

## Keystone Pipeline System

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**Date: November 19, 2012**

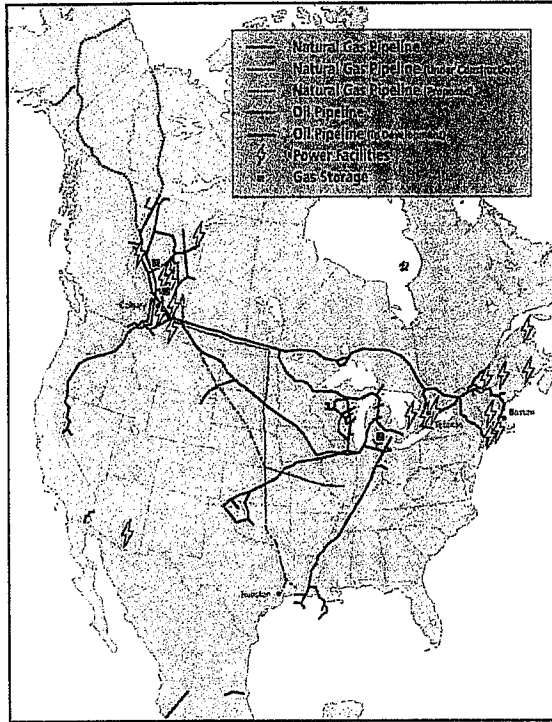


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## TransCanada

**Enterprise Value ~\$50 billion**

**North America's Largest Natural Gas Pipeline Network**

- 57,000 km (35,500 mi) wholly-owned
- 11,500 km (7,000 mi) partially-owned
- Average volume of 14 Bcf/d

**North America's 3rd Largest Natural Gas Storage Operator**

- 380 Bcf of capacity

**Canada's Largest Private Sector Power Generator**

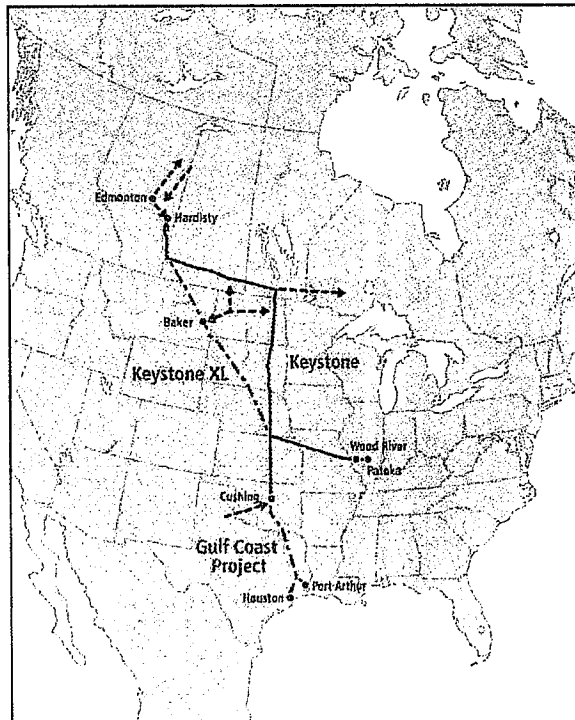
- 19 power plants, 10,800 MW

**4400 talented employees**

- Assets in 7 provinces and 34 states; ~1,600 US employees



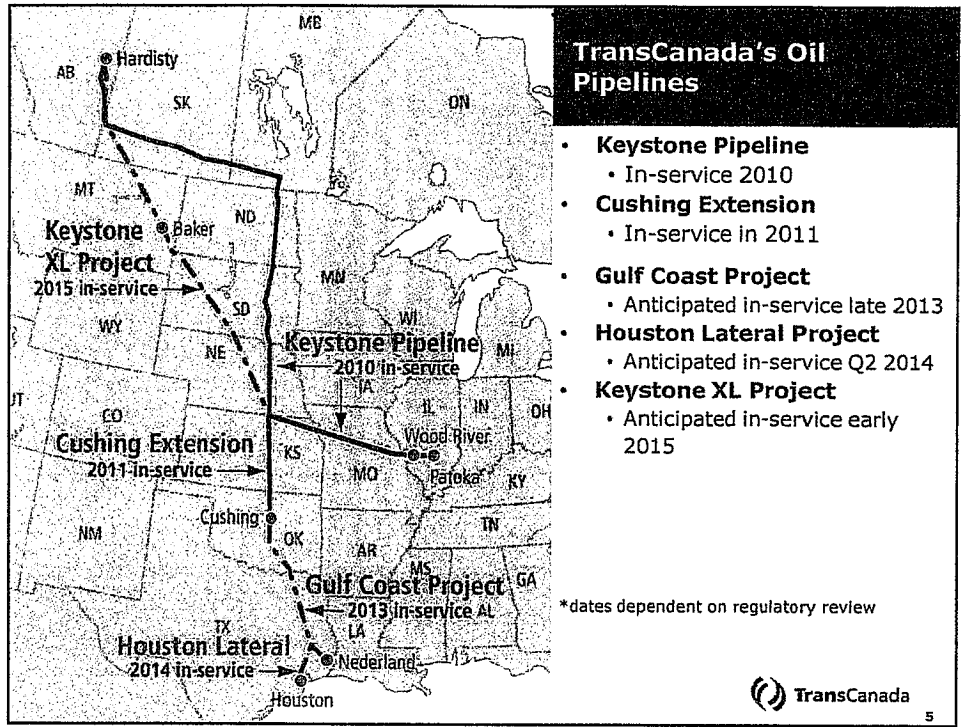
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## TransCanada's Oil Pipeline Business

- US\$14 billion investment
- 1.4 million bbl/d capacity
- More than 1.1 million bbl/d contracted
- Provides significant platform for:
  - Oil sands growth
  - Shale oil growth
  - Connecting to new markets/supply
  - Other transportation services





### Keystone XL Regulatory History....

- **Sep 2008:** Applied for Presidential Permit
- **Nov 2008:** Environmental Report issued
- **Apr 2010:** Draft EIS issued
- **Apr 2011:** Supplemental EIS issued
- **Aug 2011:** Final EIS issued
  - Each concluded pipeline would have limited environmental impact
- **Sep/Oct 2011:** DOS held nine Public Comment Meetings on National Interest
- **Nov 1:** Governor of Nebraska calls a Special Session of the legislature

TransCanada 6

## Keystone XL Regulatory History....



- **Nov 10:** DOS announces delay until Q1 2013 on a decision regarding the Presidential Permit.....
- **Nov 14:** TransCanada announces support of legislation in Nebraska to reroute the proposed pipeline
- **Dec 23:** Congress approves and President Obama signs a 60-day extension of the payroll tax credit that includes an amendment regarding Keystone
- **Dec 29:** NDEQ identifies Sandhills Regions



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## Keystone XL Regulatory History....

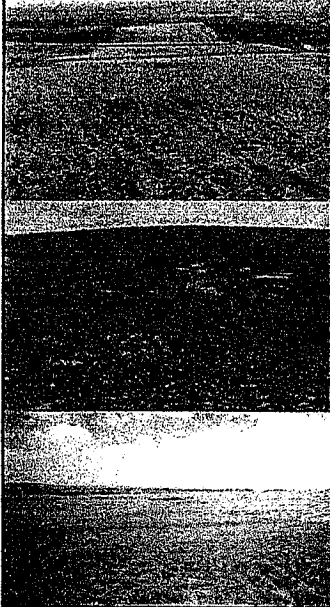


- **Jan 18, 2012:** DOS announced the Presidential Permit for Keystone XL was denied due to the insufficient time provided to fully assess the pipeline's impact
- **Jan 18:** TransCanada announces intentions to re-apply for the Presidential Permit for Keystone XL following DOS announcement
- **Jan 19:** NDEQ suspends its review due to DOS announcement; LB1161 amendment was introduced to enable NDEQ to continue its review
- **Feb 27:** TransCanada announces plan to reapply for a Presidential Permit for Keystone XL and the Gulf Coast Project will be built as a stand alone project



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## Keystone XL Regulatory History....

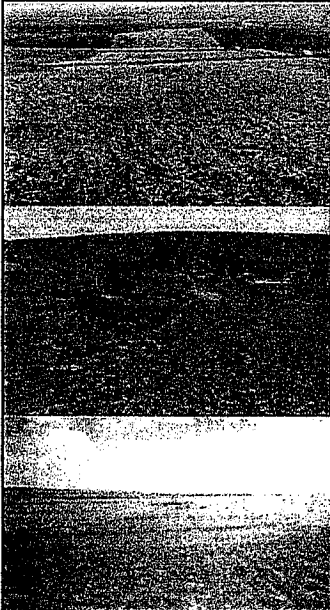


- **Apr 18:** LB1161 took effect; NDEQ able to re-commence review process
- **Apr 19:** Keystone submits proposed re-route corridors in Nebraska (Routing Report)
- **May 4:** TransCanada submits Presidential Permit application to DOS; that application to be supplemented with an alternative route in Nebraska as soon as that route is selected
- **May 9-17:** NDEQ holds Public Meetings to review proposed re-route corridor
- **May 24:** MOU between NDEQ / DOS
- **Jul 16:** NDEQ Feedback Report
- **Sep 5:** Keystone files Supplemental Environmental Report (SER)



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## Keystone XL Regulatory History....

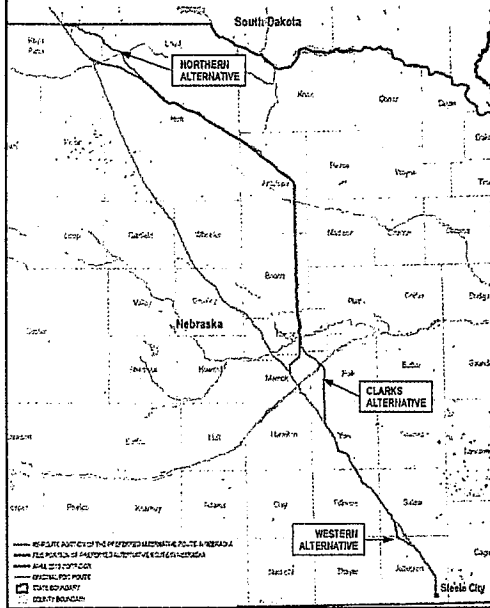


- **Oct 30** NDEQ releases report on new KXL route and says it addresses concerns
- **Dec 4** NDEQ will hold public comment meeting
- **Dec/Jan** Final NDEQ report to Governor and decision by Governor



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## Keystone XL Alternatives



**Based on feedback report, other feedback, we developed our Preferred Alternative Route for inclusion in our SER:**

- Avoids Nebraska Sandhills
- Utilizes as much of the FEIS route as possible
- 3 Major route adjustments:
  - Northern Alternative
  - Clarks Alternative
  - Western Alternative



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## Keystone XL is vital for America...

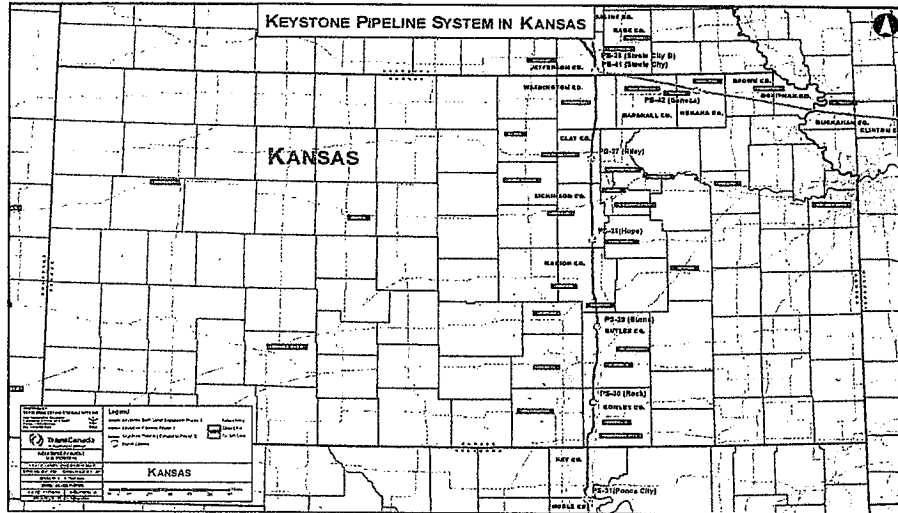


- **It is a critical link between growing Canadian and U.S. crude oil supply and U.S. demand**
- **It will bring significant and lasting benefits to the U.S. in terms of jobs, economy and energy security**
- **The pipeline has received more regulatory review than any cross-border pipeline**
- **It will have the highest safety standards**
- **The pipeline will be built by American workers who will build and operate Keystone XL safely and efficiently**



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## Keystone Pipeline System in Kansas



## Gulf Coast Project & Houston Lateral



### Gulf Coast Project

- Began Construction early August 2012
- US\$2.3 billion Project
- 36-inch pipeline
- Extends from Cushing, OK to the U.S. Gulf Coast
- Expected to have an initial capacity of up to 700,000 barrels per day (bbl/d) with an ultimate capacity of 830,000 bbl/d

### Houston Lateral

- Included in the US\$2.3 billion cost is US\$300 million for the Houston Lateral
- 76 kilometre (km) (47-mile) Houston Lateral pipeline that will transport crude oil to Houston refineries
- As of June 30, 2012, approximately US\$900 million has been invested in the project.

## Gulf Coast Project is vital for America...



- The Gulf Coast Project will transport growing supplies of U.S. crude oil to meet refinery demand in Texas
- The Gulf Coast Project would reduce the United States' dependence on foreign crude and allow Americans to use more of the crude oil produced in their own country
- The Gulf Coast Project would be a positive step in creating approximately 4,000 construction jobs



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## Summary and Conclusions



**Pipelines are the safest, most economical and efficient means of connecting growing Alberta oil supplies to North American markets**

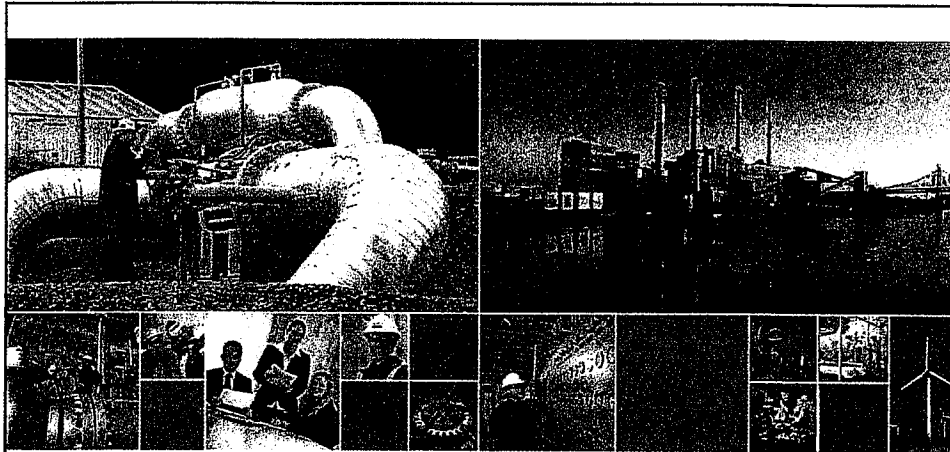
**Regulatory approval process must be efficient, transparent and accountable to serve the public interest**

**Strong political and energy industry leadership is needed to address the issues, engage stakeholders, and enhance credibility**



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**Thank You!**

