WHO ARE WE?

- LGC was formed as a Joint Venture between Corning Natural Gas Corporation and Mirabito Regulated Industries.
- Combined these companies have proudly served the energy needs of this region for over 190 years!
- LGC believes it can provide low cost, clean burning, locally produced natural gas to industry and residents of the region.
WHAT ARE WE?

• Local Gas Distribution Company (LDC) in Pennsylvania as of September 27, 2012 (Franchises in 13 Municipalities)
• Leatherstocking has 6 Municipal Franchises in NY State
• Utilizing lower pressure, state of the art plastic pipe
• No compression
• Serving local customers and communities
• Regulated by the Pennsylvania Public Utility Commission (PUC) in PA. and the NY Public Service Commission (PSC) in NY.
WHAT’S OUR PLAN?

To provide...

• Natural gas service in targeted areas of PA. & NY.

• Natural gas is...
  • Low cost
  • Abundant
  • Domestic
  • Clean
LEATHERSTOCKING OBJECTIVES

- Commence construction in Susquehanna County PA area in 2013, Windsor NY in 2014 Sidney/Bainbridge NY in 2015

- Provide lower cost locally produced natural gas to people of northern Susquehanna County

- Provide gas to local NYS communities off the Constitution pipeline

- Entice new business and industry to locate near the I-81 and I-88 corridor

- Continue to grow the system
VISION/BUSINESS MODEL

Wells and Gathering System Pipelines  LGC LLC – Local Distribution Company  End Users / LOCAL Customers
WHAT ARE THE BENEFITS?

- Locally produced energy resource
- Local economic development
  - Property taxes
  - Operation/Construction
  - HVAC
- Help local residents reduce the cost to heat their homes
- Help local businesses stay competitive with lower energy costs
- Help local schools and municipal entities lower cost and save jobs
- Save local jobs, create new jobs
### POTENTIAL SAVINGS WITH NATURAL GAS

<table>
<thead>
<tr>
<th></th>
<th>Natural Gas 1 MMBtu</th>
<th>Electricity 293.083 Kwh</th>
<th>Oil 7.194 gal #2</th>
<th>Propane 10.917 gal</th>
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</thead>
<tbody>
<tr>
<td>Equivalent cost in</td>
<td>$11.00</td>
<td>$0.04</td>
<td>$1.53</td>
<td>$1.01</td>
</tr>
<tr>
<td>MMBtu</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Equivalent estimated annual uses</td>
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<td>719.40</td>
<td>1091.70</td>
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<td>Current estimated unit cost</td>
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<tr>
<td>Current estimated annual cost</td>
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<td>$3,223.91</td>
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<tr>
<td>Potential Annual Savings</td>
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<td>$1,734.44</td>
<td>$2,055.01</td>
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</tr>
</tbody>
</table>

### Annual Energy Cost by Fuel

- **Natural Gas**
- **Electricity**
- **Fuel Oil**
- **Propane**

![Bar chart showing annual energy cost by fuel](image-url)
WHAT WE LOOK FOR

• Un-served or underserved Markets
  • Areas with moderate population concentration with residential, commercial, municipal and process energy usage (Anchor customers)

• Location, Location, Location
  • Un-served or underserved areas in close proximity to existing gas supply, such as wells, gathering systems, interstate pipelines

• Community Benefit
  • Strive to develop a win-win atmosphere with community leaders and business
HOW WE DEVELOP IT

• Develop detailed plan
  • Develop economic and design plan to serve desired Anchor customers

• Execute transportation agreements
  • Identify Anchor customer cost and saving by switching to natural gas fire equipment and execute agreement

• Canvas and build
  • Canvas planned construction route and adjacent areas to connect as many customers as possible along initial build out route
HOW WE BUILD IT

• All construction will have prior approval by NYPSC and PAPUC

• All projects will have State inspectors during construction

• All LGC employees and sub-contactors will be randomly drug tested and must have proper Operator Qualifications

• System will be constructed of High Density Polyethylene (HDPE) pipe black with yellow stripe.

• Maximum Allowable Operating Pressure (MAOP) 124psig.

• Fitting are heat welded or electro-fused
Thank You