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# GAS/ELECTRIC PARTNERSHIP

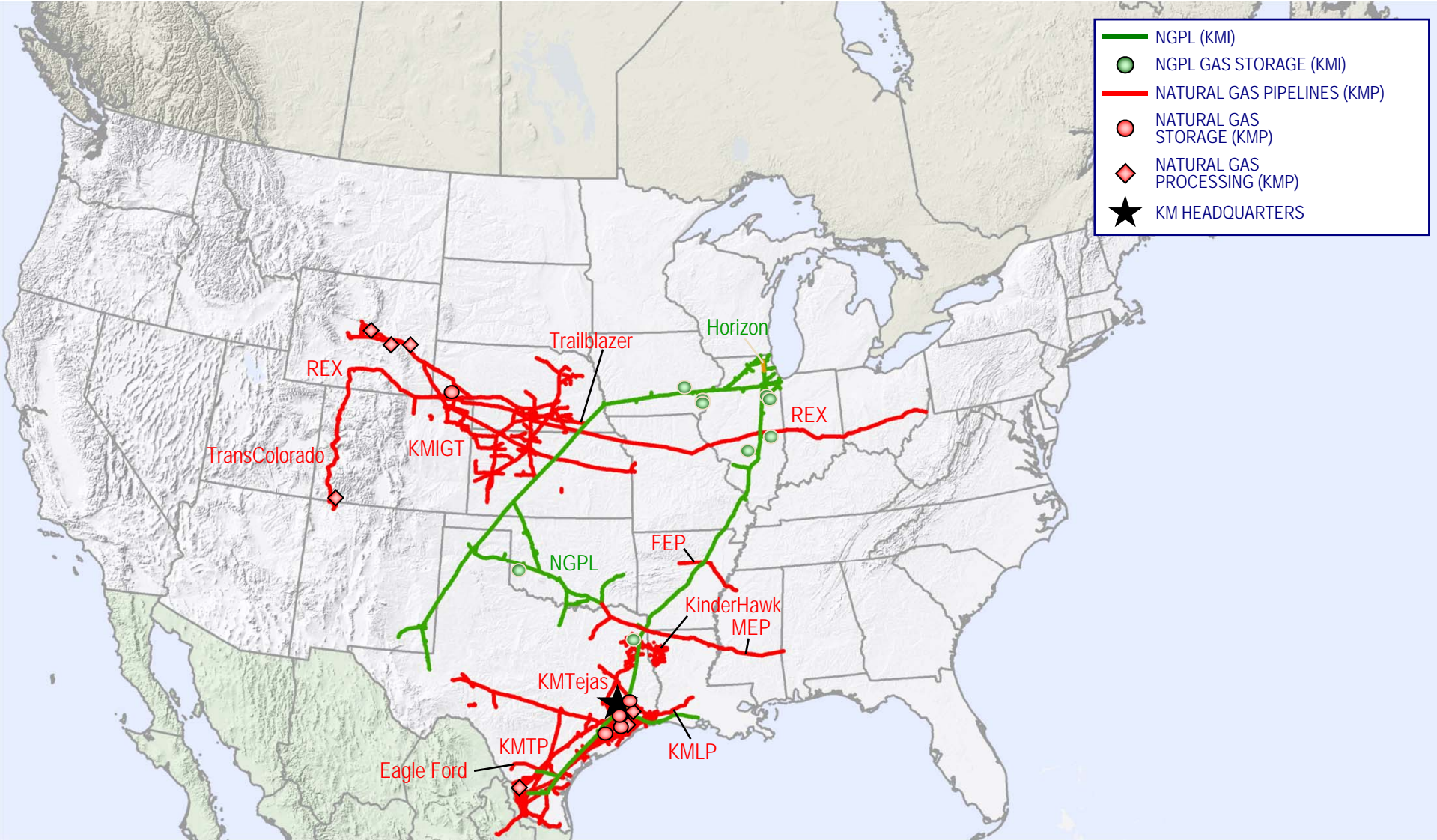
Ronald Brown

Kinder Morgan

February 9<sup>th</sup> and 10<sup>th</sup>

# KMP/KMI

## Natural Gas Pipelines and Facilities



# Factors to Consider When Selecting HP

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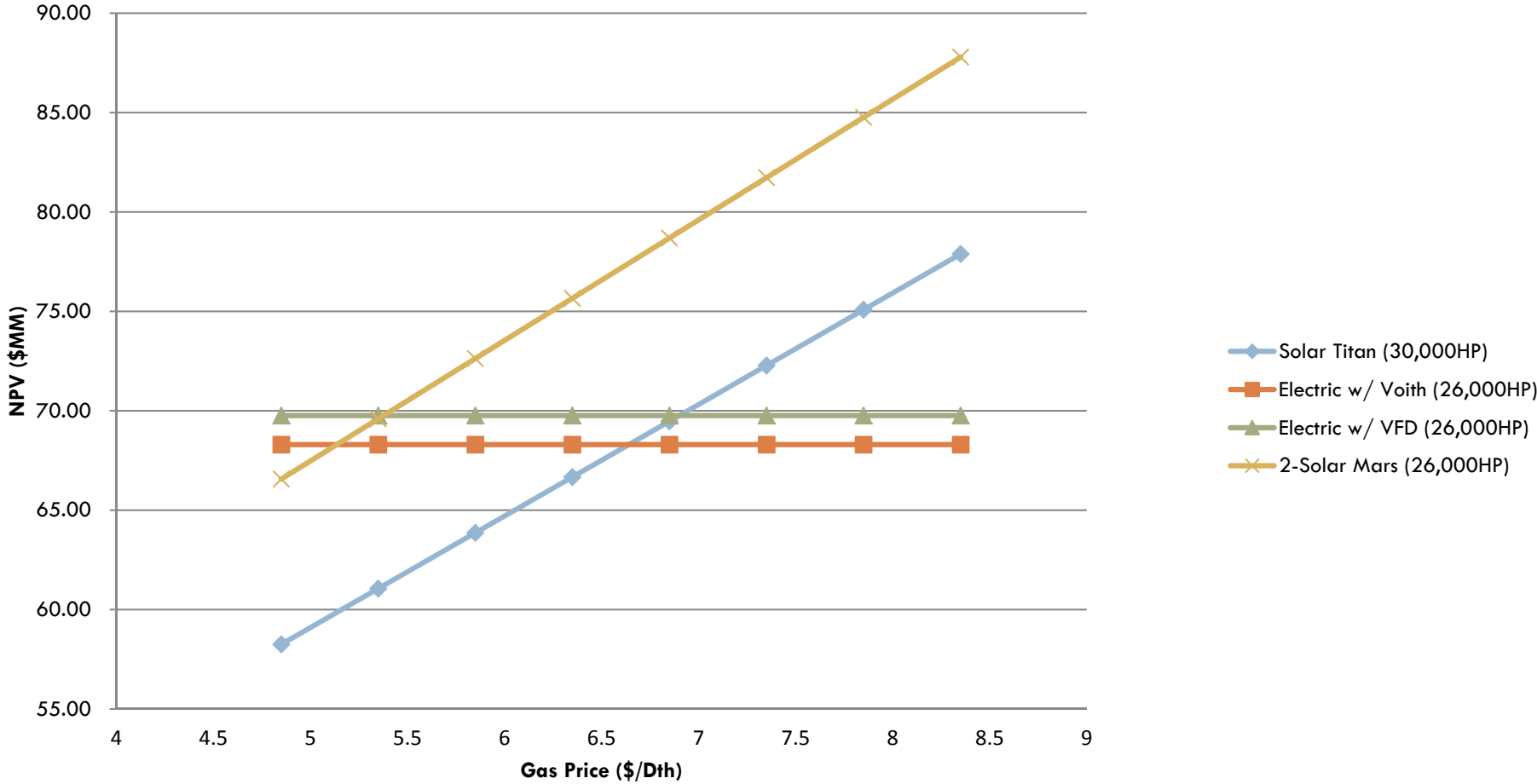
- Location
  - In a Non-Attainment Area?
  - Near to a Power Line?
  - Proximity to Noise Receptors?
- Design Parameters
  - Can you increase the Pipe Diameter?
  - Base Load?
  - Load Chasing?

# Factors to Consider When Selecting HP

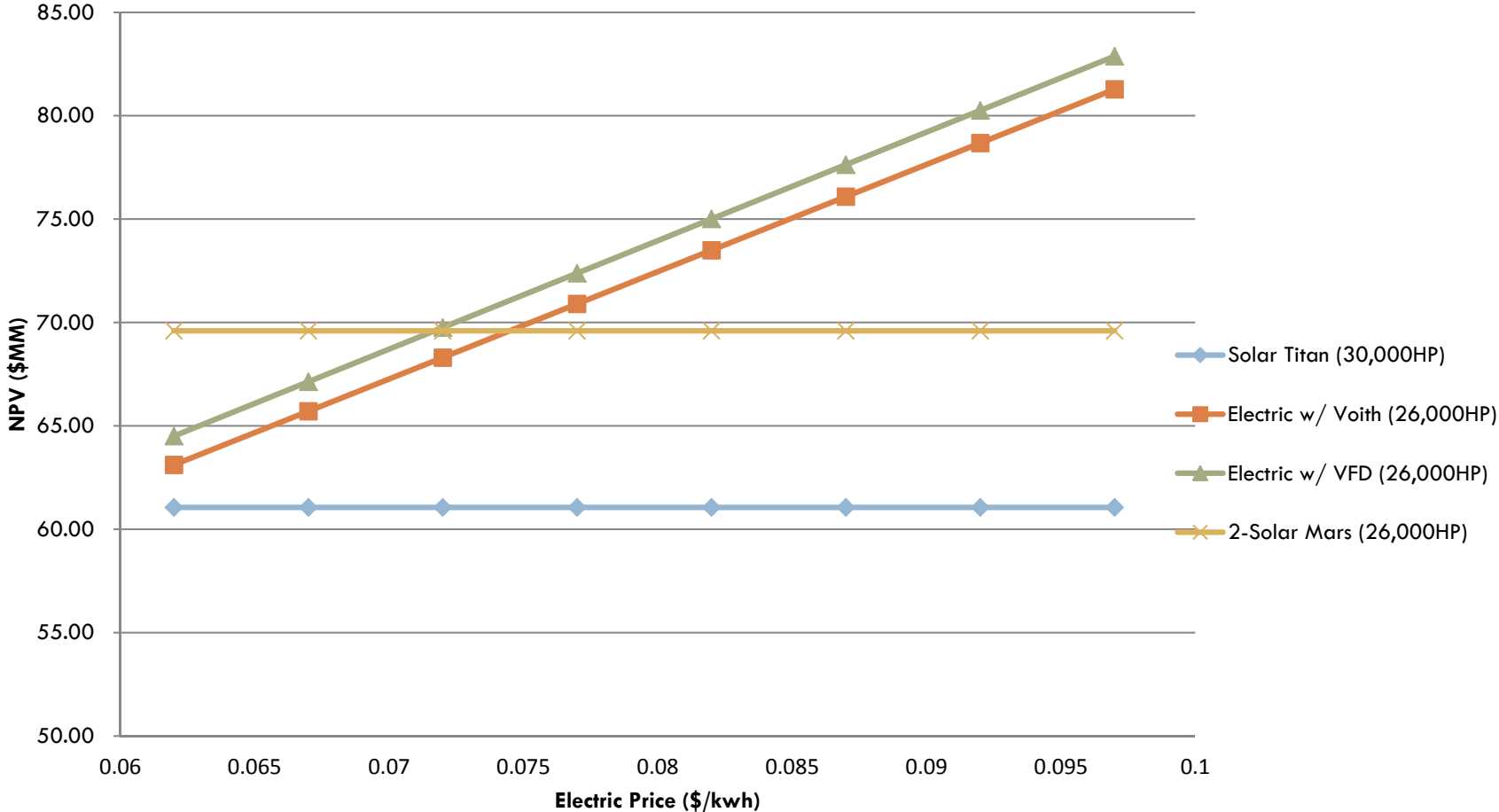
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- Size of Available Site
- Installation Cost
  - ▣ Proximity to Electric Grid
- Fuel Cost
  - ▣ Gas Price Forecast
  - ▣ Local Electric Prices
  - ▣ Fuel Cap
  - ▣ Fuel Collection/Gas vs Electric

### NPV Sensitivity Constant Electric Price (\$0.72/kwh) v. Changing Gas Price



### NPV Sensitivity Constant Gas Price (\$5.35/Dth) v. Changing Electric Price



# Factors to Consider When Selecting HP

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## □ Reliability

### □ Run Time Between Maintenance

- 15,000 hrs for a Top End & 90,000 hrs for a Major Overhaul on Cat 16CM34 Reciprocating Engines
- 30,000 hrs for Zero Hour Overhauls on Turbines
- 87,600 hrs for Motor overhauls

### □ Down Time for Maintenance

### □ Reliability of Electric Grid

- Back-up Generator for Parasitic Load

# No Brainer, Right?

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**There is No One Answer!**