



NORTH DAKOTA GOVERNOR'S
PIPELINE SUMMIT
Bismarck, ND – June 24, 2014

The Alliance Advantage

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Manager, Government Affairs



June 24, 2014

Call Before You Dig! – It's the Law!

**ND One Call
(800) 795-0555**

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**Know what's below.
Call before you dig.**

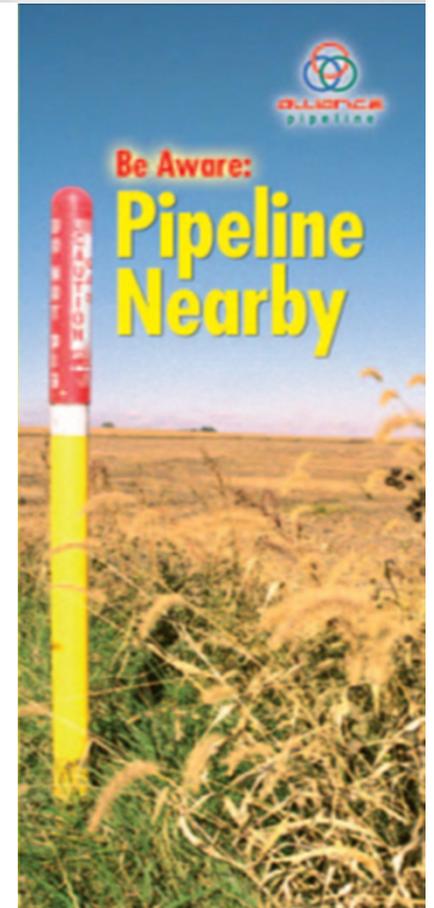
Alliance Pipeline – A Different Kind of Company



Pipeline Integrity Spotlight

US Mainline and Tioga Lateral

- ▶ Alliance's U.S. pipeline system was constructed using a **lifecycle approach**, with the **integrity of the pipeline considered throughout the design and construction**
- ▶ Key considerations that contribute to the integrity Alliance's system include:
 - The use of high strength modern steel
 - Constructed using advanced field welding and non-destructive examination techniques
 - Utilization of high integrity coatings
 - Increased depth of cover
 - Pipeline routing to avoid high population and environmentally sensitive areas
 - 100% of the Mainline and Laterals can be inspected using in-line inspection tools

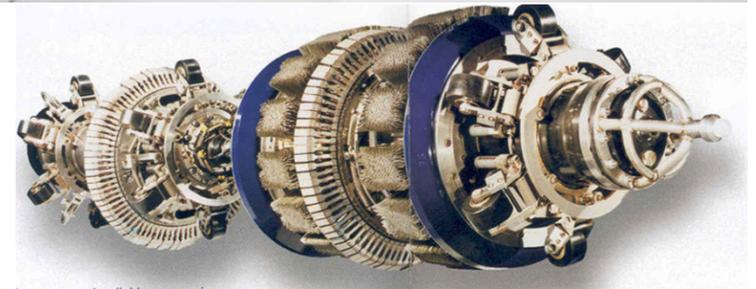


Pipeline Integrity Spotlight

US Mainline and Tioga Lateral

▶ US Mainline – 323 Miles of 36 inch diameter pipeline

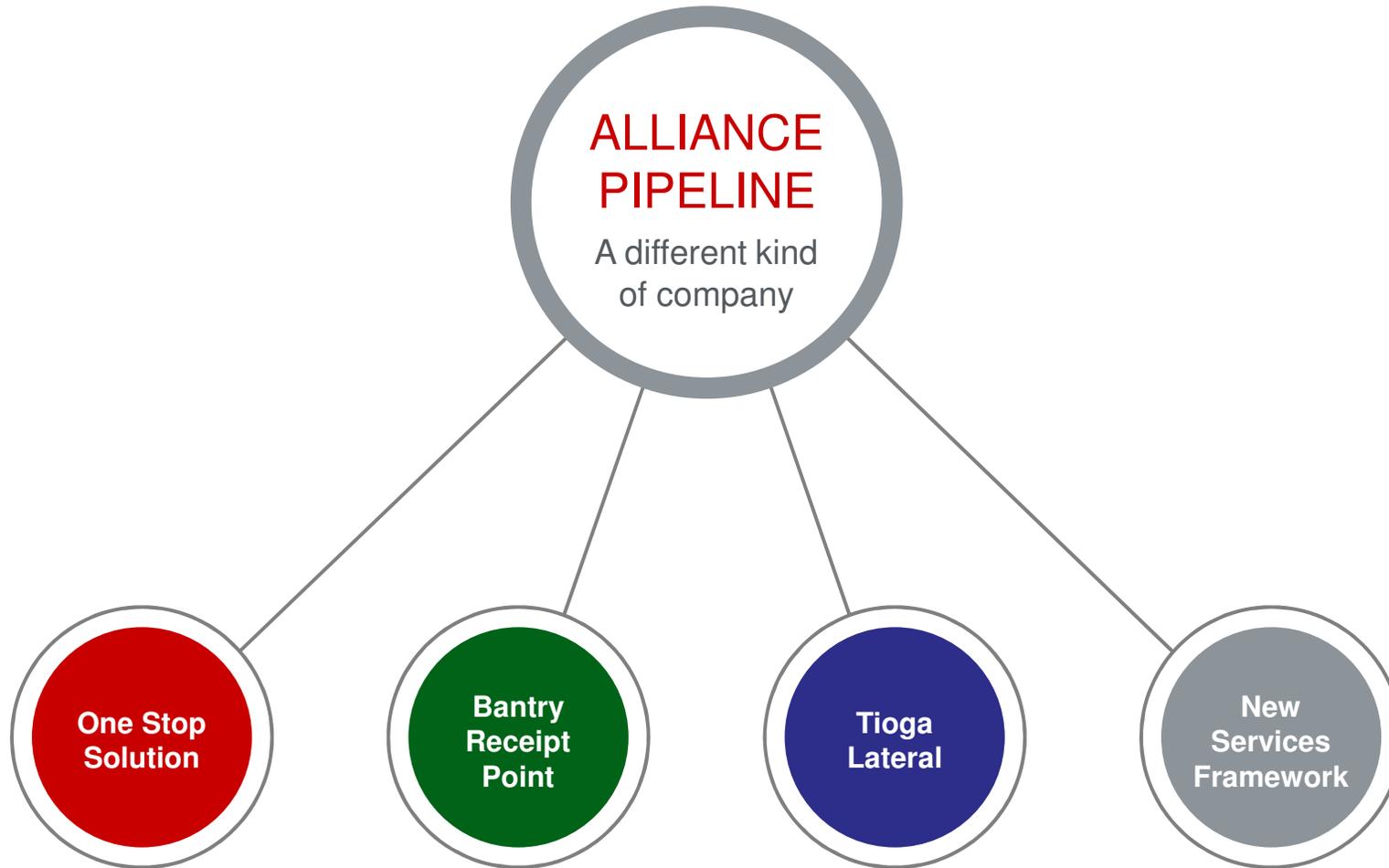
- Three complete high resolution inspection runs completed in 13+ years of operation
- Based on **US DOT 49 CFR Part 192 Repair Condition Guidelines**, the pipeline system has achieved the following repair performance:
 - ✓ Immediate Repair Condition (defect is at failure point) – **0 (Zero)**
 - ✓ Scheduled (1-year) Repair Condition (defect significant but not at failure point) – **0 (Zero)**
 - ✓ Monitored Repair Condition (defect will not fail before next inspection) – **0 (Zero)**
- 2014 represents year 2 of a ten year program to collect **Above Ground Survey data for the entire Mainline**



▶ Tioga Lateral – 79 miles of 12 inch diameter pipeline

- **ILI baseline** for the lateral scheduled for August 2014 (**MFL, Geometry and Inertial**).
- **Baseline AGS** scheduled for September 2014
 - ✓ GPS centerline,
 - ✓ Depth of cover,
 - ✓ CP level of protection,
 - ✓ AC and DC voltage gradient and
 - ✓ AC current attenuation

Alliance Pipeline serving ND's Bakken Producers



Alliance's New Services Framework

- ▶ **2015 Mainline system capacity now available**

- ▶ **New Services Framework** includes:

- Predictable and competitive fixed tolls
- A suite of pipeline services
- A new Canadian trading pool, and
- Low cost rich gas transportation to premium downstream markets

**Effective:
December 1, 2015**

- On **May 22, 2014** Alliance filed an application with the **National Energy Board** seeking approval of **Canadian Tolls & Tariff** provisions to support our New Services Offerings

Alliance Pipeline – Our North Dakota Focus

Existing Facilities:

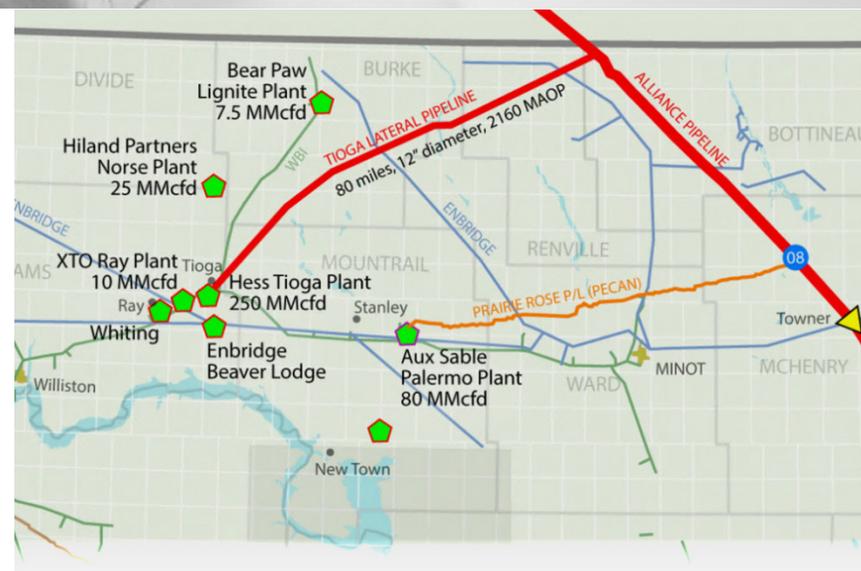
- ▶ Bantry Interconnection with Prairie Rose Pipeline

Capacity: 120.0 MMcf

Contracted Volume: 80.0 MMcf

Available Capacity: 40.0 MMcf

Heating Value: up to 1,550 Btu



Recently Commissioned:

- ▶ Tioga Lateral

Capacity: 126.4 MMcf

Contracted Volume: 61.5 MMcf

Available Capacity: 64.9 MMcf

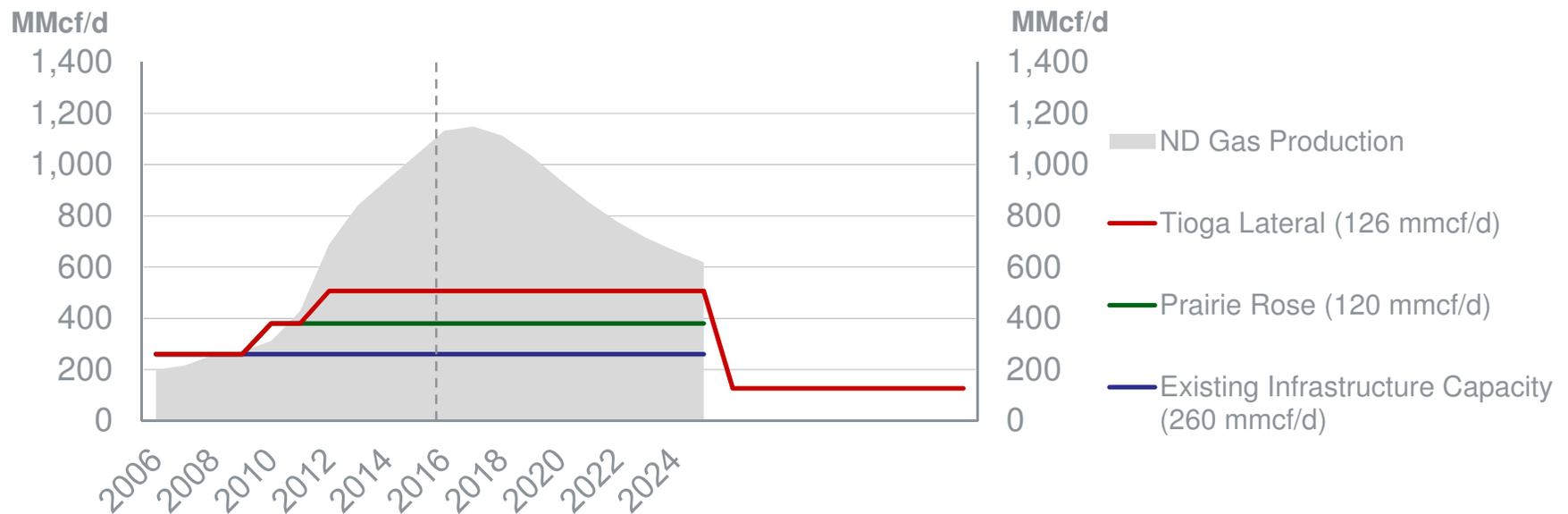
Heating Value: up to 1,446 Btu

Expandable: with additional Compression

Natural Gas Production Growth – Bakken

- ▶ Alliance has @ 250 MMcf/d of connectivity to the Bakken production
 - Capacity available today at Tioga
- ▶ North Dakota production grown over 450% since 2000
- ▶ Alliance has capacity to flow 30% of current Bakken production

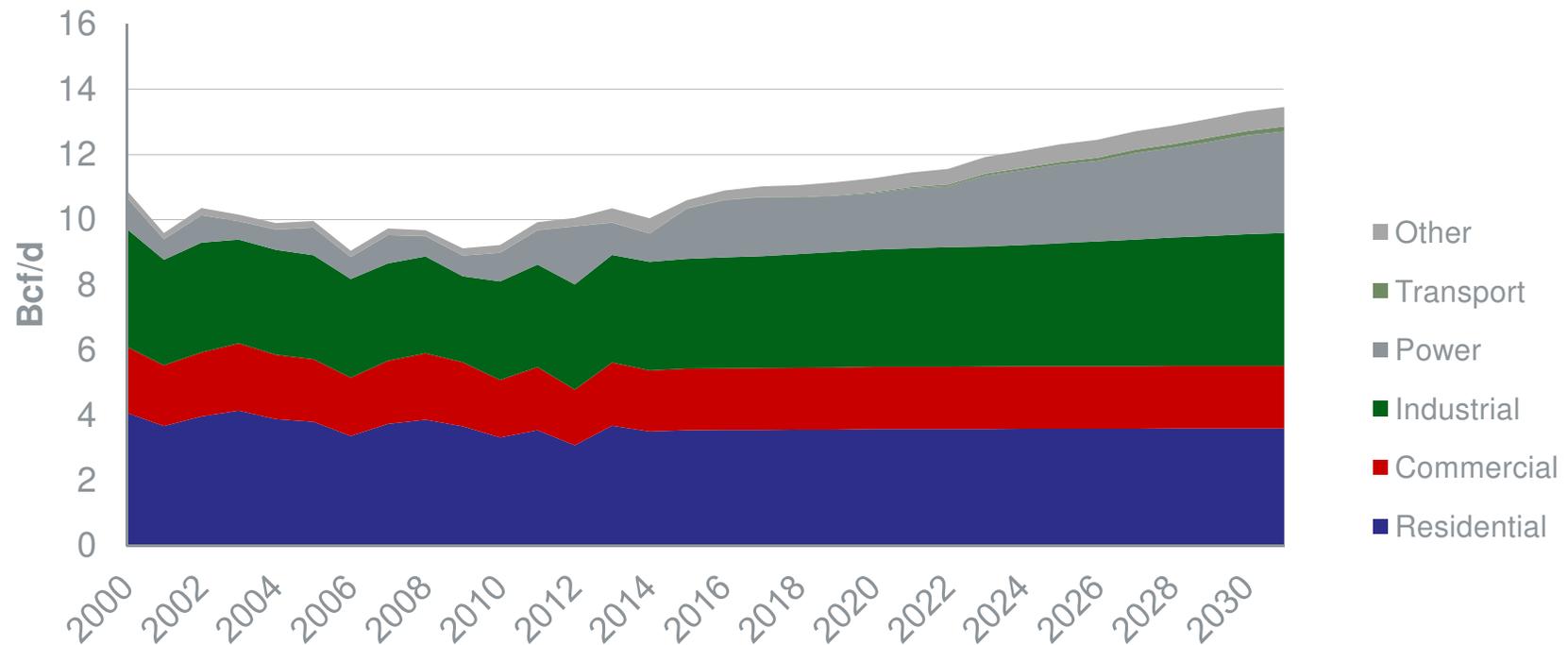
North Dakota Associated Gas Production Forecast



Source: IHS Enerdeq data, 2013 Alliance Forecast

Midwest Region Demand Growth

- ▶ Significant US demand growth to occur
- ▶ Chicago/Midwest pricing continues to strengthen (Marcellus, AECO)



Source: Wood Mackenzie Spring 2013 Long-Term View

Alliance Pipeline – A Different Kind of Company

- ▶ **Alliance has available capacity today to serve ND's Bakken Producers**
 - At our **Bantry Receipt point** - via the Prairie Rose Pipeline
 - Via **Alliance's new Tioga Lateral**
 - Unique expandability options to serve ND producers gas capture plans
- ▶ **We offer a unique design that offers producers opportunities to maximize the value of their NGL rich gas being produced in ND**
- ▶ **Alliance will continue to support the responsible development of new pipeline infrastructure to safely meet producers' needs**

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