

El Paso Natural Gas Pipeline 2014-15 Winter Preparedness

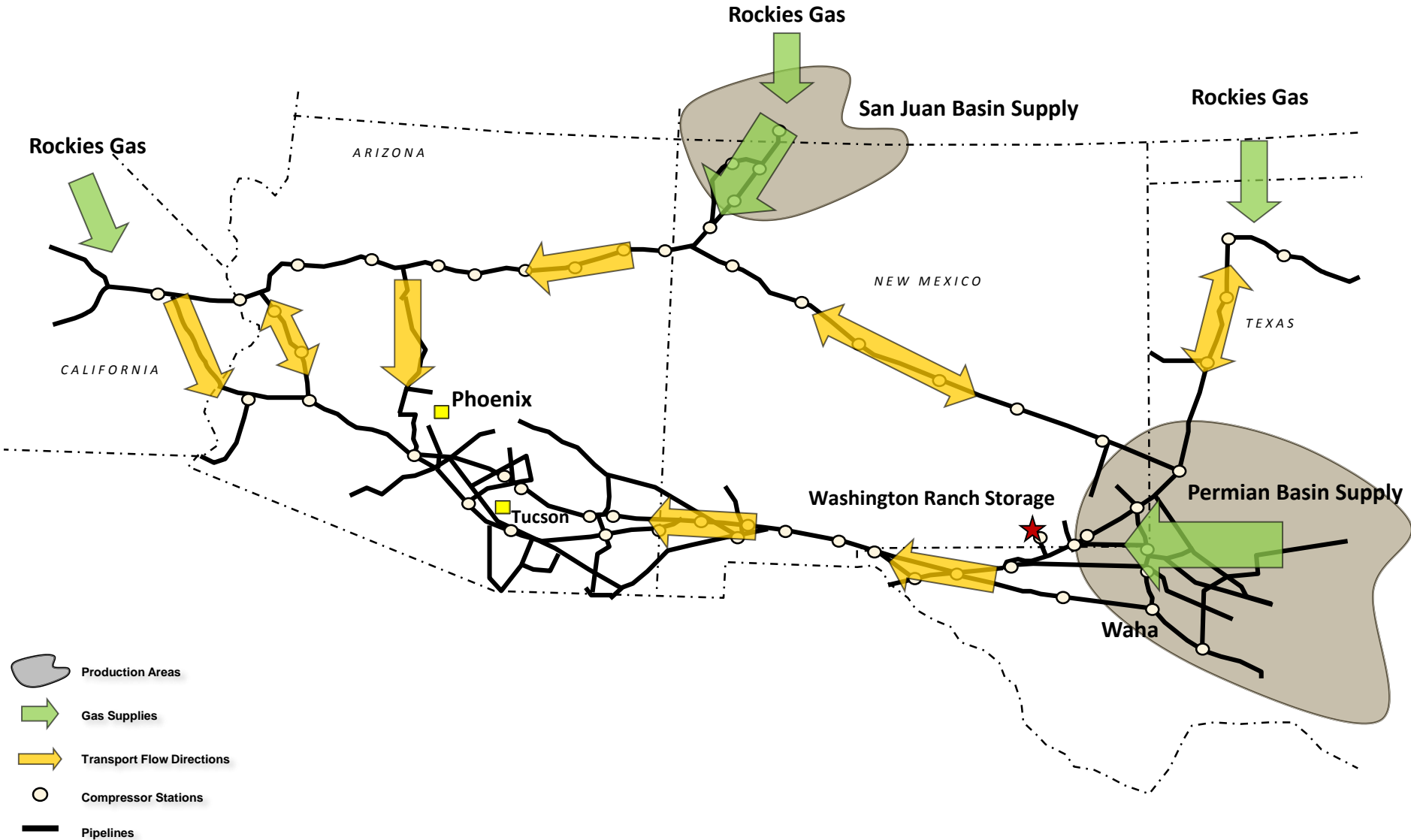
Presentation to the Arizona Corporation Commission

October 21, 2014

Kevin Johnson, Director, Western Region Gas Control (EPNG/Mojave)

EPNG System Overview

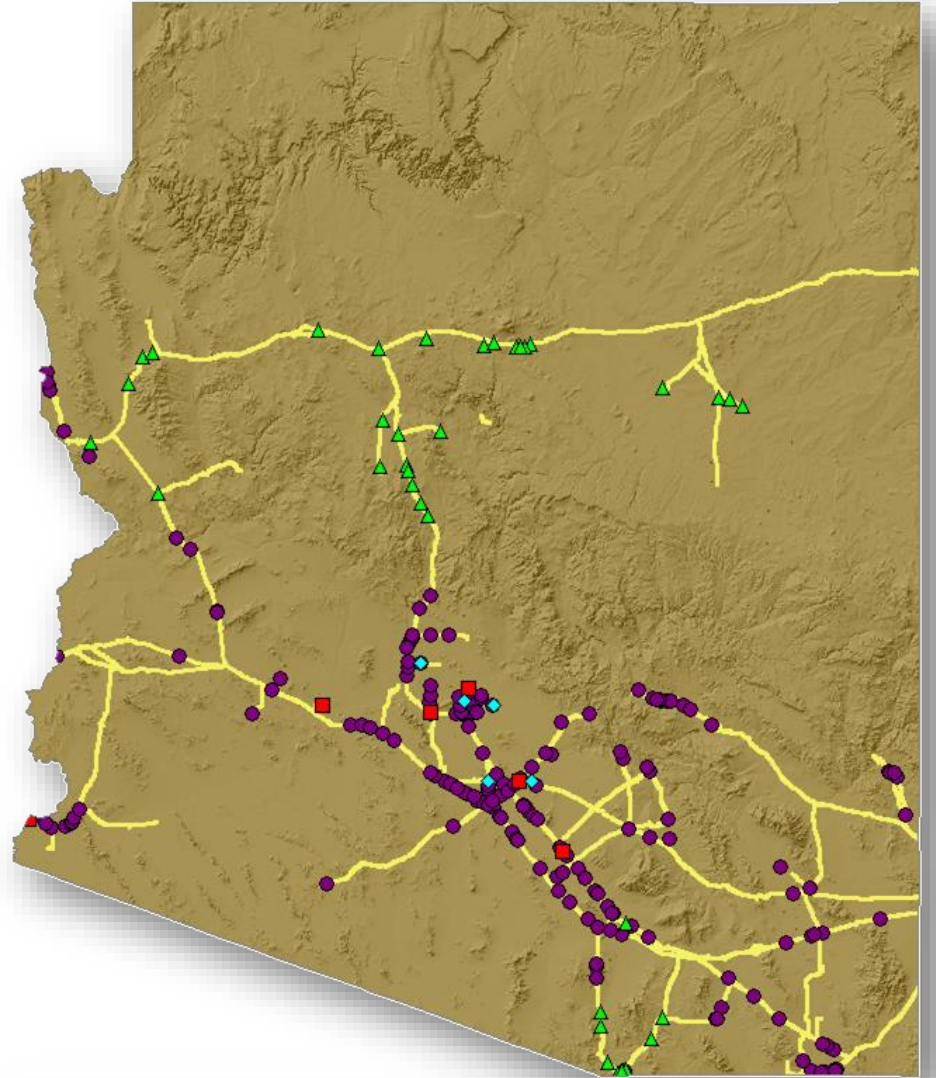
Supply Locations and Flow Direction



EPNG System Overview

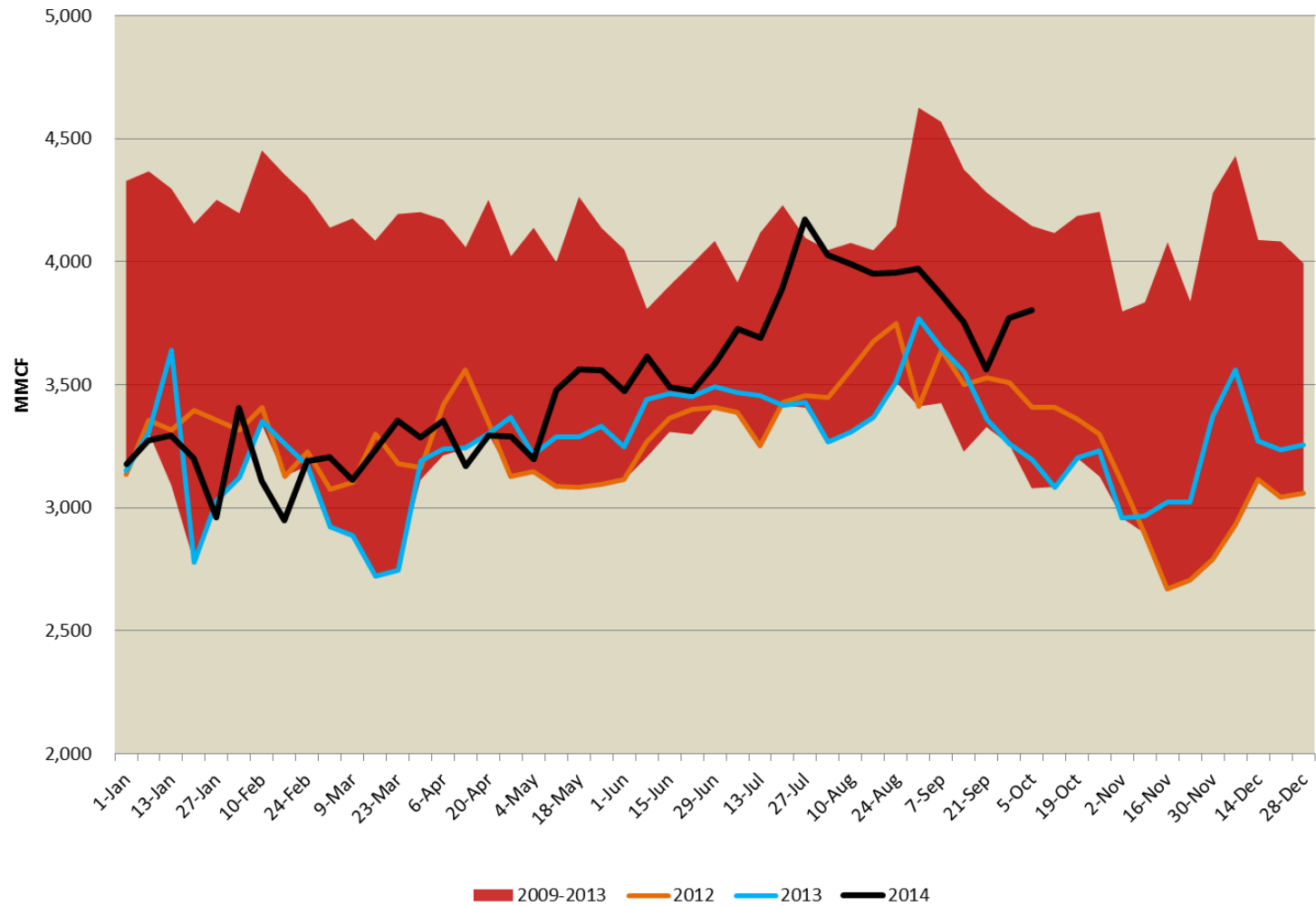
Arizona Delivery Locations

Delivery Meters		
223	Southwest Gas	●
40	UNS	▲
11	APS	■
8	SRP	◆
68	All Others	
350	TOTAL	



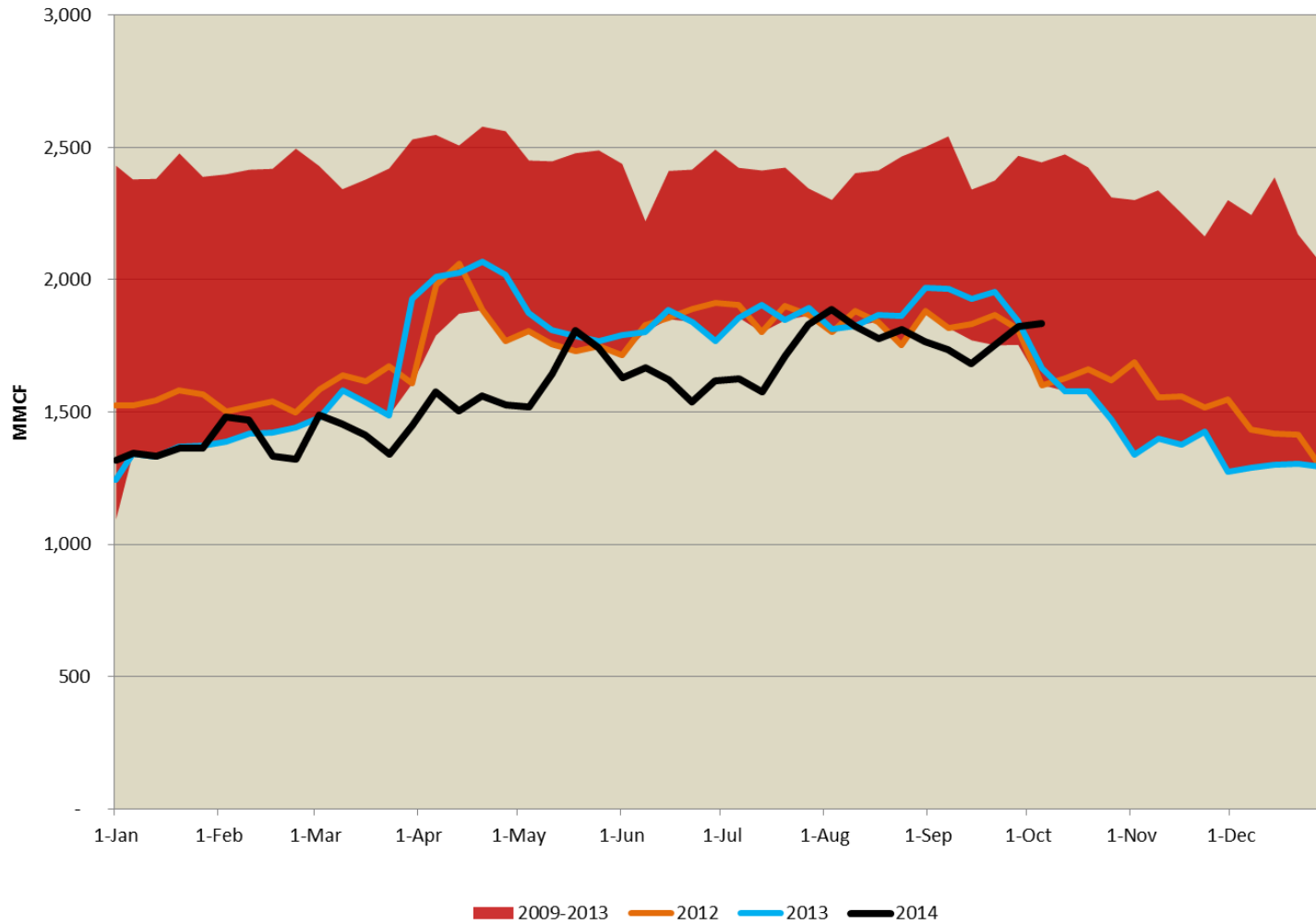
EPNG Throughput Total System

EPNG Total Throughput



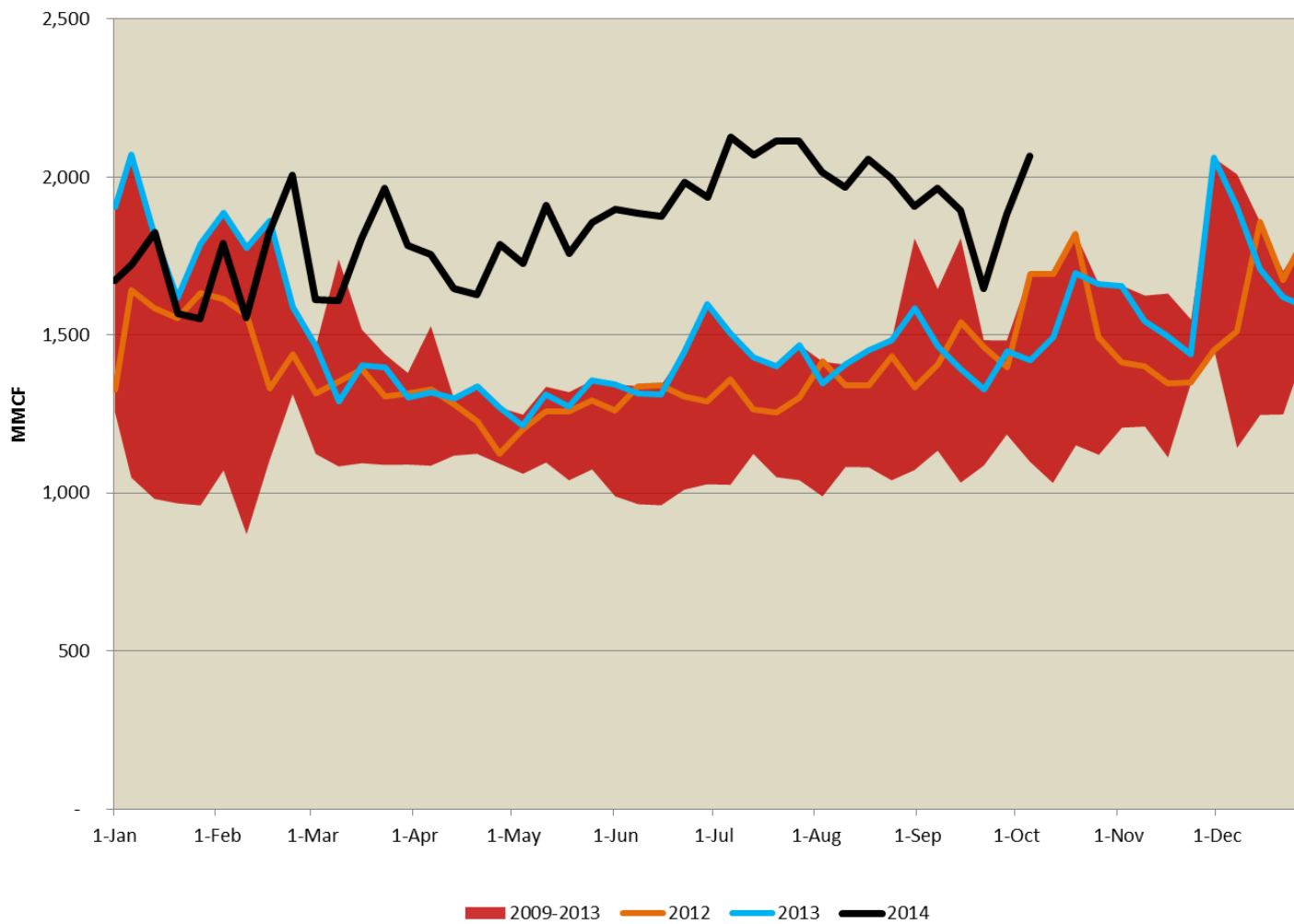
EPNG Supply San Juan Basin

EPNG San Juan Basin Receipts



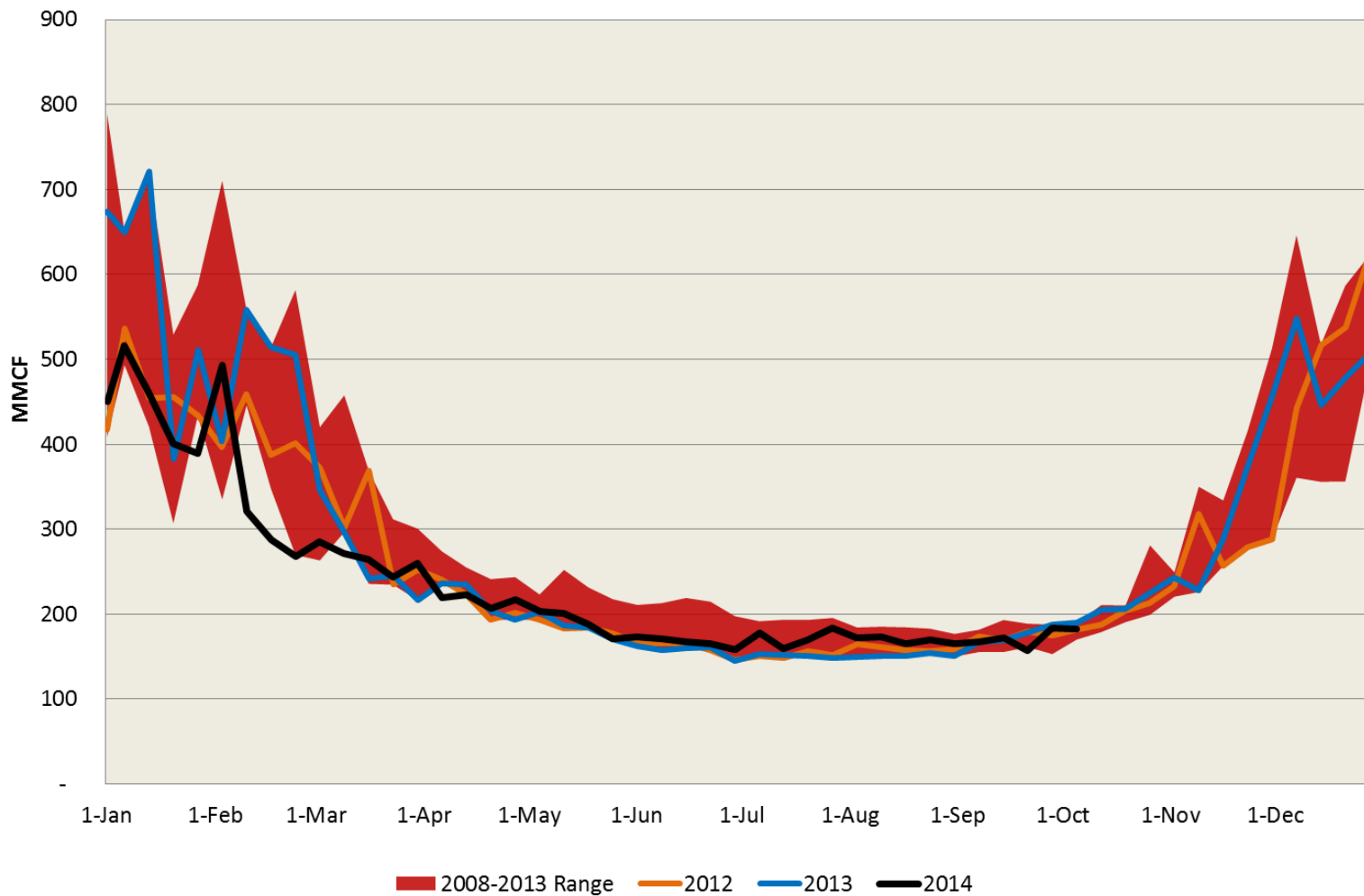
EPNG Supply Permian Basin

EPNG Permian Basin Receipts



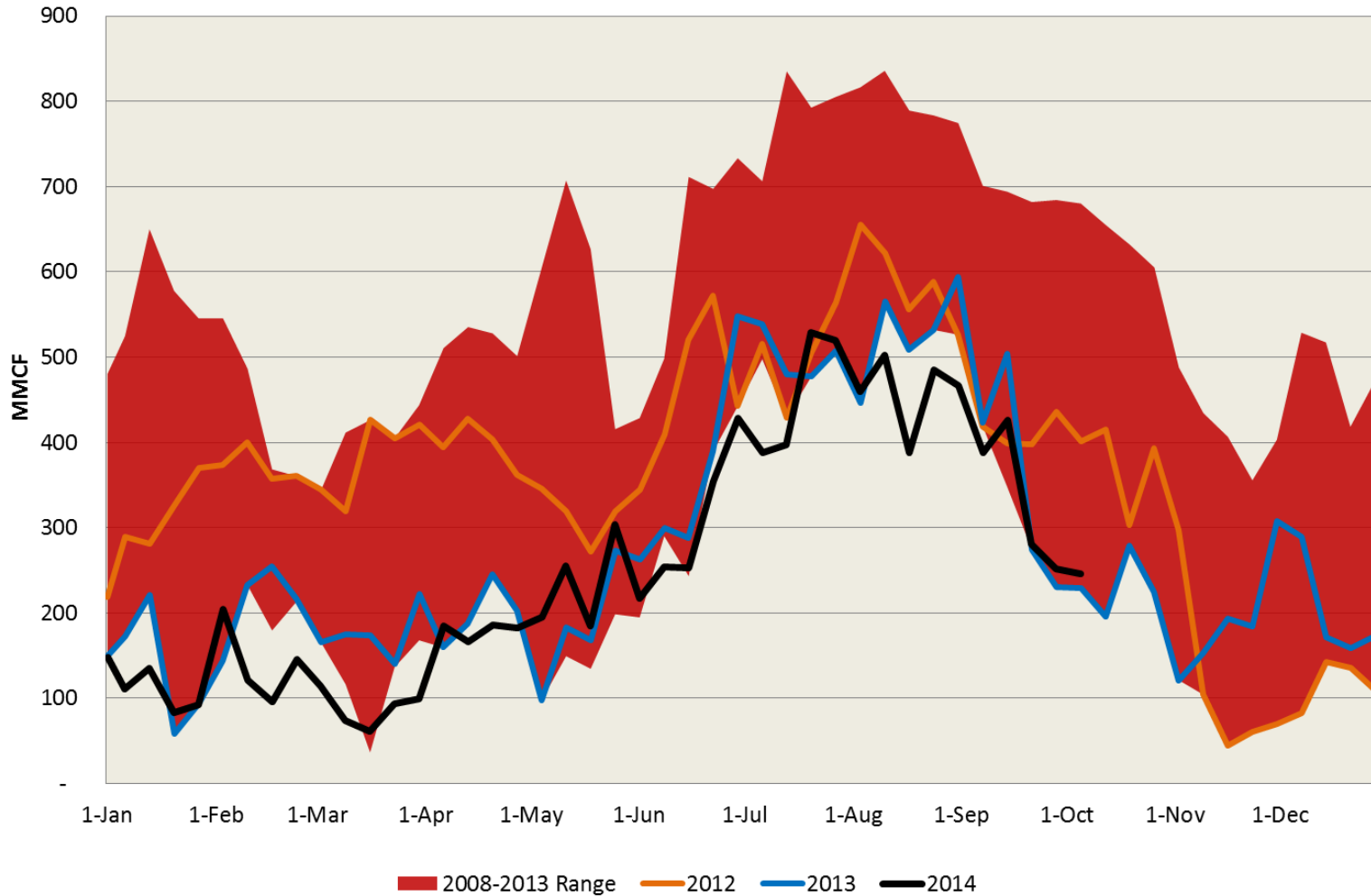
EPNG Throughput Arizona LDC/Industrial

Arizona LDC/Industrial Deliveries



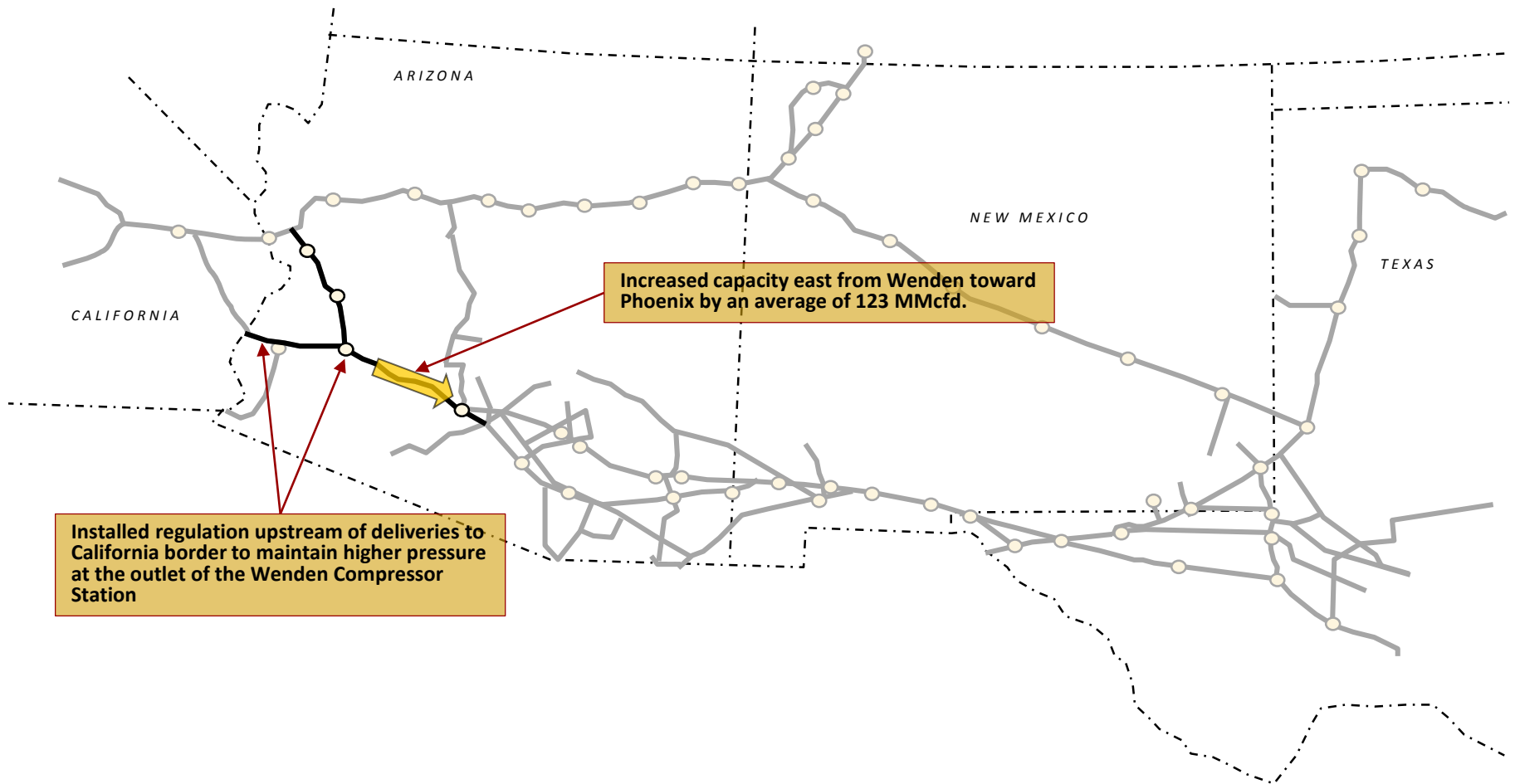
EPNG Throughput Arizona Power Generation

Arizona Power Generation Deliveries



EPNG System Overview

System Enhancements



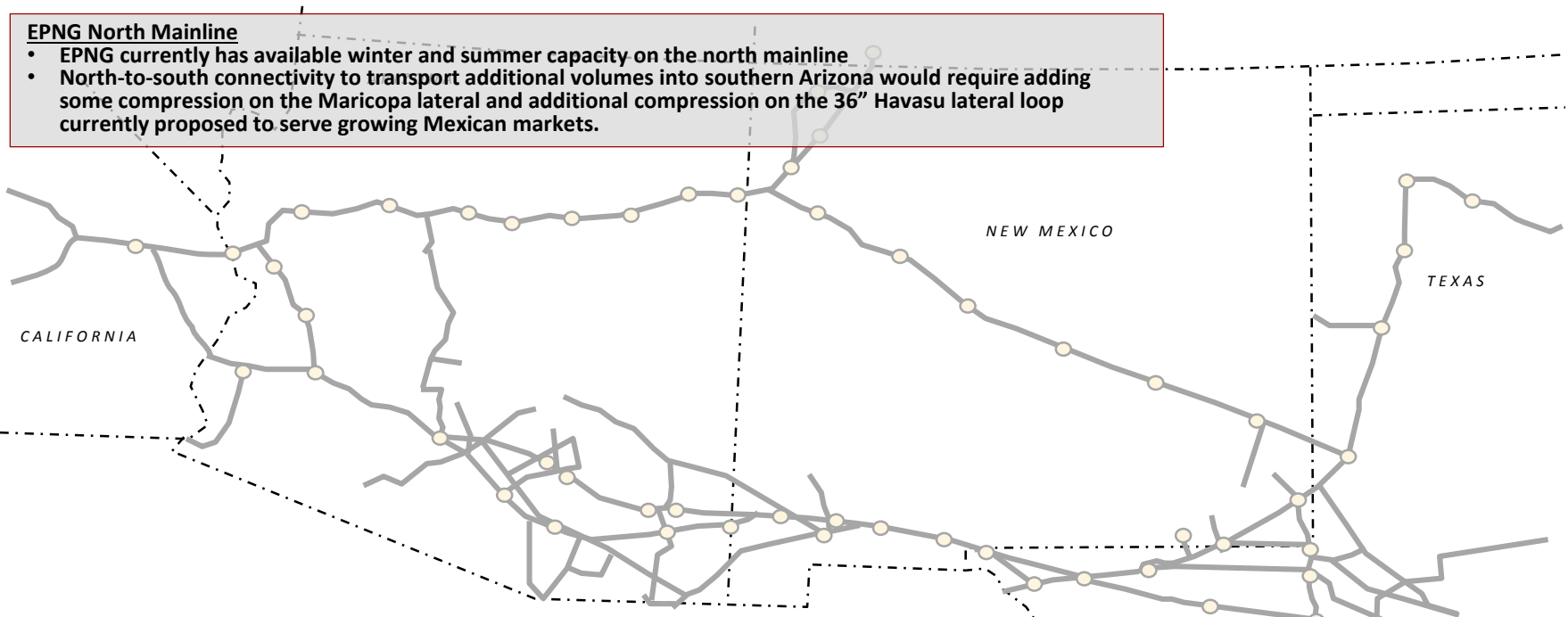
EPNG System Overview

Pipeline Capacity

EPNG's footprint and accessibility to multiple supply basins makes it ideally situated to expand its existing system at economic rates to meet additional natural gas demands for the state of Arizona.

EPNG North Mainline

- EPNG currently has available winter and summer capacity on the north mainline
- North-to-south connectivity to transport additional volumes into southern Arizona would require adding some compression on the Maricopa lateral and additional compression on the 36" Havasu lateral loop currently proposed to serve growing Mexican markets.



EPNG South Mainline

- EPNG has limited available capacity on the South Mainline.
- Options for Expanding EPNG South Mainline
 - EPNG could restore capacity west of El Paso, TX by replacing compressor stations previously abandoned.
 - Construct market area storage in the Phoenix area to provide no-notice service and hourly delivery variability.
[By converting the pipeline capacity that is currently reserved for premium hourly services to flowing capacity, EPNG might possibly provide additional capacity into Arizona markets.]
 - New pipeline looping from the Permian Supply Basin west towards Arizona.

Pipeline Integrity

- High Priority for Kinder Morgan
 - Meeting or Exceeding compliance with regulations
 - Ongoing, never-ending accountability
 - NOT a one-time accomplishment
- Kinder Morgan's Approach
 - Effective use of mitigation measures such as preventive maintenance, inspections, assessments, and repairs.
 - Implementation with a focus on minimizing interruption to shippers.
- 2014 Statistics
 - In-Line Inspection (ILI) of over 1,500 miles of pipe this year (compliance requirement of only 21 miles)
 - \$22.5 million spent this year on integrity related work (ILI, remediation, etc.)

Winter Preparedness Plans

● Staffing

- Gas Control is 24 x 7 x 365
- Field technicians are on-site or on-call

● Facility preparation

- Facility inspections with focus on weatherproofing
- Assessment of back-up power needs (existing stand-by generation and rental generators as deemed necessary)
- Prepare vehicles for cold weather

● Communication

- Customer Winter Preparedness Meeting – October 14, 2014
- Customer-specific winter preparedness meetings or communications

● Kinder Morgan Footprint

- Potential for coordinated emergency operational assistance between TransColorado Gas Transmission (TC), Colorado Interstate Gas (CIG), Natural Gas Pipeline (NGPL) and EPNG (three of which are in the same Gas Control group) provides additional layer of contingency management