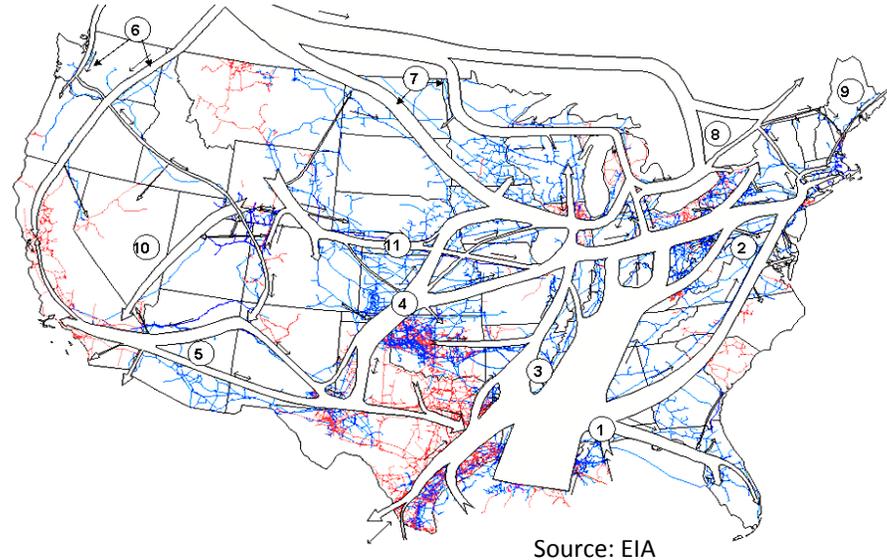


# Gas/Electric Partnership



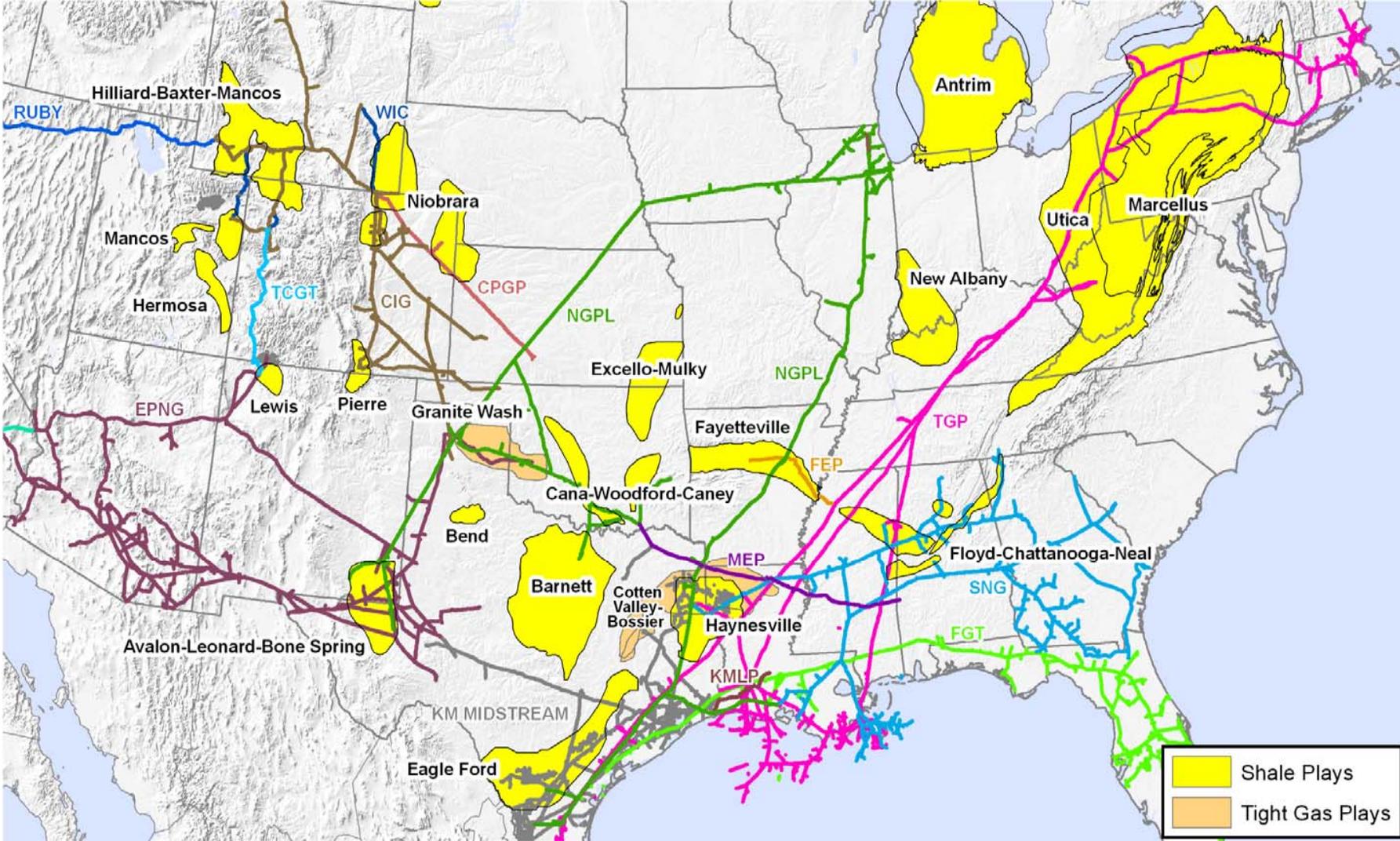
## Challenges in Important Basins

Anders T. Johnson  
Northwest Conference Center  
Cypress, Texas  
February 5, 2014

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# Kinder Morgan Natural Gas Pipelines



Source: KM GIS

# Perceived Challenges

- Long term contractual commitments to underpin capital expenditures
  - LDCs, Producers, Power Plants, PUCs
- Market structure for cost recovery of reliable power
- Capital cost and project execution risk
- NGO opposition/timing of approval
- Major projects require 3+ years
- Insufficient liquids takeaway
  - Abundance of high BTU gas difficult to blended
  - Ethane supply exceeds local market demand

