



Williams and Boardwalk to Pursue Joint Development of NGL Pipeline System to Transport Marcellus, Utica Mixed NGLs to Growing Petchem and Export Markets

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- *Combining new pipeline with a portion of Boardwalk's existing Texas Gas Pipeline would expedite in-service date to 2015 and significantly reduce the construction footprint*
- *Planning connectivity to storage, fractionation, petchem and export facilities in the Gulf Coast as well as support of petchem facilities in the Northeast U.S.*
- *Expecting expanded markets for Marcellus, Utica NGLs to improve producers' economics and encourage increased drilling and production*

[Williams](#) (NYSE: WMB) and [Boardwalk Pipeline Partners, LP](#) (NYSE: BWP) today announced that they have executed a letter of intent to form a joint venture that would develop a pipeline project to transport natural gas liquids from the infrastructure-constrained Marcellus and Utica shale plays to the rapidly expanding petrochemical and export complex on the U.S. Gulf Coast, as well as the developing petrochemical market in the Northeast U.S.

The proposed "Bluegrass Pipeline" design would provide producers with 200,000 barrels per day of mixed NGLs take-away capacity in Ohio, West Virginia and Pennsylvania. The proposed pipeline could be increased to 400,000 barrels per day to meet market demand, primarily by adding additional liquids pumping capacity. It would deliver mixed NGLs from these producing areas to proposed new fractionation and storage facilities, which would have connectivity to petrochemical facilities and product pipelines along the coasts of Louisiana and Texas. Williams and Boardwalk are also exploring development of a new export liquefied petroleum gas terminal and related facilities on the Gulf Coast to provide customers access to international markets.

As proposed, the Bluegrass Pipeline would include the following:

- Constructing a new NGL pipeline from producing areas in West Virginia and Ohio to an interconnect with Boardwalk's Texas Gas Transmission, LLC system (Texas Gas) in Hardinsburg, Ky.;
- Converting a portion of Texas Gas from Hardinsburg, Ky. to Eunice, La. (the "TGT Loop Line") from natural gas service to NGL service, including construction of new pump stations and related facilities; and
- Constructing a new large-scale fractionation plant and expanding natural gas liquids storage facilities in Louisiana and a new pipeline connecting these facilities to the converted TGT Loop Line.

By combining new construction with an existing pipeline, Williams and Boardwalk believe that the Bluegrass Pipeline can be placed into service and begin serving customers sooner than other options. Williams and Boardwalk are engaged in comprehensive project development planning including project design, cost estimating, economic and risk analysis, customer contracting, permitting and other legal and regulatory approvals and right-of-way acquisition. Williams and Boardwalk expect to sanction the project this year and place the planned project into service in the second half of 2015 assuming all necessary conditions are met.

"We are designing Bluegrass Pipeline to provide these two world-class resource plays with

access to one of the largest and most dynamic petrochemical markets in the world. In turn, this will help producers in Ohio, Pennsylvania and West Virginia achieve an attractive value for their ethane and other liquids," said Alan Armstrong, president and chief executive officer of Williams. "The current infrastructure challenge with natural gas liquids in the Northeast is slowing drilling and isolating liquids supplies from the robust markets in the Gulf that are poised to grow substantially over the next five years."

"Given current market dynamics in the Northeast, existing liquids systems and local outlets will be overwhelmed by 2016. Total NGL volumes in the Northeast are expected to exceed 1.2 million barrels per day by 2020. The proposed Bluegrass Pipeline joint venture would support Williams' midstream assets in the region, offer an attractive return and enable Williams to become the premier NGL infrastructure provider by economically linking the Utica and Marcellus region to petrochemical complexes on the U.S. Gulf," Armstrong said.

"We are delighted to be working with Williams on this exciting project," said Stan Horton, president and CEO of Boardwalk. "We believe that the unique arrangement of this planned project would create several strategic advantages, including a faster in-service date complemented by a significantly reduced construction footprint than could be achieved with a completely organic project."

"Our pursuit of this project is also consistent with Boardwalk's long-term growth strategy of diversifying within the midstream energy sector and leveraging our newly-acquired liquids infrastructure assets at Boardwalk Louisiana Midstream, which provide a critical footprint for the downstream fractionation and storage portion of this project. Another key element is that Texas Gas would connect its natural gas customers along the length of the converted TGT Loop Line to the remaining Texas Gas lines and will continue to provide them, and all of Texas Gas' natural gas customers, with safe and reliable natural gas transportation service," said Horton.

Sanctioning and completion of this project is subject to, among other conditions, negotiation and execution of definitive joint venture and related agreements; execution of customer contracts sufficient to support the project; and the parties' receipt of all necessary approvals, including board approvals and regulatory approvals, such as antitrust clearance under the Hart-Scott-Rodino Antitrust Improvements Act, approvals by the Federal Energy Regulatory Commission (FERC), among others. Before Texas Gas Transmission may begin converting the TGT Loop Line, it must receive abandonment authority from FERC. Boardwalk plans to file the abandonment application with FERC by May 1, 2013 and the abandonment process is estimated to take between nine to twelve months.

This press release contains forward-looking statements relating to expectations, plans or prospects for Boardwalk Pipeline Partners, LP, The Williams Companies, Inc. and their subsidiaries, which include among others, the formation of a joint venture and execution of definitive agreements related thereto, the successful development of the Bluegrass Pipeline and related facilities comprising the planned project discussed in this press release, negotiation and execution of commercial agreements necessary to implement the project, the cost and timing of the planned project, the receipt of necessary legal and regulatory approvals, assumptions regarding natural gas and natural gas liquids supplies, prices and demand, the size and scope of any project that is completed which may be different than that described above and the financial performance of any completed project. These statements are based upon the current expectations and beliefs of management of Williams and Boardwalk and are subject to many risks and uncertainties that could cause actual results to differ materially from the current plans or expectations described in the forward-looking statements. Many of these risks and uncertainties are beyond the control of Boardwalk and Williams.

About Boardwalk (NYSE: BWP)

Boardwalk Pipeline Partners, LP (NYSE: BWP) is a midstream master limited partnership that provides transportation, storage, gathering and processing of natural gas and liquids for its customers. Boardwalk and its subsidiaries own and operate approximately 14,410 miles of natural gas and liquids pipelines and underground storage caverns with an aggregate working gas capacity of approximately 201 billion cubic feet and liquids capacity of approximately 18 million barrels. Boardwalk is a subsidiary of Loews Corporation (NYSE: L), which holds 55% of Boardwalk's equity, excluding incentive distribution rights. Additional information may be found at www.bwplp.com.

About Williams (NYSE: WMB)

Williams is one of the leading energy infrastructure companies in North America. It owns interests in or operates 15,000 miles of interstate gas pipelines, 1,000 miles of NGL transportation pipelines, and more than 10,000 miles of oil and gas gathering pipelines. The company's facilities have daily gas processing capacity of 6.6 billion cubic feet of natural gas and NGL production of more than 200,000 barrels per day. Williams owns approximately 70 percent of Williams Partners L.P. (NYSE: WPZ), one of the largest diversified energy master limited partnerships. Williams Partners owns most of Williams' interstate gas pipeline and domestic midstream assets. The company's headquarters is in Tulsa, Okla. For more information, visit www.williams.com, where the company routinely posts important information.

Photos/Multimedia Gallery Available:

<http://www.businesswire.com/multimedia/home/20130306005449/en/>

Williams**Media Contact:**

Tom Droege, 918-573-4034

or

Investor Contacts:

John Porter, 918-573-0797

or

Sharna Reingold, 918-573-2078

or

Boardwalk Pipeline Partners, LP

Investor Relations and Media Inquiries: