MATTER 13-01288 - REQUEST FOR RECORDS.

AFFIDAVIT OF RYAN NEAL SAVAGE

Ryan Neal Savage, having been duly sworn, deposes and states as follows:

1. My name is Ryan Neal Savage. I am employed as the Vice President and General Manager for Pennsylvania and New York for Williams Field Services Company LLC ("Williams"). My business address is 2000 Commerce Drive, Park Place Corporate Center Two, Pittsburgh, Pennsylvania 15275.

2. My professional career has been spent in various roles within the energy industry, with the vast majority of those roles directly in the gathering, transportation, treating, and processing of natural gas ("midstream services") as a service provider for shipper/producers and end users of natural gas. In those roles, I have been responsible directly and indirectly for the negotiating, constructing, operating and managing midstream services in the Gulf Coast, San Juan, and Marcellus basins for the past 16 years. In my current role, one of the responsibilities that I and my direct subordinates have is bidding and negotiating with shippers/producers for midstream services. In all of my experience in various United States basins, the pricing and terms for midstream services has always been a competitive trade secret protected on both sides by confidentiality provisions. The market for midstream services is highly competitive with many different competing entities providing services protected by confidentiality provisions. My resume is available on request.

3. I write this affidavit in support of the Statement of Necessity ("SON") filed by Williams, on behalf of Laser Northeast Gathering Company, LLC and DMP New York, Inc. (collectively "Williams") in the above-captioned proceeding. The SON is intended to support Williams' position that certain information redacted from the annual report filed by Williams in this proceeding qualifies as trade secret and/or confidential commercial information. Williams has asked me to explain how this information, should it be available to Williams' competitors, would likely be used to the detriment of Williams, harming Williams' competitive position.

4. As explained below, the disclosure of the information at issue would substantially harm Williams' competitive position, in addition to disrupting the efficient operation of the competitive gas gathering and transportation markets in New York, thereby harming all New York natural gas consumers.

Disclosure of Williams' Revenue and Expense Information Prevents Williams from Competing Fairly.

5. The information Williams seeks to protect in this case is revenues and expenses, as well as assets and liabilities. The disclosure of this information would allow competitors to ascertain Williams' costs to provide midstream services and use that information to Williams' competitive disadvantage.

6. Williams operates in direct competition with other midstream service providers in various markets including New York markets. There are multiple pipelines available for producers to ship their gas to market. Gathering and transportation contracts are obtained by Williams on a competitive basis. Normally, potential gathering and transportation service providers including Williams, submit

offers to shippers to gather and transport their gas. Because competing providers are not aware of their competitors' revenues and expenses, or their costs of providing the service, they have an incentive to offer their services at an amount just high enough to profitably supply the service. Therefore, competitive offers should approximate each provider's marginal costs.

7. Information such as detailed revenues and expenses and assets and liabilities for a specific pipeline can be used in combination with publicly-available data to determine the provider's marginal cost of providing service. For this reason, individual providers require robust confidentiality terms and do not publicly release such data, making such data publicly unavailable.

8. Any and all data that can be used to determine Williams' costs of providing service can be used by competitors to disadvantage Williams. For example, a competitor with higher marginal costs could temporarily provide service below Williams' marginal costs, resulting in Williams losing business. This strategy, while uneconomic in the short-term, could eventually force Williams out of the market allowing Williams' competitors to then raise their price in a less competitive environment.

9. Similarly, release of the data would disadvantage Williams in negotiations with potential shippers. Release of Williams' data will place Williams in a negotiating disadvantage because, if a shipper has access to Williams' marginal costs, the shipper would be able to extract a lower price for Williams' services than might otherwise be negotiated.

10. Finally, the release of Williams' financial data can have deleterious effects on the gas markets overall. The strategies described above, which can be used by Williams' competitors to drive Williams out of the market, would result in increased prices in the long term. Alternatively, if a Williams' competitor has access to Williams' marginal costs, the competitor could raise its prices from its own marginal costs to just below Williams'. This strategy too would result in increased prices for shippers, at the expense of a competitively functioning market, and ultimately natural gas consumers.

11. In conclusion, the type of information Williams seeks to protect here is information that is closely guarded in the competitive gas gathering transportation markets, because the information can be used by competitors and others to gain a competitive advantage to the detriment of the disclosing enterprise as well as consumers.

12. This concludes my affidavit.

Dated: May 19, 2014

Ryan Neal Savage

Sworn to before me
this 19 day of May, 2014.

Notary Public

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
ELAINE M. MITCHELL, Notary Public
South Park Twp., Allegheny County
My Commission Expires May 4, 2015