

Kinder Morgan Canada

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President Kinder Morgan Canada

Trans Mountain Pipeline



Capacity

- Currently 300 MBbl/d

Markets

- British Columbia
- Washington State refineries
- Westridge marine terminal – offshore markets in U.S. and Asia

Regulation

- National Energy Board regulated
- 2013–2015 toll settlement
- 2-year extension option

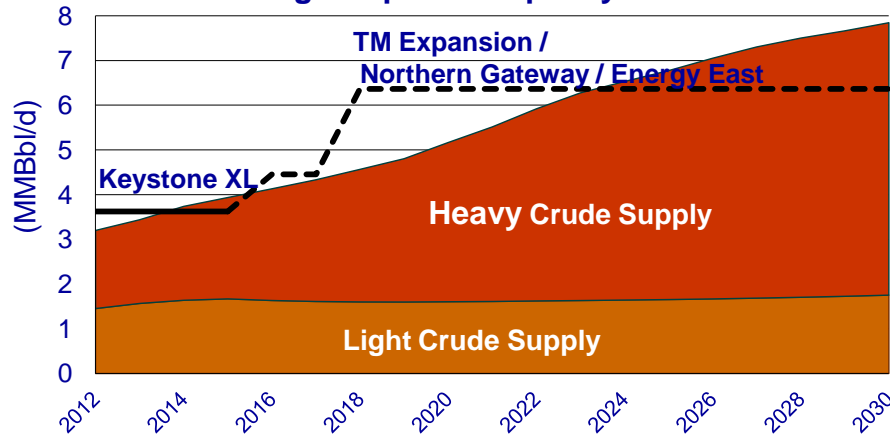
Trans Mountain – DCF

(millions \$US)

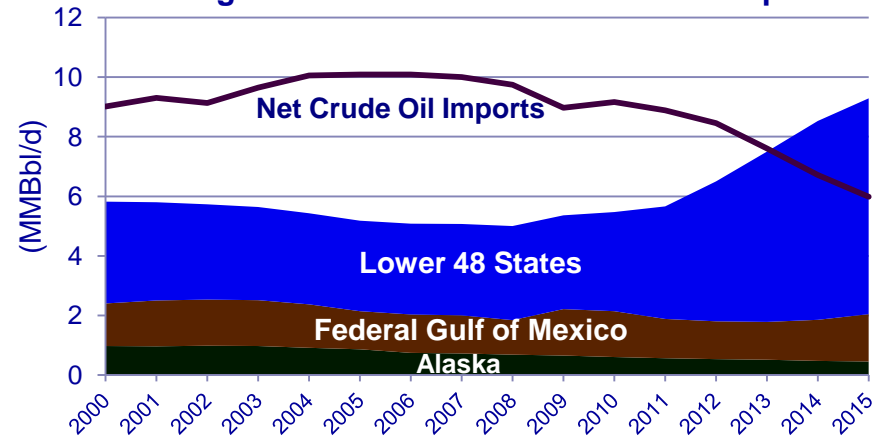
	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Budget 2014
Trans Mountain System contribution	156.9	169.3	193.3	162.2	139.5
Add back book tax	12.8	17.4	0.7	19.3	17.3
Less cash tax	2.8	1.1	11.1	(4.1)	1.9
Trans Mountain System	166.9	185.6	182.9	185.6	154.9

Market Fundamentals Support West Coast Expansion

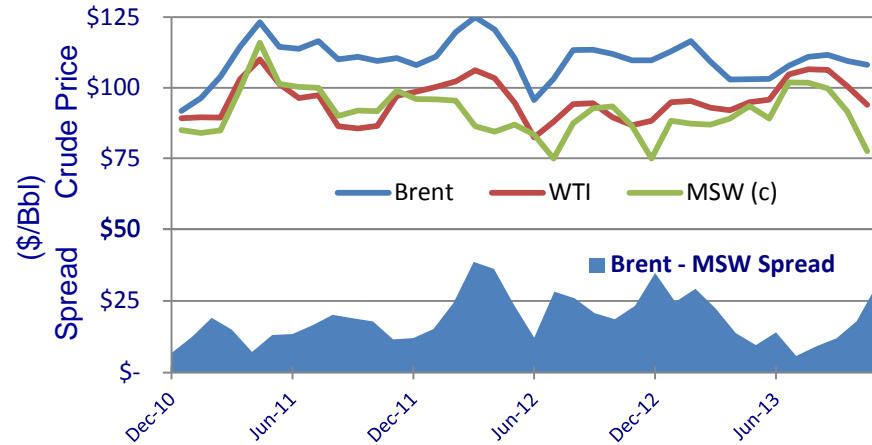
Tight Pipeline Capacity (a)



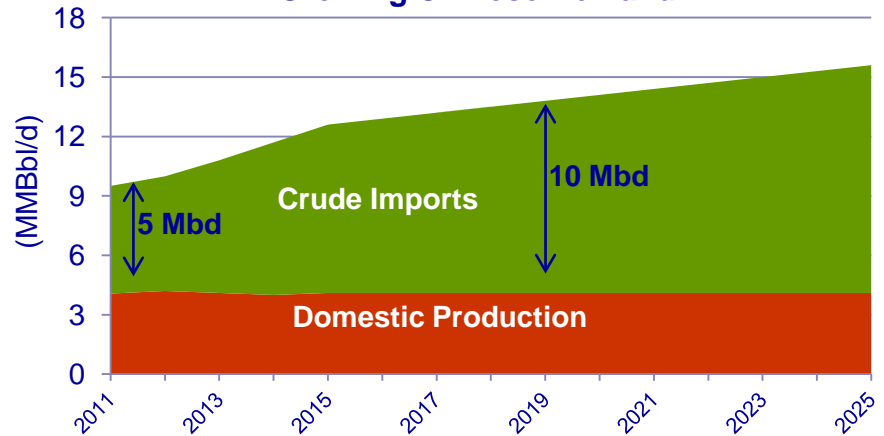
Increasing U.S. Crude Production – Lower Imports (b)



Continued Discounts



Growing Chinese Demand



(a) Source: 2013 CAPP Crude Oil Forecast

(b) Source: US EIA Short-term Energy Outlook, Release Date January 7, 2014

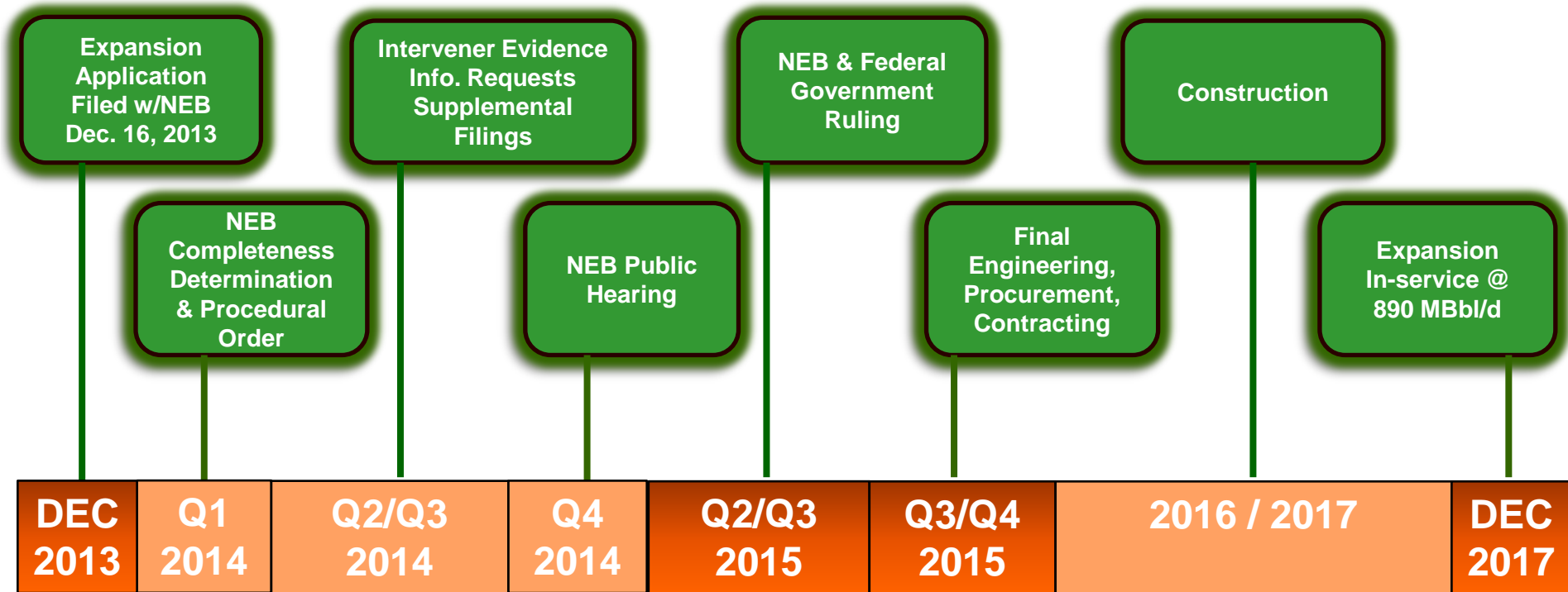
(c) Mixed Sweet Blend

Trans Mountain Expansion

- Existing capacity: 300 MBbl/d
- Expansion to: 890 MBbl/d
 - Continue to serve local markets
 - 630 MBbl/d tanker export capacity
- 13 Companies, 708,000 bbl/d
 - Take-or-pay contracts, 15 & 20 years
 - In-service: late-2017
 - Commercial Terms NEB approved May, 2013
- Projected Cost \$5.4B
 - Cost pass thru protection
 - 615 miles new pipe
 - 12 new pump stations
 - 20 new tanks
 - 3 new tanker berths
- Development costs covered by existing contract revenues
- NEB facilities Application filed Dec 16, 2013



Trans Mountain Expansion Projected Timeline



Trans Mountain Expansion

Accomplished

- **NEB approved commercial terms**
- **Comprehensive facilities application filed Dec. 2013**
- **Extensive stakeholder and Aboriginal engagement**
 - 1,500 stakeholders
- **First Nations – > 70 communities actively engaged**
- **Route corridor identified**
 - Supporting environmental studies
- **Enhanced pipeline emergency preparedness and response plans**
- **Completion of marine studies**
 - Including tanker risk & spill response
- **BC provincial interest addressed**
 - Regulatory environmental assessment process
 - Marine response enhancements
 - Terrestrial spill plan
 - Plan to address Aboriginal rights and involvement
 - Economic benefits identified

Ongoing Work

- **Pipeline construction in environmentally sensitive habitat areas**
- **Pipeline spill response capacity and risk mitigation**
- **Risks associated with increased tanker traffic along south coast of BC**
- **Building positive long-term relationships with the Aboriginal communities**
- **Pipeline and marine liability coverage**
- **Provincial interests on moving energy resources to new markets**

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