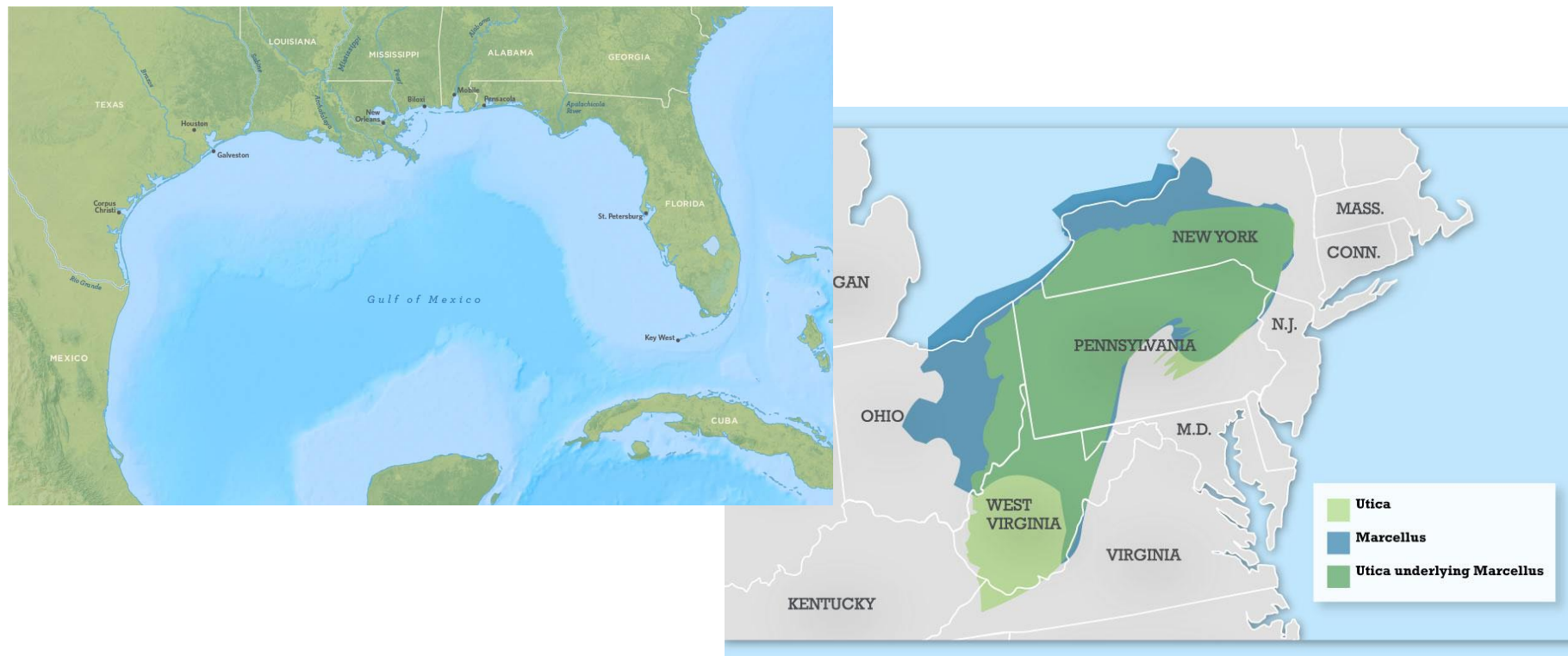
View of Nationwide Interstate Pipeline System




Source: Energy Information Administration, Office of Oil & Gas, Natural Gas Division, Gas Transportation Information System

Sources of Natural Gas Flowing to the Delmarva Peninsula

Natural gas that makes its way to the Delmarva Peninsula for consumption is generally sourced from the Gulf of Mexico or from the Marcellus or Utica shale formations. The natural gas travels through the interstate pipeline system to interconnects in southeastern PA and northern DE where it enters Eastern Shore's pipeline system for transport down the Delmarva Peninsula.



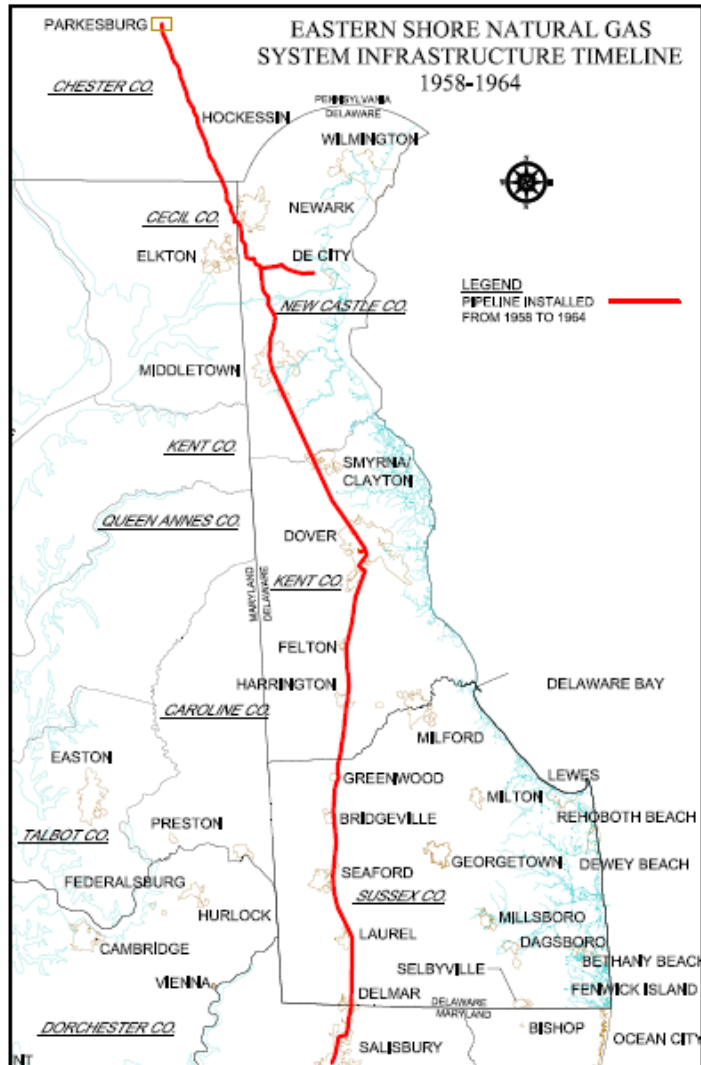


Natural Gas Transportation on the Delmarva Peninsula

*Eastern Shore Natural
Gas*

Eastern Shore Natural Gas Company

Introducing Natural Gas to the Delmarva Peninsula



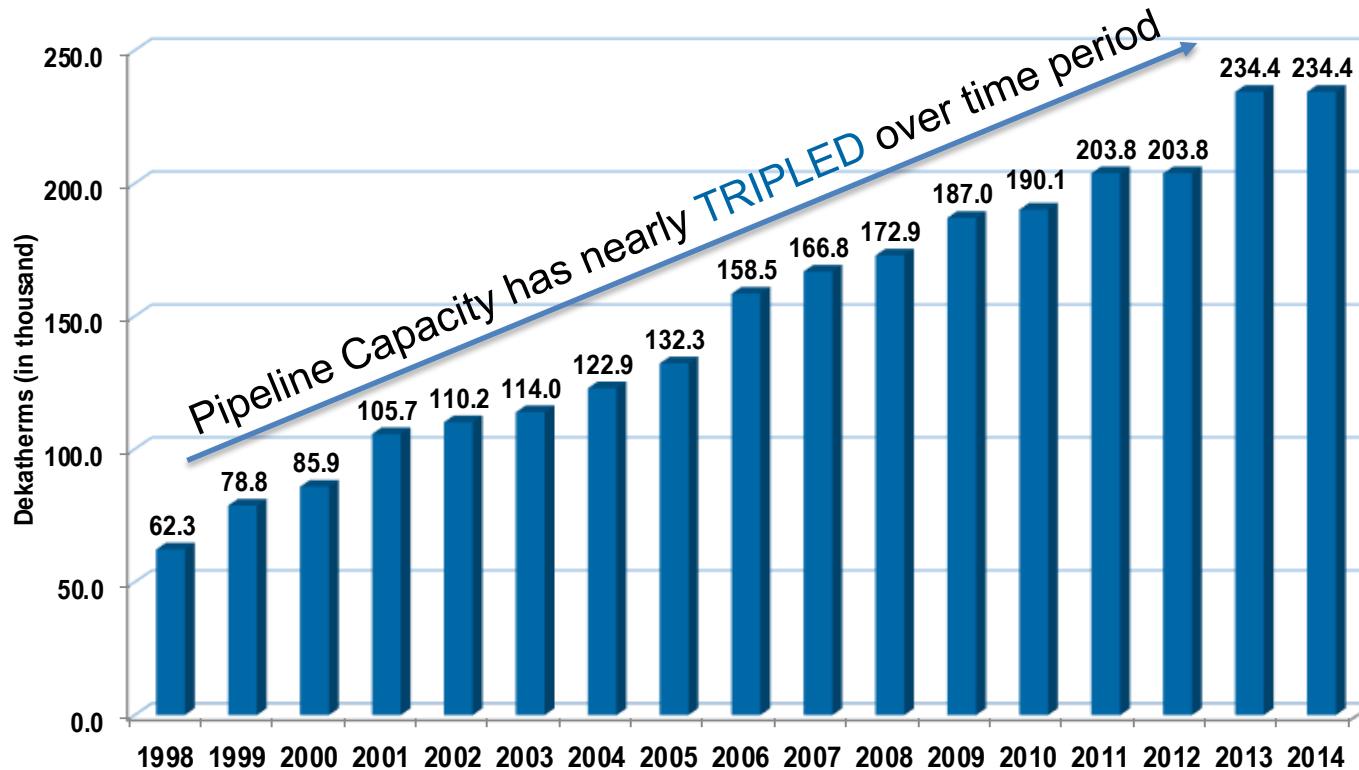
In 1957, the Federal Power Commission, predecessor to the Federal Energy Regulatory Commission (FERC), issued a certificate authorizing Eastern Shore Natural Gas Company to construct and operate a new interstate natural gas pipeline, which would allow natural gas to come to the Delmarva Peninsula for the first time.

Construction began on the initial 123-mile pipeline from Parkesburg, PA to Salisbury, MD in July 1958 and was completed in 1959.

Eastern Shore Natural Gas Company

History of Growth

Year-End Pipeline Capacity

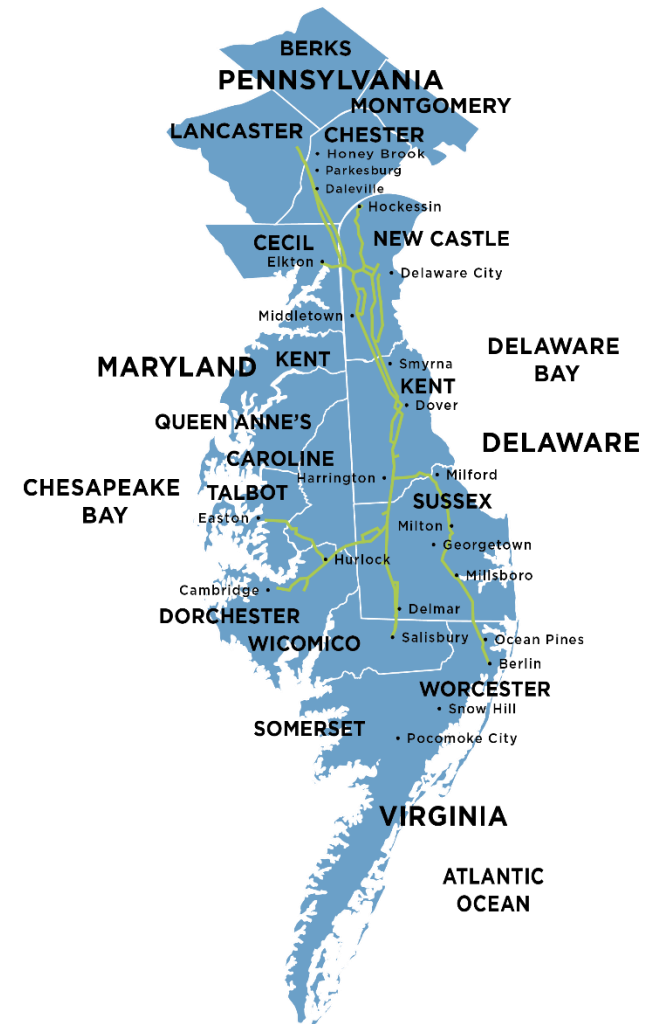


ESNG has a strong history of working with existing and new customers to continue to increase the availability of natural gas on the Delmarva Peninsula.

Eastern Shore Natural Gas Company Present Day

Key Pipeline Facts:

- Approximately 442 miles of natural gas pipeline
- 90 delivery point stations
- Interconnects: 4 interconnects with three upstream pipelines
 - Honey Brook, PA – Texas Eastern Transmission
 - Parkesburg, PA and Hockessin, DE – Transcontinental Gas Pipe Line Co.
 - Daleville, PA – Columbia Gas Transmission, LLC
- Compression: 12,420 hp at 3 compressor stations
 - Daleville, PA – (2) 1,665 hp units and (2) 1,775 hp units
 - Delaware City, DE – (4) 1,085 hp units
 - Bridgeville, DE – (2) 600 hp units



Eastern Shore Natural Gas Company

Current Customer Profile

Eastern Shore currently provides natural gas transportation to Local Distribution Companies, Industrials and Electric Power Generation customers:

Local Distribution Companies, Including a Municipality

- Chesapeake Utilities – Delaware Division and Maryland Divisions
- Sandpiper Energy
- Delmarva Power and Light
- Easton Utilities (municipality)
- Elkton Gas
- PECO Energy

Electric Power Generation

- City of Dover
- Delaware Municipal Electric Corporation
- NRG
- Calpine

Industrials

- Delaware City Refinery
- Formosa Plastics
- Stine Lab
- Bilcare
- Several Others

Eastern Shore Natural Gas

Infrastructure Photos

Eastern Shore Natural Gas

Infrastructure Photos – Interconnect with Upstream Pipeline



Location: Parkesburg, PA

In-Service Date: 1958

Interconnecting Pipeline:
Transcontinental Gas Pipe Line Co.

Details: (3) 8" Orifice Meter
Runs; Capacity of 208,000 mcf/d

Eastern Shore Natural Gas Infrastructure Photos – Compressor Station



Location: Daleville, PA

In-Service Date: 1986

Details: (4) 3606 Caterpillar, 6 cylinder, turbo charged engines w/ (4) single stage, four throw Ariel compressors



Eastern Shore Natural Gas Infrastructure Photos – Pipeline Bridge



Location: Summit, DE

In-Service Date: 1959

Details: Cable suspension bridge supporting 1,220 linear foot, 12" pipeline, 141 ft above C&D canal.

For more information on Eastern Shore Natural Gas, please visit www.esng.com