

# **First Annual Shipper Meeting**

**April 30, 2014**

New Orleans, Louisiana

# Agenda

---

- ✦ **Introductions**
- ✦ **Asset Development**
  - ♦ Post September 1, 2013
- ✦ **Kinetica System Map Review**
- ✦ **Scheduling & Measurement**
- ✦ **Commercial Outlook**
  - ♦ Supply, Interconnects, Customer Service & Contracts
- ✦ **Break**
- ✦ **Status of Louisiana Oil & Gas Industry**
- ✦ **Operational Integrity Program**
  - ♦ Planned Operational Events
- ✦ **Facility Enhancements & Asset Development, June 2014 – 2015**
  - ♦ Facility Upgrades
- ✦ **Regulatory Optimization**
  - ♦ Tariff Revisions
- ✦ **Q & A**

---

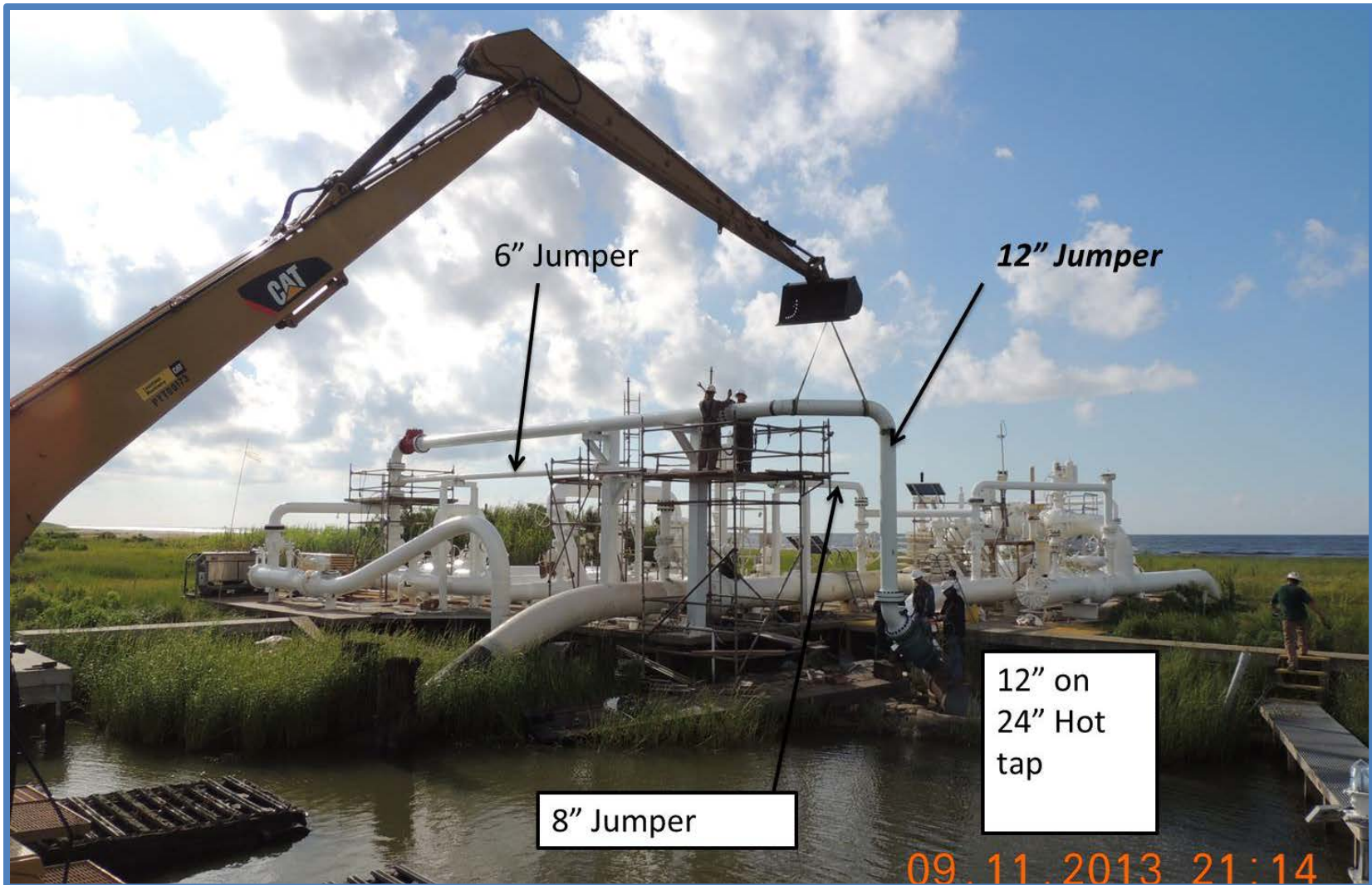
# *Asset Development*

# Asset Flexibility





# Asset Flexibility



# ***Asset Flexibility***

---

- ◆ **Enhanced Processing Options and Market Connectivity**
  - Targa Venice Plant
  - Williams LaRose Processing Plant
  - Johnson Bayou
  - Targa Barracuda Processing Plant
  - PSI Cameron Meadows Processing Plant

# Targa Venice Plant





# Williams LaRose

---





# Asset Flexibility

---

*Johnson Bayou*



# *Targa Barracuda Plant*



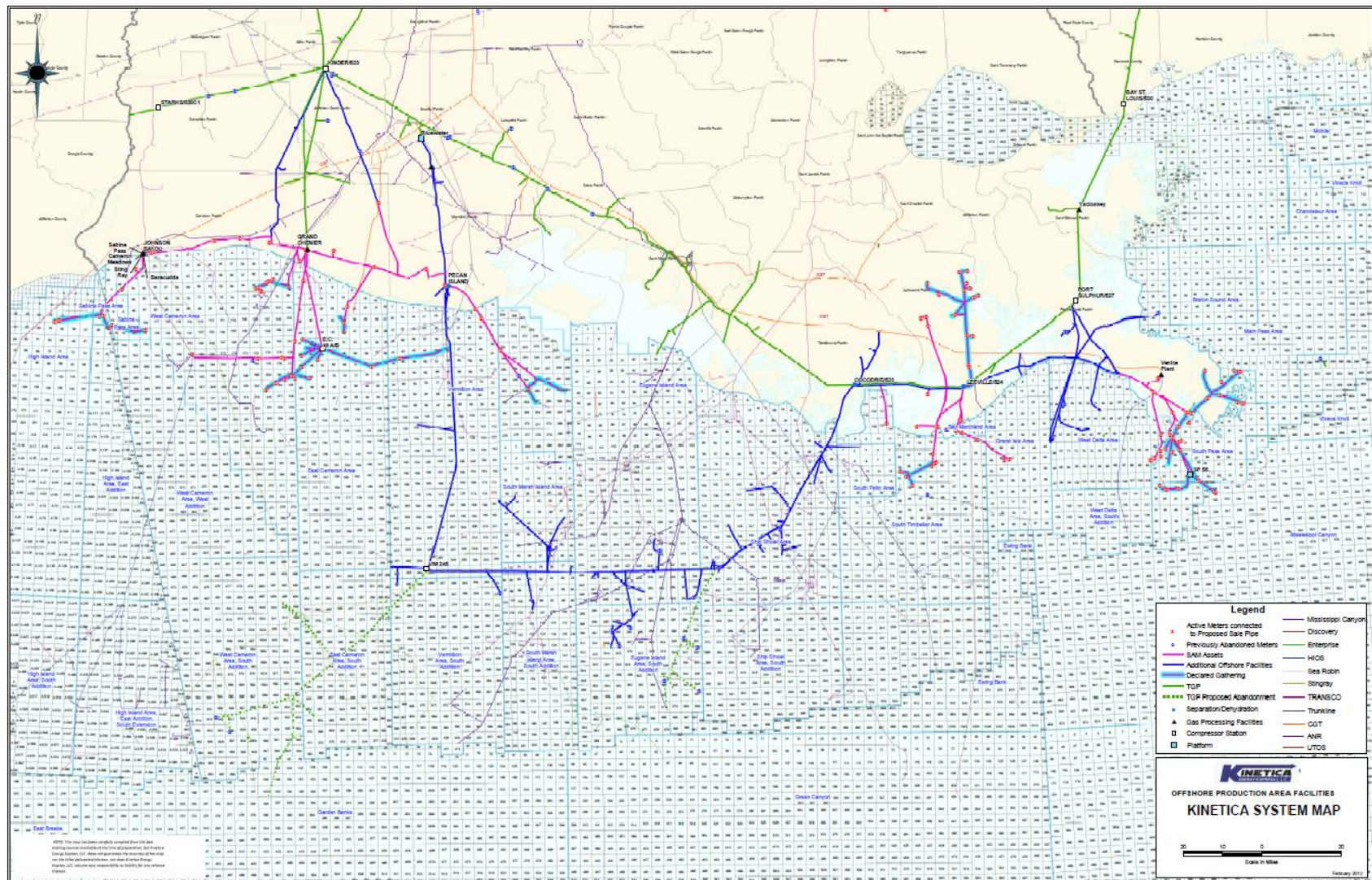
# *PSI Cameron Meadows Plant*

---

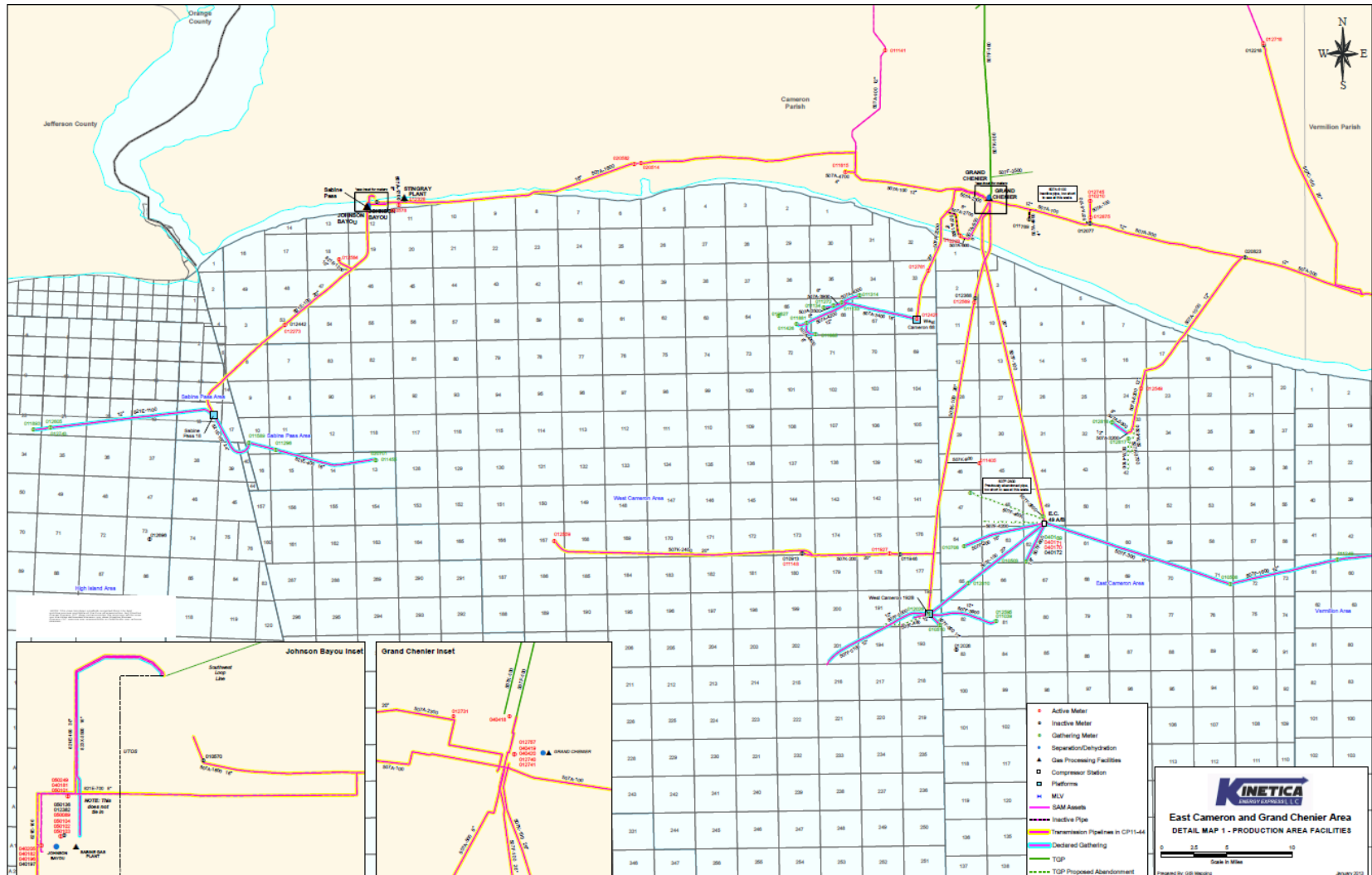




# System Map

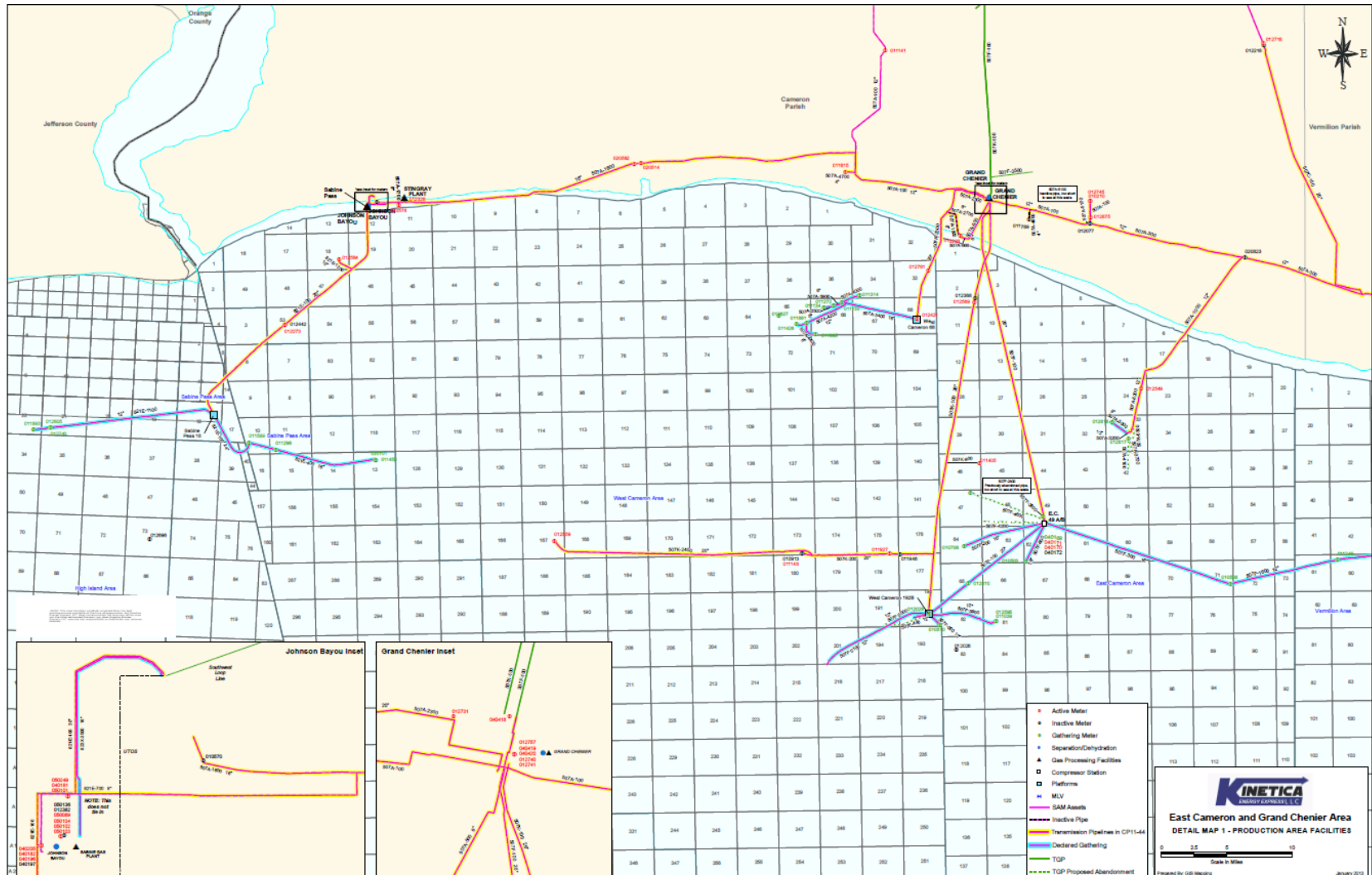


# Sabine Pass & Cameron Systems

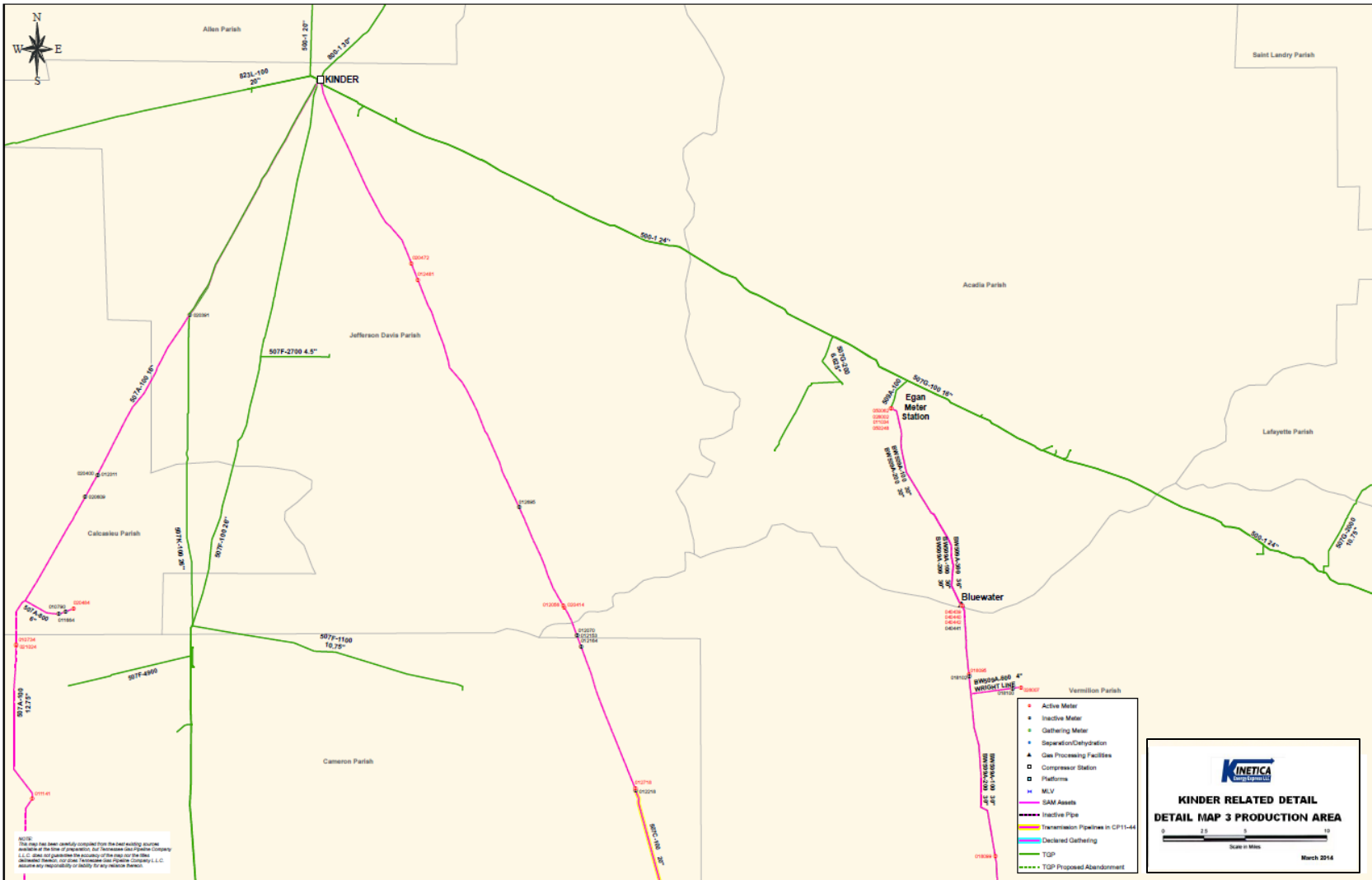




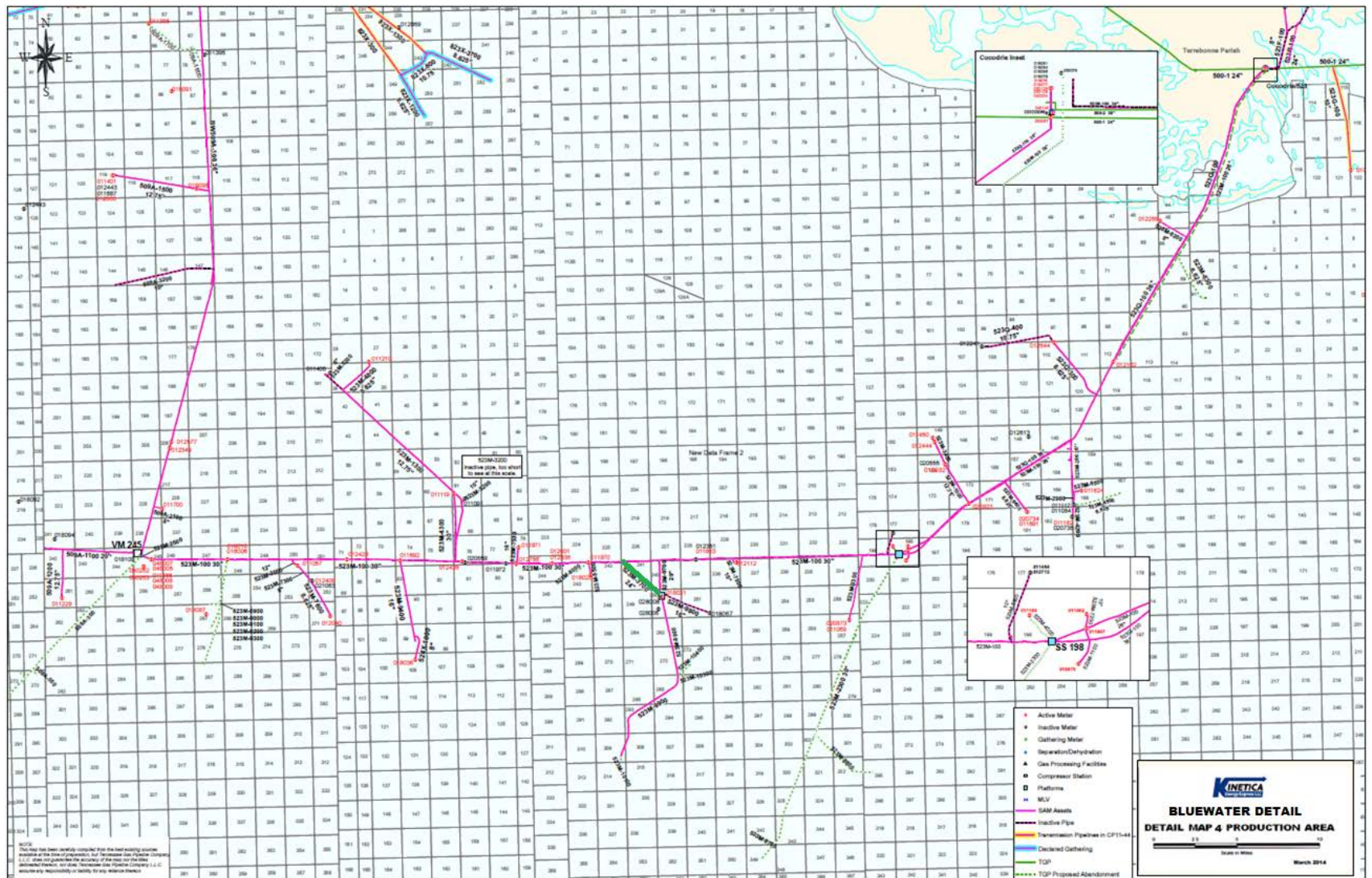
# Sabine Pass & Cameron Systems

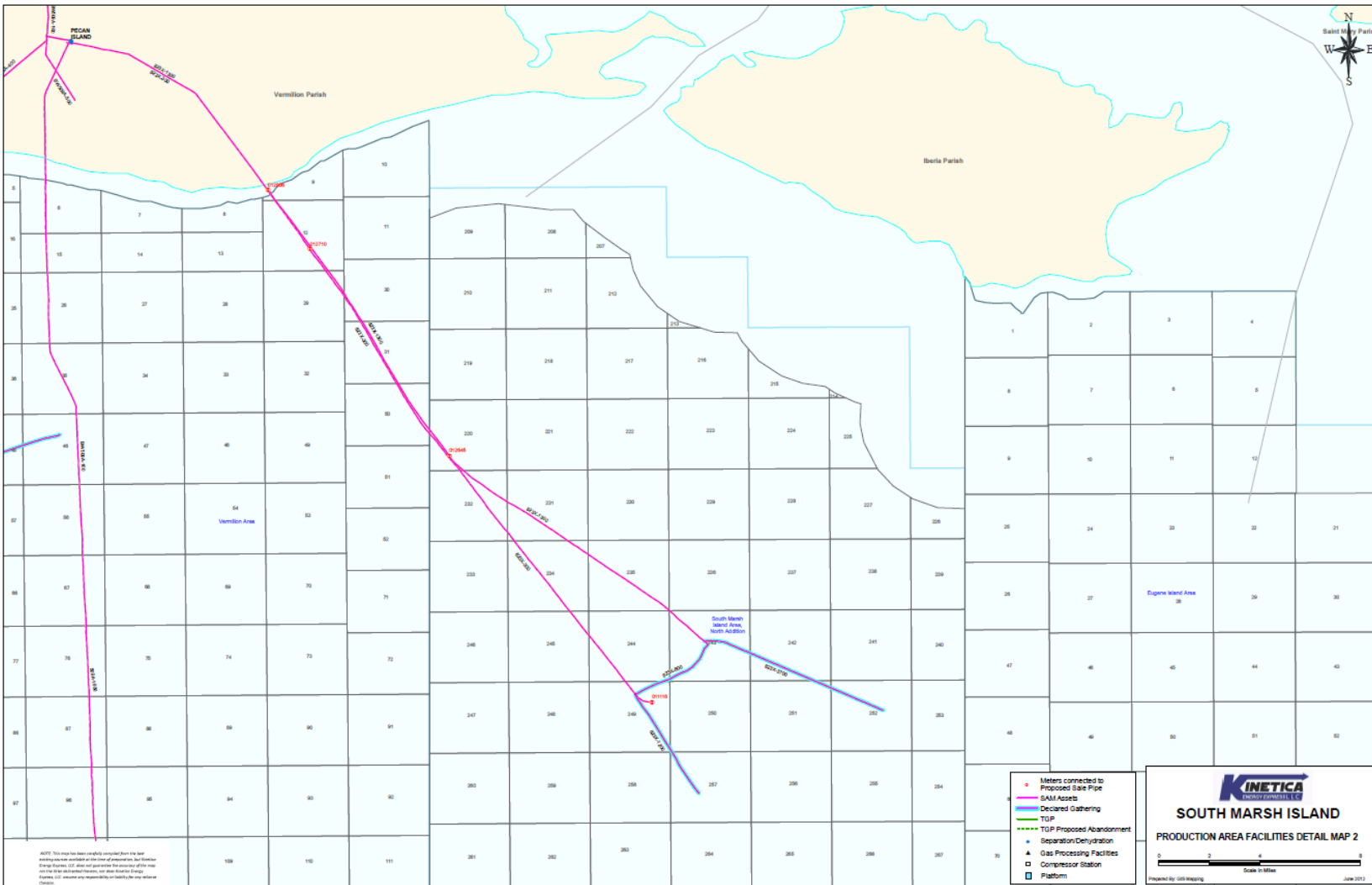






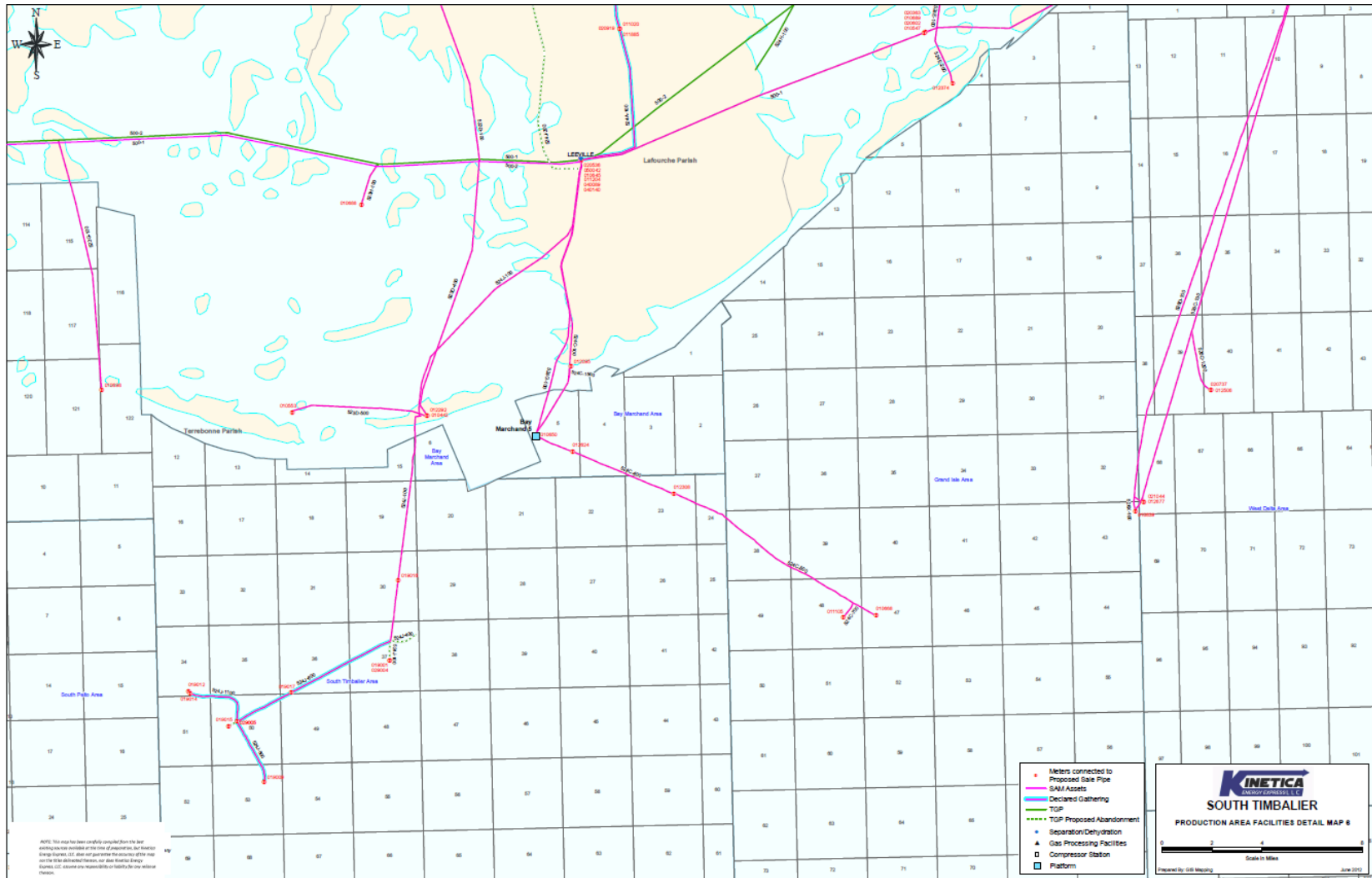
# Bluewater System



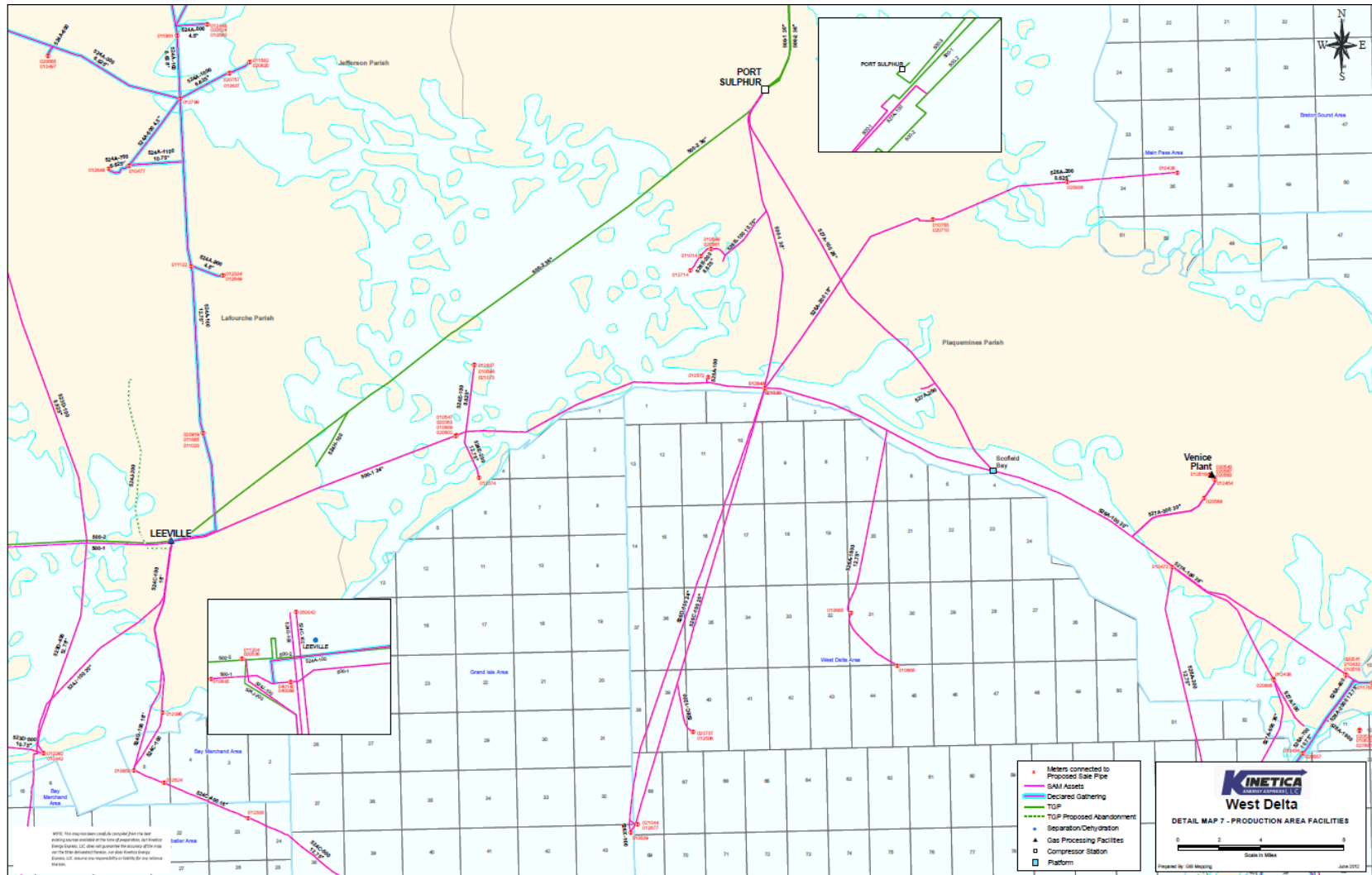




# South Timbalier System



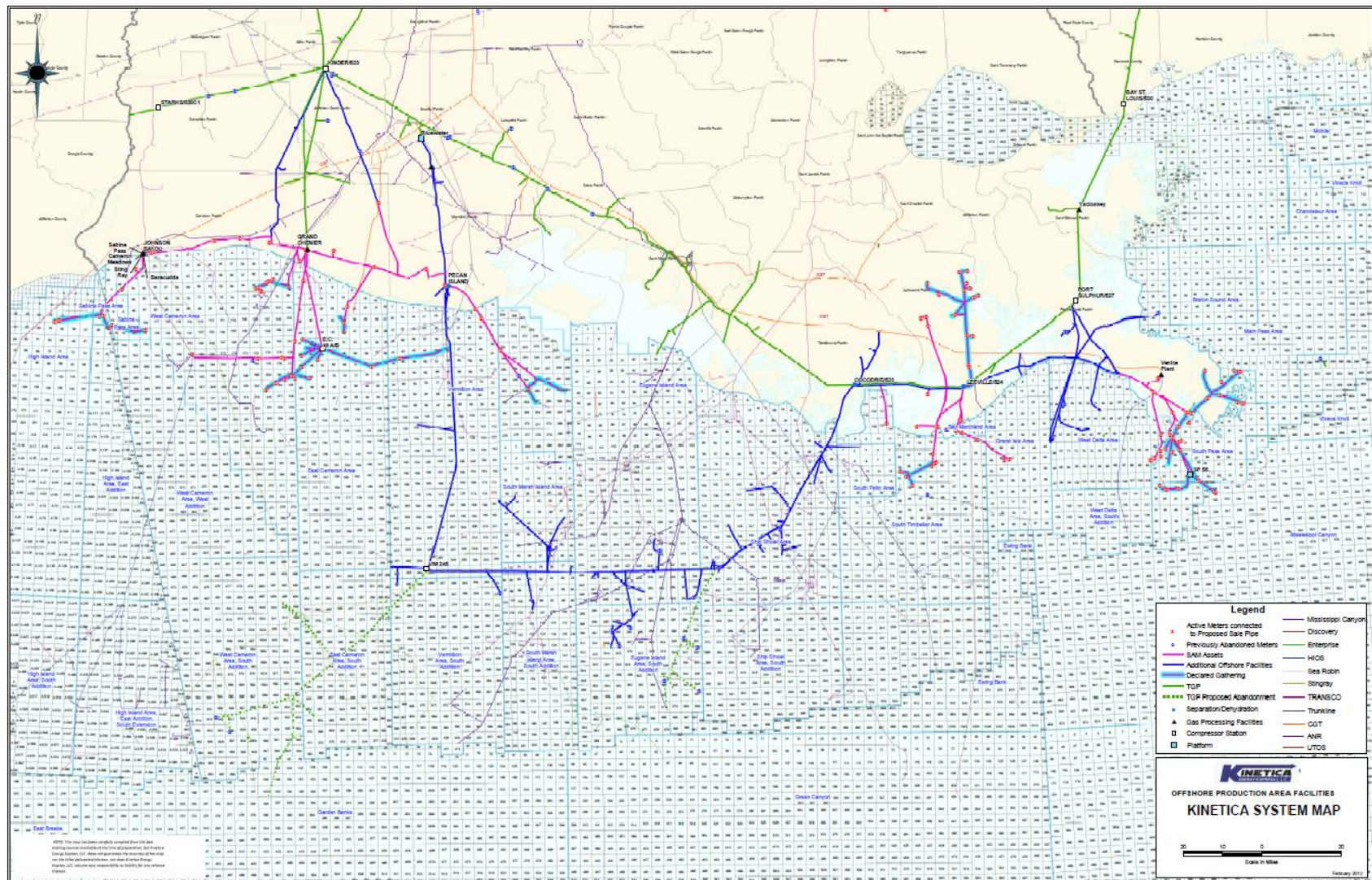
# West Delta/I-Hub/Port Sulphur







# System Map





# Meters by System

---

- ▶ A listing of Receipt and Delivery Meters by System for both Gathering and Transmission is available on the Kinetica website at [www.kineticallc.com](http://www.kineticallc.com)

# Interconnects

## INTERCONNECTS

	Loc	Loc Name	Loc	Loc Name
Sabine	024006	Barracuda Plant	024009	Cameron Meadows Plant
	024004	SW Lateral	012328	Stingray
	020582	Dry Trails		
Cameron	012559	High Island Offshore System	024003	Grand Chenier Plant
East	014000	TGP - Acadian	021073	American Midstream
	024001	TGP - Cocodrie	020568	Venice Plant
	024002	TGP - Egan B	021032	Discovery
	024000	TGP - Port Sulphur	012435	Garden Banks
	012812	Medusa Pipeline	028001	Columbia Gulf – Egan A
	028002	Texas Gas –Egan B		

---

# *Scheduling & Measurement*

# Scheduling & Measurement

---

## ✦ Scheduling Information

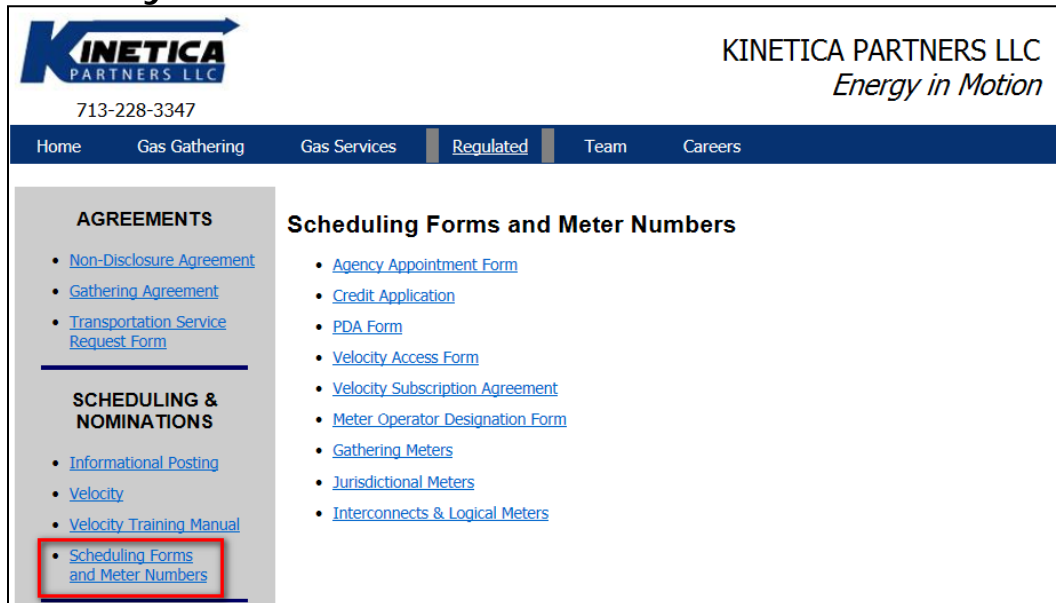
- ◆ **Notifications Posted to Kinetica EBB. Access to the EBB available via the following links:**
  - <http://www.gasnom.com/ip/kinetica/>
  - Kinetica Website: Click on “Informational Posting” link on website ([www.kineticallc.com](http://www.kineticallc.com))
  - Velocity: Click on “Informational Posting” link at bottom of left menu bar
- Contact Scheduling team to receive posting notifications
- ◆ **Cash-Out: Moved to one month lag**
- ◆ **Measurement available in Velocity two days after gas flow**



# Scheduling & Measurement

## ✦ Velocity Scheduling System

### ◆ Velocity Forms available on Kinetica Website



- ◆ Velocity Training Manual available via link on Kinetica Website under Scheduling and Nominations
- ◆ Additional Training on Velocity – Contact the Scheduling team
- ◆ Requested Enhancement – Automatically email daily reports

# Scheduling & Measurement

---

## ✦ Month End Close Calendar

Activity	Day of Month
Close Measurement	5 <sup>th</sup> Business Day
Volume Statements from Coastal Flow	8 <sup>th</sup> Business Day
Invoices	9 <sup>th</sup> Business Day
Authorization to Post Imbalance submitted to Kinetica (via Velocity)	On or Before 9 <sup>th</sup> Business Day
Imbalance Posted to EBB	By 9 <sup>th</sup> Business Day
Execute Imbalance Trade and complete "Request for Imbalance Trade" in Velocity	By 17 <sup>th</sup> Calendar Day
Imbalance Trade Notification (Executed or Rejected) sent to Trading Parties	Next Business Day - NOON

# Scheduling & Measurement

---

## ✦ Scheduling Contacts

♦ Email: [scheduling@kineticallc.com](mailto:scheduling@kineticallc.com)

♦ 713-228-3347 x420

## ♦ Schedulers

- Lynn Nguyen
  - AIM: KineticaLynn
  - Cell: 281-684-1752
- Jeanie Falkenstein
  - AIM: KineticaJeanie
  - Cell: 281-507-3579
- Gretchen Lotz
  - AIM: KineticaGretchen
  - Cell: 713-725-0038



# Scheduling & Measurement

---

## ✿ Measurement

### ◆ Volume Statements

- Volume Statements currently distributed by CoastalFlow
- Contact Mark Sellers([mark.sellers@kineticallc.com](mailto:mark.sellers@kineticallc.com)) to be included on the distribution list, or with any measurement questions

### ◆ Kinetica to implement FlowCal software to enhance analysis of measurement data

---

## *Commercial Outlook*

**Supply, Interconnects,  
Customer Service & Contracts**

# Commercial Outlook

---

## ✦ Gas Supply

### ◆ Capacity Utilization

- Growing shipper volume and pipeline throughput

### ◆ Customer Connection Projects

- Development costs managed by Kinetica – lowering costs
- Producer managed work
- Downstream plant inlet connection options for upstream producers

### ◆ Buy-Back Gas Lift Service

- Provision of gas lift buy-back, on a location-by-location basis (will require nominations)
- Potential for improvement of economic life of field(s)



# Commercial Outlook

---

## ✦ Interconnects

### ♦ Added Value

- Low development cost (no markup)
  - High Island 21
  - West Cameron 73
  - South Lake Pelto
  - South Pass 24
  - West Delta 45
  - Lake Raccourci
  - Cameron Parish (Doland #1)
  - Vermillion Parish (Pecan Island Meter 600)
  - Lafourche Parish Clovelly
  - Ship Shoal 66
- Fast turnaround – 30 to 60 days

# Commercial Outlook

---

## ✦ Customer Service

### ♦ Safety is our #1 priority

- Safety is our first priority when addressing operational requests

### ♦ Every situation is unique

- Consider customers' requests on an individual basis

### ♦ Simple philosophy

- Cut down on dual paperwork, combine like terms

### ♦ Attract supply, no discrimination

- Small volumes are as important as large volumes

# Commercial Outlook

---

## ❖ Contracts

- ◆ Breakdown of Current Shippers on Jurisdictional pipeline
  - Firm Transport
  - Interruptible Transport
- ◆ Gathering Agreements
  - Ten-year agreement effective June 1, 2014

*Break*

---

Break





---

# *Operational Integrity Program*

## **Pipeline Safety Investment**

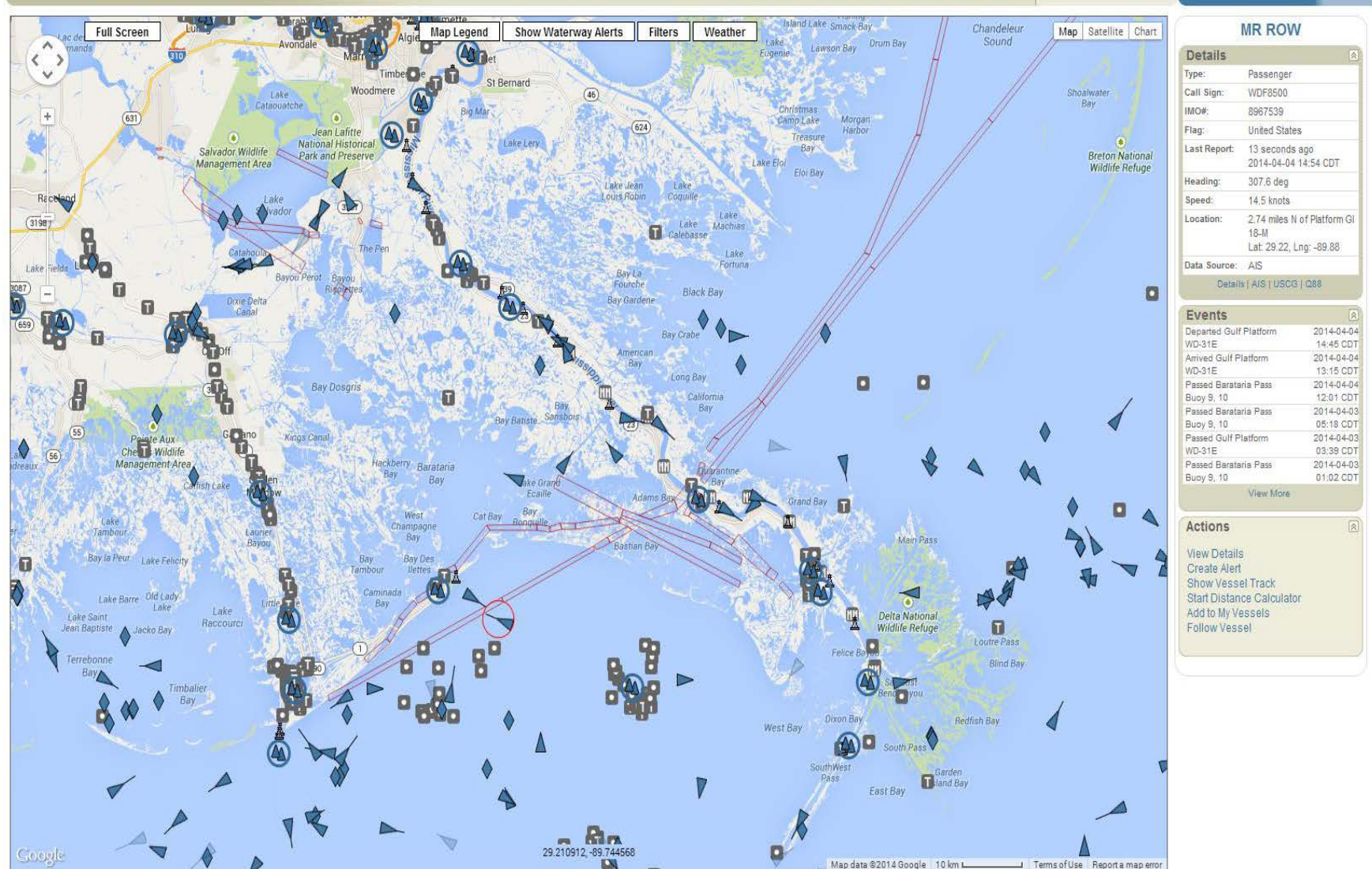
# Operational Integrity Program

---

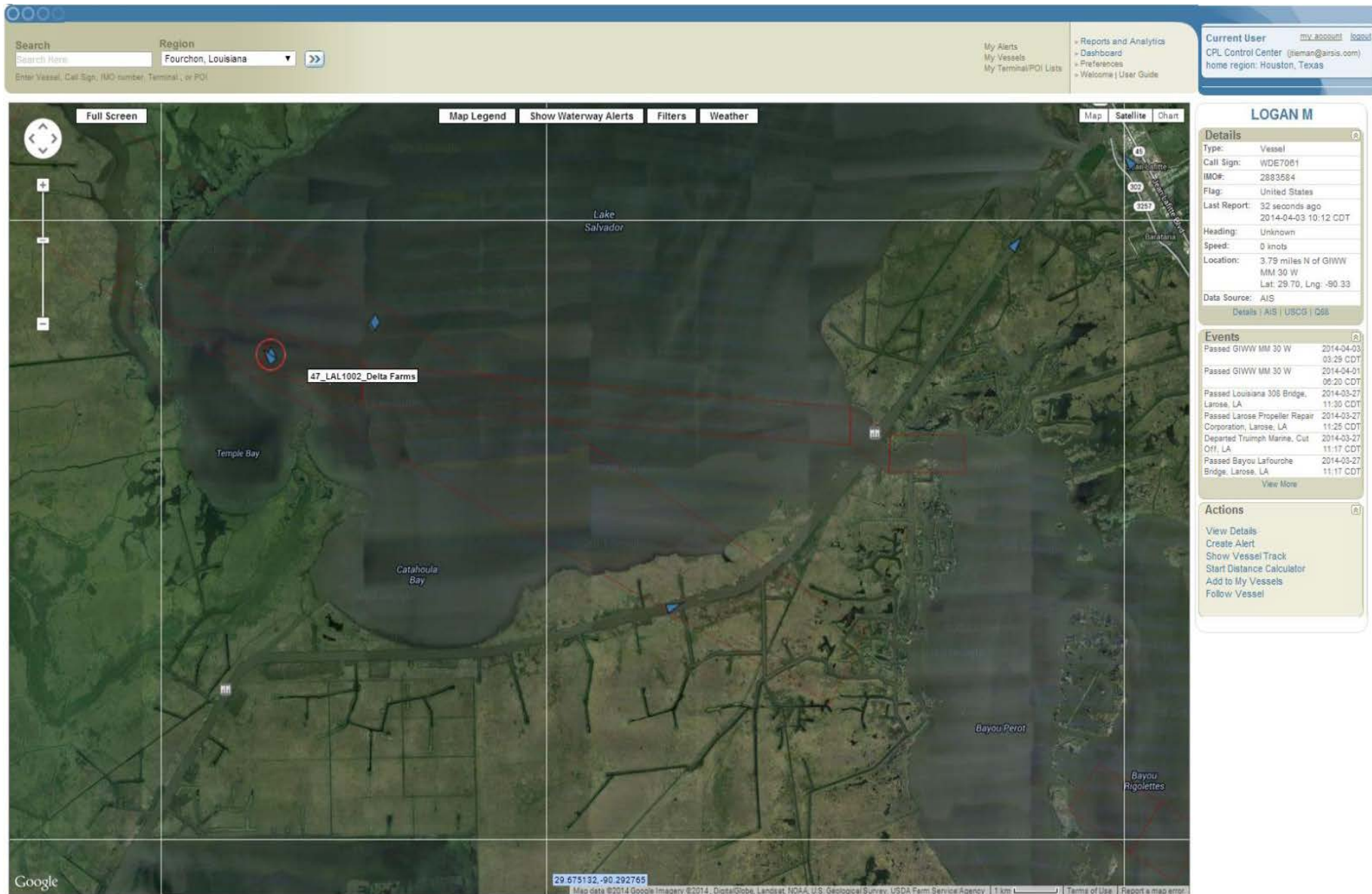


## ✦ Pipeline Safety Investment

- ◆ PortVision software suite
- ◆ Vessel traffic, impact risk modeling and real-time monitoring
  - Receive alerts, via e-mail and/or text, of vessels operating over pipelines in a threatening manner.
  - Real-time awareness of operations that increase vessel traffic over or near pipeline corridors.
  - Ability to target damage prevention initiatives towards specific vessels or fleets of vessels.
  - Historical data for post incident investigation - root cause analysis and identification of responsible party that may have been previously unidentifiable.
  - Analytical tool for researching proposed future pipeline routing or infrastructure based on historical vessel traffic.







◆ Pipeline corridors visible on Google Maps.



---

# *Operational Integrity Program*

## **Planned Operational Events**

# Operational Integrity Program

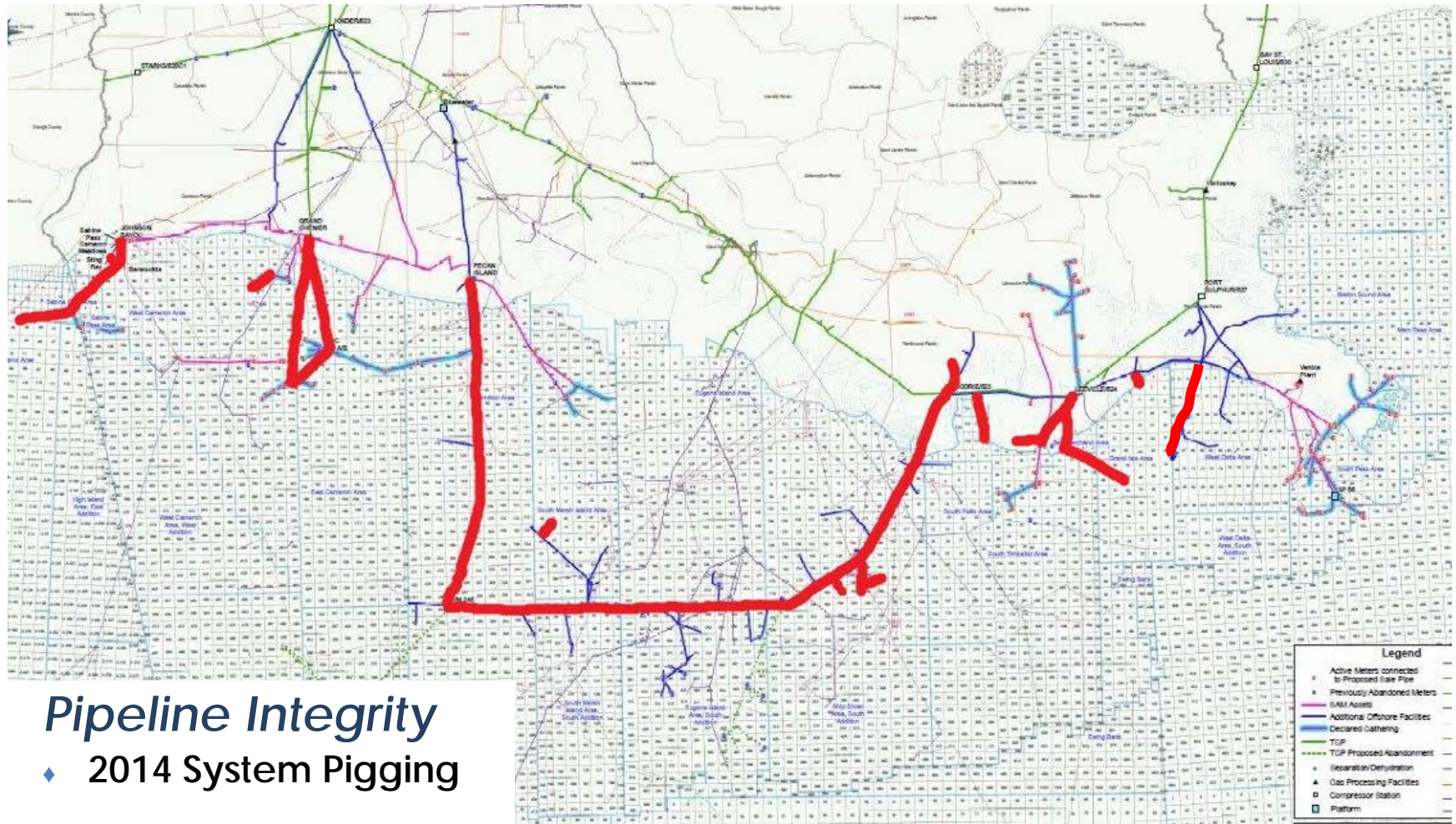
---

## ❖ Operational Initiatives

### ◆ Enhanced Pipeline Integrity Pigging

- Minimizes adverse operational impact to customers
- Delivers injected condensate timely for producers to market
- Higher, stabilized system and line pressure facilitates lower suction pressure at downstream market meters

# Lines & Routes for 2<sup>nd</sup> Quarter Pigging



## Pipeline Integrity

- ♦ 2014 System Pigging

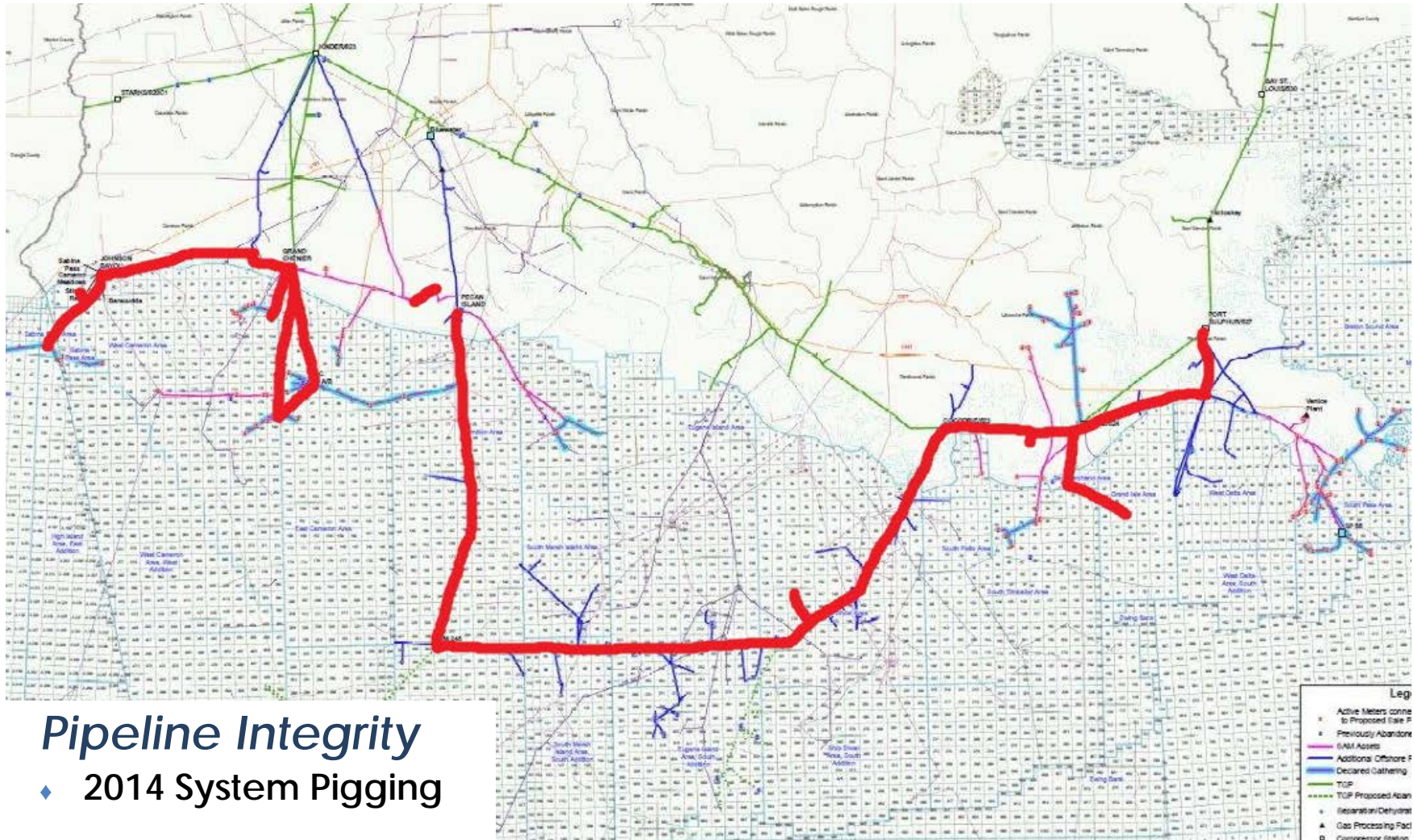
# 2014 System Pigging, 2nd Quarter Schedule

- Detailed pigging schedule is posted under "Planned Service Outages" on Kinetica's EBB.

APRIL 14	LINE NUMBER	LAUNCH LOCATION	RECEIVING LOCATION	SIZE	MILES	EFFECTS / FLOW	RESPONSIBILITY	Requires Shut in of Meter	Expected # of Days
2	821E-1100	HI 22	SP 18 CG	12	12.5	No	MK JR	No	3
7	509A-100	Pecan Island	Verm 245	36	77	Yes	ES SL RR DL	No	3
7	523M-4800	S.M.I. 27 A	Sub-sea	8	3.9	No	Team B	No	1
7	524J-100	524J-102	524J-101	20	12.9	Yes	Team A	19001, 19012, 19014,19002,19009	2
8	507F-100	WC192CG	EC 49 CG	20	10.5	No	MK JR DL	No	4
15	812E-1200	WC 18	SS 821E-100	10	1.22	No	MK JR	No	1
TBD	523Q-100	SS 198 CG	STA. 523	36	60.78	Yes	Team B	No	7
22	507F-100	EC 49 CG	STA 507 F	26	25.29	No	MK JR DL ES SL	No	7
TBD	523M-100	Verm 245	SS 198 CG	30	74.96	Yes	ES SL RR DL	No	2
TBD	523Q-100	SS 198CG	STA. 523	36	60.78	Yes	Team B	No	7
28	523M-4200	S.S. 182 C	Sub-sea	6	2.8	No	Team B	No	1
28	523M-6400	S.S. 181B	Sub-sea	8	3.6	No	Team B	No	1
28	523M-6500	S.S. 168 D	Sub-sea	6	0.86	No	Team B	No	1
MAY 14	LINE NUMBER	LAUNCH LOCATION	RECEIVING LOCATION	SIZE	MILES	EFFECTS / FLOW	RESPONSIBILITY	Requires Shut in of Meter	Expected # of Days
14	821E-100	SP 18 CG	J. BAYOU	30	20.2	No	MK JR J Bayou	No	3
19	524C-100	524C-102	524C-101	16	11.68	No	Team A	No	1
20	524C-400/500	524C-502	524C-401	12/16	15.55	No	Team A	No	1
22	524G-100	524G-102	524G-101	16	11.45	No	Team A	No	1
26	524E - 200	524E - 202	524E - 201	12	2.36	Yes	BF,JD,JL	21073 shut in during pig run	1
JUNE 14	LINE NUMBER	LAUNCH LOCATION	RECEIVING LOCATION	SIZE	MILES	EFFECTS / FLOW	RESPONSIBILITY	Requires Shut in of Meter	Expected # of Days
4	507A-4200	WC 65	SS 507A-3400	12	3.86	No	MK JR	No	3
10	526C-100	WD 68	MLV 536	20	22.41	YES	Team B and Team C	No	2
16	500-1	MLV 526	STA 527	30	14.9	YES	Team B and Team C	No	2
23	523F-100	523F-102	523F-101	8	7.43	No	BF,JD,JL	No	2
24	507K-100	WC 192 CG	STA 507 F	26	32.02	No	MK JR ES SL	No	7
24	523G-100	523G-102	523G-101	10	10.11	No	Team A	No	2
30	523D-500	523D-502	523D-501	10	5.16	No	Team A	No	1



# Lines & Routes for 3<sup>rd</sup> Quarter Pigging





# 2014 System Pigging, 3rd Quarter Schedule

- Detailed pigging schedule is posted under "Planned Service Outages" on Kinetica's EBB.

July 14	LINE NUMBER	LAUNCH LOCATION	RECEIVING LOCATION	SIZE	MILES	EFFECTS / FLOW	RESPONSIBILITY	Requires Shut in of Meter	Expected # of Days
	821E-100	SP 18 CG	J. BAYOU	30	20.2	No	MK JR J Bayou	No	3
	500-1	523-1	526-1	24	87.21	Yes		Yes	2
	500-1	526-1	527-1	30	14.9	Yes		Possible	3
August 14	LINE NUMBER	LAUNCH LOCATION	RECEIVING LOCATION	SIZE	MILES	EFFECTS / FLOW	RESPONSIBILITY	Requires Shut in of Meter	Expected # of Days
	524G-100	524G-102	524G-101	16"	11.45	No		No	2
	524C-100	524C-102	524C-101	16"	11.68	No		No	2
	524C-500	524C-502	524C-401	12"	15.55	No		No	2
	509A-100	Pecan Island	Verm 245	36	77	Yes	ES SL RR DL	No	3
	523Q-100	SS 198 CG	STA. 523	36	60.78	Yes	Team B	No	7
	523M-100	Verm 245	SS 198 CG	30	74.96	Yes	ES SL RR DL	No	2
	523Q-100	SS 198CG	STA. 523	36	60.78	Yes	Team B	No	7
	507A-1900	White Lake	507A-303 N. Rollover	12	6.25	No	A/OPER	No	7
	507A-2300	WC 68 CG	STA 507F	20	9.98	No	A/OPER	No	3
	821E-100	SP 18 CG	J. BAYOU	30	20.2	No	C / 821	No	4
	507A-1600	507A-1605	507A-1601	16	32.6	No	Oper	No	7
	507A-700	821E-702	J. BAYOU	8	1.57	No	Oper	No	1
Sept 14	LINE NUMBER	LAUNCH LOCATION	RECEIVING LOCATION	SIZE	MILES	EFFECTS / FLOW	RESPONSIBILITY	Requires Shut in of Meter	Expected # of Days
	821E-100	SP 18 CG	J. BAYOU	30	20.2	No	MK JR J Bayou	No	3
	523M-1000	S.S. 154E	Sub-Sea	12"	4.5	No		No	1
	523M-3400	S.S. 149A	523M-3401	6"	2.88	No		No	1
	523H-100	Lake Raccourci	523H-101	8"	1.73	No		No	1
	507F-100	WC192CG	EC 49 CG	20"	10.5	No	A/EC49	No	5
	507F-100	EC 49 CG	STA 507 F	26"	25.29	No	A/49/823	No	7
	821E-1100	HI 22	SP 18 CG	12"	12.5	No	C TEAM	No	1
	812E-1200	WC 18	SS 821E-100	10"	1.22	No	C TEAM	No	1
	507A-100	507A-105	507A-106C	12"	11.26	No	Oper	No	4

© 2015 Pearson Education, Inc. or its affiliate(s). All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or by any information storage or retrieval system, without prior written permission from Pearson Education, Inc. or its affiliate(s).



# 2014 System Pigging, 4th Quarter Schedule

- Detailed pigging schedule is posted under "Planned Service Outages" on Kinetica's EBB.

October 14	LINE NUMBER	LAUNCH LOCATION	RECEIVING LOCATION	SIZE	MILES	EFFECTS / FLOW	RESPONSIBILITY	Requires Shut in of Meter	Expected # of Days
	523M-4800	S.M.I. 27A	Sub-Sea	8"	3.9	No	Team A	No	1
	523M-4200	S.S. 182C	Sub-Sea	6"	2.8	No	Team B	No	1
	523M-6400	S.S. 181B	Sub-Sea	8"	3.6	No	Team B	No	1
	523M-6500	S.S. 168D	Sub-Sea	6"	0.86	No	Team B	No	1
	524J-100	LA Coastal S.T. 37	524J-101	20"	12.9	Yes	Team B & STA 524	Possible	3
	526A-100	LA Coastal Joseph's	526A-102	20"	19.86	Yes			4
	526A-100	LA Coastal Joseph's	526A-102	20"	11.8	Yes			3
	527A-100	E.B. - Port Sulphur	527A-103	26"	17.56	Yes			2
	527A-100	E.B. - Port Sulphur	527A-101	26"	22.45	Yes			2
	527A-600	S.P. 55A	527A-602	36"	11.45	Yes			2
	527A-600	S.P. 55A	527A-601	36"	6.05	Yes			2
	526C-100	WD 68	MLV 536	20	22.41	YES	Team B and Team C	No	2
	500-1	MLV 526	STA 527	30	14.9	YES	Team B and Team C	No	2
November 14	LINE NUMBER	LAUNCH LOCATION	RECEIVING LOCATION	SIZE	MILES	EFFECTS / FLOW	RESPONSIBILITY	Requires Shut in of Meter	Expected # of Days
	821E-100	SP 18 CG	J. BAYOU	30	20.2	No	MK JR J Bayou	No	3
	524G-100	524G-102	524G-101	16"	11.45	No		No	2
	524C-100	524C-102	524C-101	16"	11.68	No		No	2
	524C-500	524C-502	524C-401	12"	15.55	No		No	2
	524E-200	Energy XXI G.I.	524E-201	12"	2.36	Yes		Yes	1
	509A-100	Pecan Island	Verm 245	36	77	Yes	ES SL RR DL	No	3
	523Q-100	SS 198 CG	STA. 523	36	60.78	Yes	Team B	No	7
	523M-100	Verm 245	SS 198 CG	30	74.96	Yes	ES SL RR DL	No	2
	523Q-100	SS 198CG	STA. 523	36	60.78	Yes	Team B	No	7
December 14	LINE NUMBER	LAUNCH LOCATION	RECEIVING LOCATION	SIZE	MILES	EFFECTS / FLOW	RESPONSIBILITY	Requires Shut in of Meter	Expected # of Days
	523D-500	Calliou Island	523D-500	10"	5.16	No		No	1
	523F-100	Lapeyrouse	523F-100	8"	7.43	No		No	1
	523G-100	S.T. 121	523G-100	10"	10.11	No		No	1
	507A-100	507A-105	507A-106C	12	11.26	No		No	4

---

*Facility Enhancements*

**Future Asset Development**

# Facility Enhancements

---

## ✦ Separation Facility Changes since September 1, 2013

### ◆ Johnson Bayou Pressure Reduction

- From 980 down to 900 p.s.i.

### ◆ Cocodrie

- Reviewing commercial barging options
  - Improved barge availability confidence level
- Plains Pipeline

### ◆ Port Sulphur Liquids Handling

- Kinetica is the asset owner, TGP is the operator

### ◆ Future Enhancements

- Pecan Island – restart, late 2014 to early 2015



# Facility Enhancements

---

## ✦ Future Gas Processing Interconnects

- ◆ PSI Kaplan Processing Plant
- ◆ Louisiana Intrastate Gas Interconnects and Plant Inlets:
  - EnLink Gueydan Line (Plaquemines Plant)
  - Lirette Lateral (Gibson & Pelican Plants)

## ✦ Future Market Interconnects

- ◆ Long Term Expansion Initiatives
  - Liquefied Natural Gas (LNG) Plant Connections
  - Bridgeline Pipeline
  - Small-scale LNG liquefaction facilities

## ✦ System-Wide Compression Study

---

# *Regulatory Optimization*

## **Kinetica Tariff Revisions & Edits**

# Regulatory Optimization

---

- ✦ Company Use Study – Filing goal by June 30, 2014
- ✦ Kinetica Tariff Edits
  - ◆ Reserve dedication language
  - ◆ Critical Day – Operational Flow Order (“OFO”) provisions
  - ◆ General edits for “nits”
  - ◆ Quarterly change to MDQ flexibility: LFT, FFT
  - ◆ Clarification requests of shippers
- ✦ Kinetica tariff implementation of General Terms & Conditions
  - ◆ Interest on late payments will be applied starting May 1, 2014
  - ◆ Displacement deliveries will be limited by operational conditions

# Questions & Answers

---

Questions?

