Kinder Morgan Canada

Ian Anderson

President Kinder Morgan Canada
Trans Mountain Pipeline

Current Capacity
- 300 MBbl/d ex-Edmonton
- 241 MBbl/d to Puget Sound

Markets
- British Columbia
  - Crude and Refined Products
- Washington State Refineries
- Westridge Marine Terminal
  - Offshore Markets

Regulation
- National Energy Board
  - Regulated
- 2013–2015 toll settlement
  - Extension Option

2014 Trans Mountain Pipeline Throughput by Destination:
- Puget Sound: 81 kbd (28%)
- Westridge Dock: 143 kbd (49%)
- Burnaby: 56 kbd (19%)
- Kamloops: 12 kbd (4%)
Market Access Drivers

Transportation Capacity

- Energy East
- Northern Gateway
- Trans Mountain
- Keystone XL
- Rail Expansion
- Alberta Clipper
- Existing Rail

Supply Forecast

2014 to 2030

Source: 2014 CAPP Crude Oil Forecast, Kinder Morgan

Brent - WCS Spread

2011 to 2014

Source: Index Mundi, NGX

Markets For Canadian Crude

U.S. net imports

China net imports

2011 to 2016

Source: Jan 2014 US EIA Short-term Energy Outlook
Trans Mountain Expansion Project

- Expansion to: 890 MBbl/d
  - Continue to serve local markets
  - 630 MBbl/d tanker export capacity

- 13 Companies, 708 MBbl/d
  - Take-or-pay contracts, 15 & 20 years
  - In-service: Q3, 2018
  - Commercial Terms NEB approved May, 2013

- Projected Cost $5.4B
  - Cost pass through protection
  - 615 miles new pipe
  - 12 new pump stations
  - 20 new tanks
  - 3 new tanker berths

- Vast majority of development costs covered by existing contract revenues

- NEB recommendation to Minister Jan, 2016

- Final Federal decision April 12, 2016
Trans Mountain Expansion Projected Timeline

- **Dec. 2013**: Facilities Application Filed with NEB Dec. 16, 2013
- **Jan. - Mar. 2014**: NEB Completeness Determination & Hearing Order
- **Apr. 2014 - June 2015**: Intervenor Evidence Information Requests Supplemental Filings
- **July - Oct. 2015**: Oral Argument Draft Conditions
- **Jan. - April 2016**: NEB & Federal Government Decision Conditions Final
- **April - June 2016**: Final Engineering, Procurement, Contracting, Routing
- **Q3 2016 - Q3 2018**: Construction & Commissioning
- **Q3 2018**: Expansion in Service @ 890,000 Bbl/d
Trans Mountain Expansion

**Accomplished**

- NEB Approved Commercial Terms
- Comprehensive facilities application filed Dec. 2013
- Extensive Stakeholder and Aboriginal engagement
  - > 1,500 meetings
- First Nations
  - 20 Supporting Mutual Benefit Agreements (MBA)
  - 135 communities consulted
  - 50 communities actively engaged
- Route Corridors Identified
  - Supporting environmental and geotech studies
- Completion of Marine Studies
- BC Provincial interest being addressed
  - Regulatory environmental assessment process
  - Marine response enhancements
  - Terrestrial spill plan
  - Plan to address Aboriginal rights and involvement
  - Economic benefits identified
  - Including tanker risk & spill response

**Ongoing Work**

- Pipeline construction planning in environmentally sensitive habitat areas
- Pipeline spill response capacity and preparedness planning
- Risks and Response Planning associated with increased tanker traffic along south coast of BC
- Building positive long-term relationships with Aboriginal communities
- Land acquisition program underway
- Procurement/Contracting Planning
- Detailed Engineering Design
- Final Route Selection
- Construction planning at Municipal level
- Non-NEB Permitting Processes
- Community/Stakeholder Engagement