



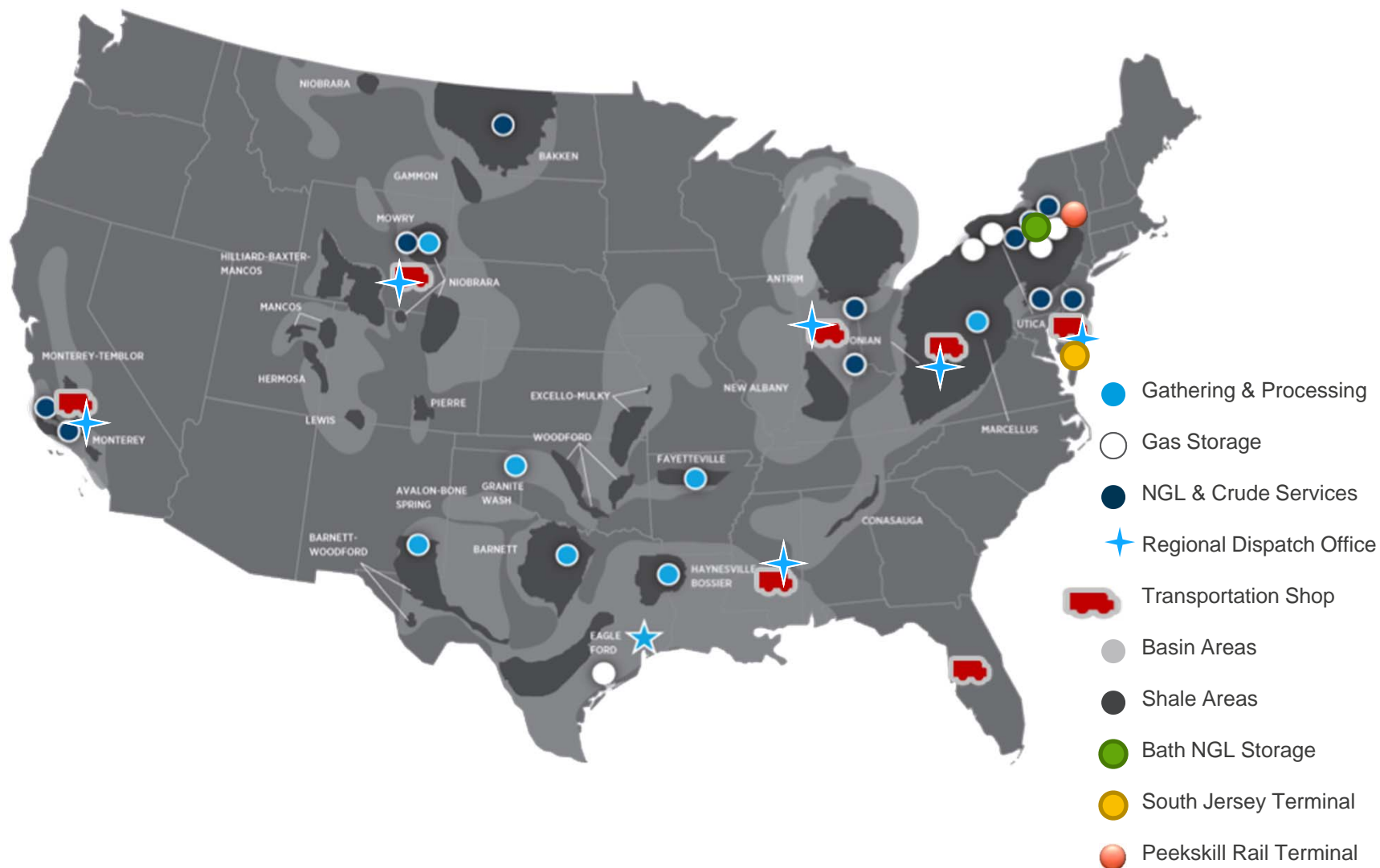
Connections for America's Energy™



Northeast Propane Infrastructure, Supply Shortages & High Cost to Consumers

Crestwood's Finger Lakes NGL Storage Facility "The Solution"

Crestwood Midstream Facilities Overview



Diversified US Midstream Portfolio

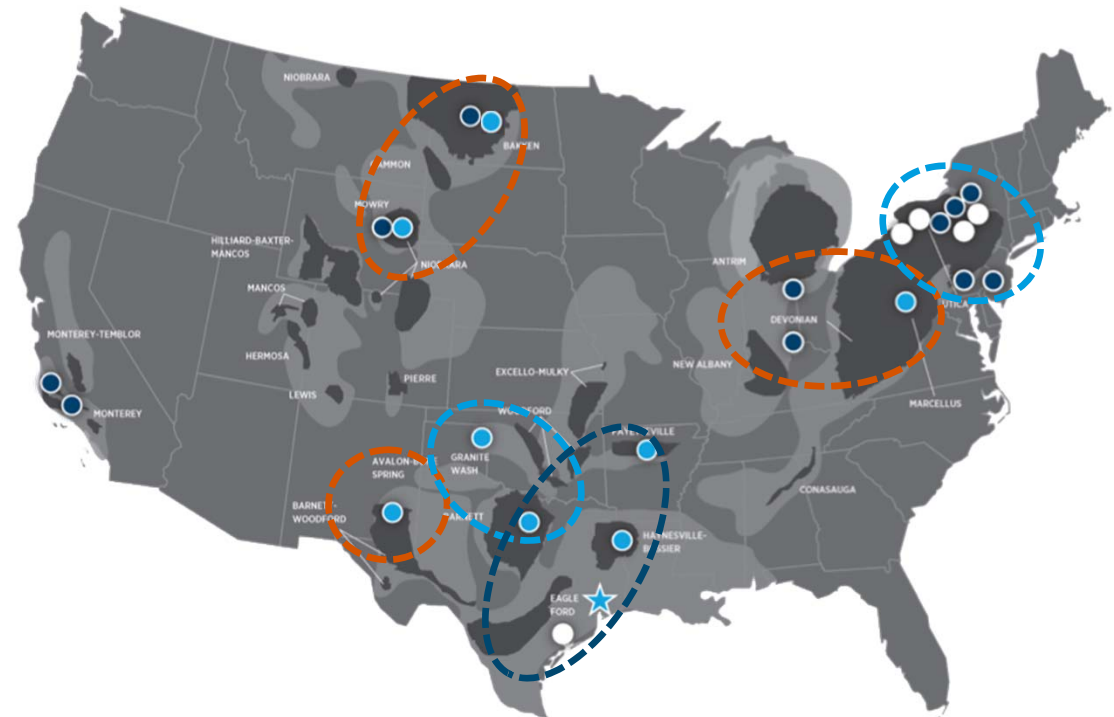
Existing platform in every premier shale play in North America creates significant opportunity for optimization, organic expansion, and strategic M&A

ASSET SUMMARY ⁽¹⁾

- Natural Gas
 - 1.3 Bcf/d natural gas transportation capacity
 - 2.1+ Bcf/d gathering capacity
 - 1,260+ miles of pipeline
 - ~80 Bcf natural gas storage capacity ⁽²⁾
- NGL and Crude Oil
 - Eight natural gas processing plants
 - 600+ MMcf/d processing capacity
 - 180,000 BPD crude oil rail terminal facilities
 - 125,000 BPD crude oil gathering
 - NGL and crude logistics business including trucks, rail cars, terminals, fractionation, storage and marketing
 - 4.6 MMBbls NGL Storage
 - 8,000 Bbl/d fractionator
 - 520 NGL truck/trailer units
 - 1,071 rail car units
 - 2 crude unit trains on order in 2015

(1) Includes announced expansion projects

(2) Total storage capacity is expected to be reduced to 58 Bcf following Tres Palacios application filed with the FERC on December 6, 2013.



- | | | |
|----------------------------------|-----------------|-------------------|
| • Gathering and Processing | • Basin Areas | --- High Growth |
| ○ Gas Storage and Transportation | • Shale Regions | --- Core Optimize |
| • NGL and Crude Services | ★ Headquarters | --- Core Stable |

NGL Supply & Logistics

Services Provided

- Provides producers and refinery customers NGL production takeaway achieving flow assurance and optimal netbacks
- Ability to handle molecules across the value chain en route to end-users
 - Storage, Terminals, Transportation
- Hub supply and hedging for producers and end-users
 - Liquidity and price discovery
 - Hedge for retail propane sector and refiners/processors/petrochemicals
 - Supplier in market hubs for shippers and end-users
- Well positioned to manage local market dislocations and price volatility
- 118,000 BPD of NGLs marketed in last fiscal year

Key Relationships



NGL Storage & Terminal Overview



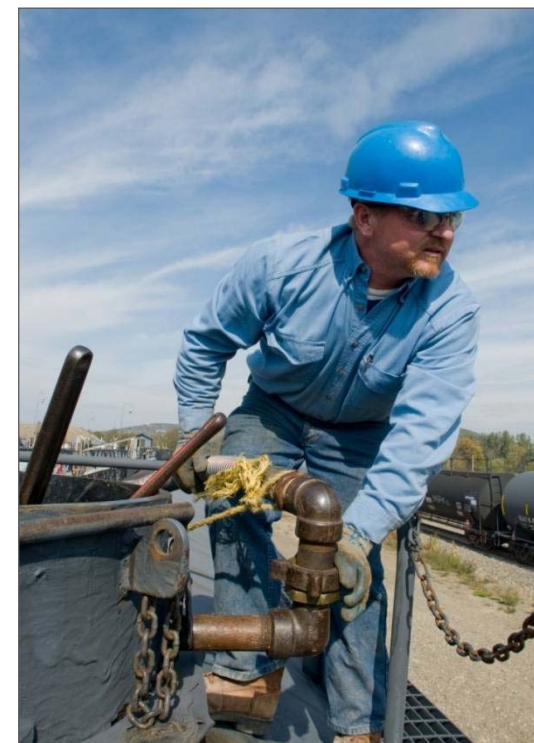
Bath Facility

- 1.7 MMBbl of NGL underground storage
- Steuben County, NY
- 100% contracted with maturity to 2016^(a)
- Nine separate caverns allow for segregation of multiple streams
- Rail and truck terminal facilities



Watkins Glen Project

- Developing 2.1 MMBbl of underground NGL storage
- Schuyler County, NY
- Will connect to Teppco pipeline
- Rail and truck terminal facilities
- Awaiting regulatory approval for almost 5 years



Seymour Terminal

- 0.5 MMBbl of underground and above ground NGL storage
- Seymour, IN
- Connected to Teppco pipeline
- Truck terminal facilities

South Jersey Terminal

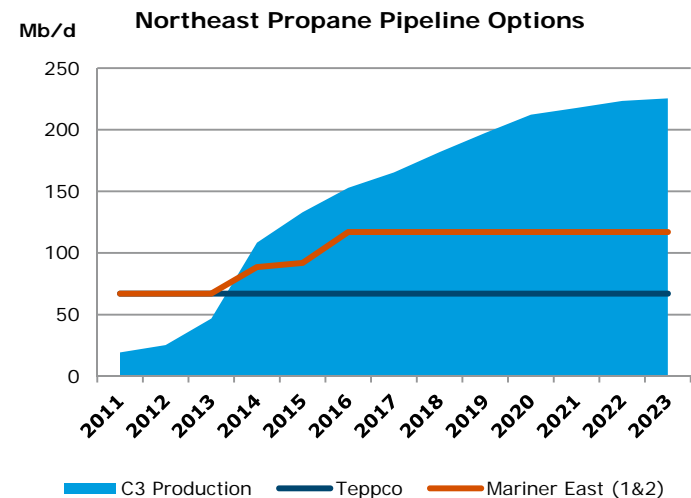
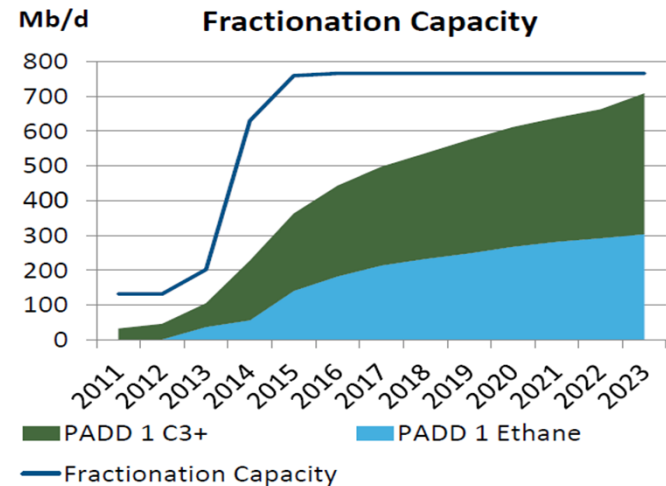
- Rail terminal facility
- Bridgeton, NJ
- Provides supply point for Marcellus/Utica sourced LPG in high-demand Northeast market

(a) Bath is 100% contracted with Crestwood Equity Partners, which is operated by Crestwood Midstream Partners

Northeast Growing Supply & Limited Infrastructure

Growing Supply Increases Seasonal Imbalances

- Growing PADD 1 NGL production:
 - Announced PADD 1 C2+ Fractionation capacity will reach approx. 770 MBPD in 2015/16 according to Bentek
 - By 2023 300 MBPD of production will be C2
 - That remaining production, approx. 400 MBPD will be C3+
 - Around 50% of the C3+ production will be Propane (200 MBPD)
 - Crestwood's estimates indicate Propane production could exceed 300 MBPD
- Pipeline Take-away:
 - Teppco (40 summer vs. 80 winter) volume weighted 60 MBPD
 - Mariner East (1&2) 70 MBPD Propane/Butane mix. Approx. 50 Propane
- Local storage for seasonal demand fluctuations
 - Provides destination for growing supply during low demand summer months
- Additional NGL export capacity at Marcus Hook
 - Favorable global price differentials

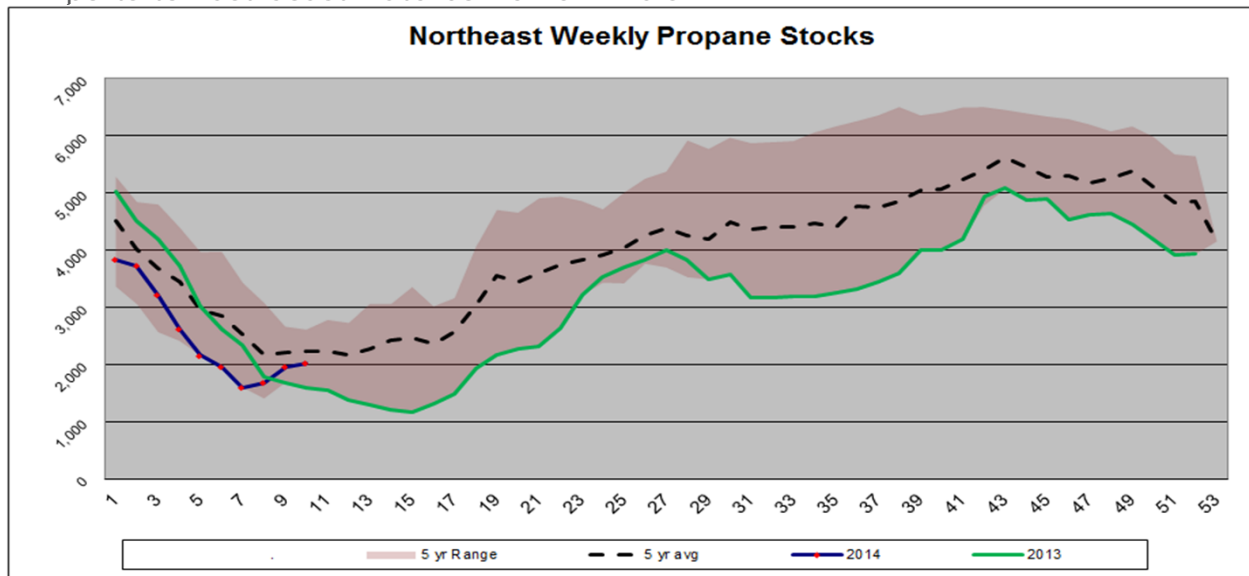


Source: Bentek & Crestwood Internal

Northeast Propane Storage

The Case for NGL Storage in PADD 1A / 1B

- Increasing Marcellus/Utica production eliminates supply from the Gulf
- Lack of local storage infrastructure to meet seasonal demand shift
 - New pipeline injection production
 - Forces daily production to truck, rail, or pipeline demand
 - Summer production is forced to export from Mid-Atlantic or Mont Belvieu
- Lost 500,000 Bbls of Storage from Todhunter, OH shutdown.
- Seasonal product shortages in PADD 1A / B leads to higher import cost
 - North American Rail
 - Canadian Imports
 - USGC Rail
 - Foreign imports to East Coast waterborne Terminals



Source: EIA

Northeast Contracted & Spot Supply vs. Mt. Belvieu

All Price Differentials are vs. Mt Belvieu

NGL Storage
Belvieu + \$.30
Product kept locally

Import Cargo (waterborne)
+ \$1.50 Spot

Pipeline
+ \$.25 contracted
+ \$1.25 spot

Rail
+ \$.30 contracted
+ \$.60-\$1.00 Spot
Long trip times from
USGC/Canada

Truck (long-haul)
+ \$1.00
Very limited capacity

Source: Crestwood Internal

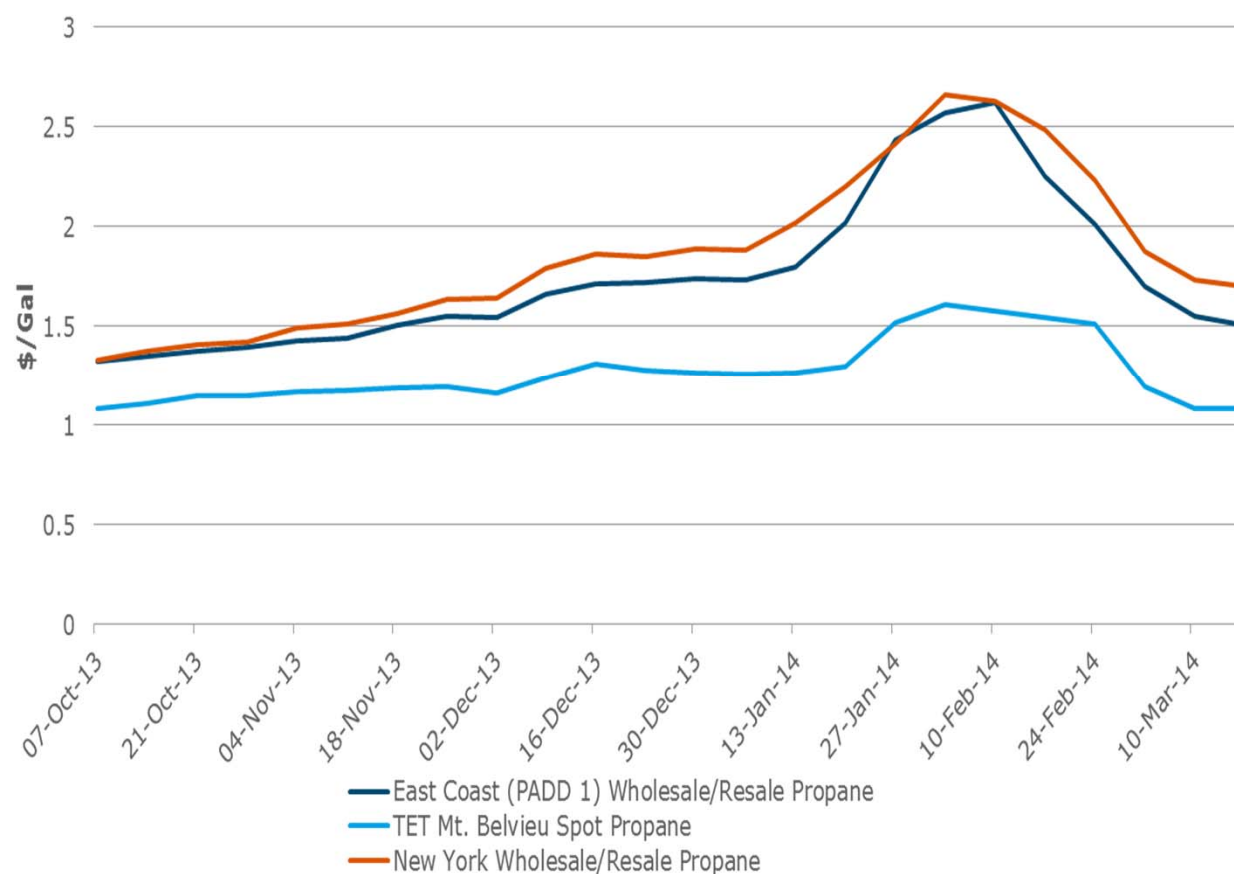
Storage Provides Price Protection and Supply Assurance

Northeast Propane Price Spike: Winter 2013/14

Avg. NY Wholesale v. TET Mt. Belvieu

Oct	0.26
Nov	0.37
Dec	0.55
Jan	0.79
Feb	0.94
Mar	0.65

2013-14 PADD 1 Wholesale vs. TET Mt. Belvieu Propane Price

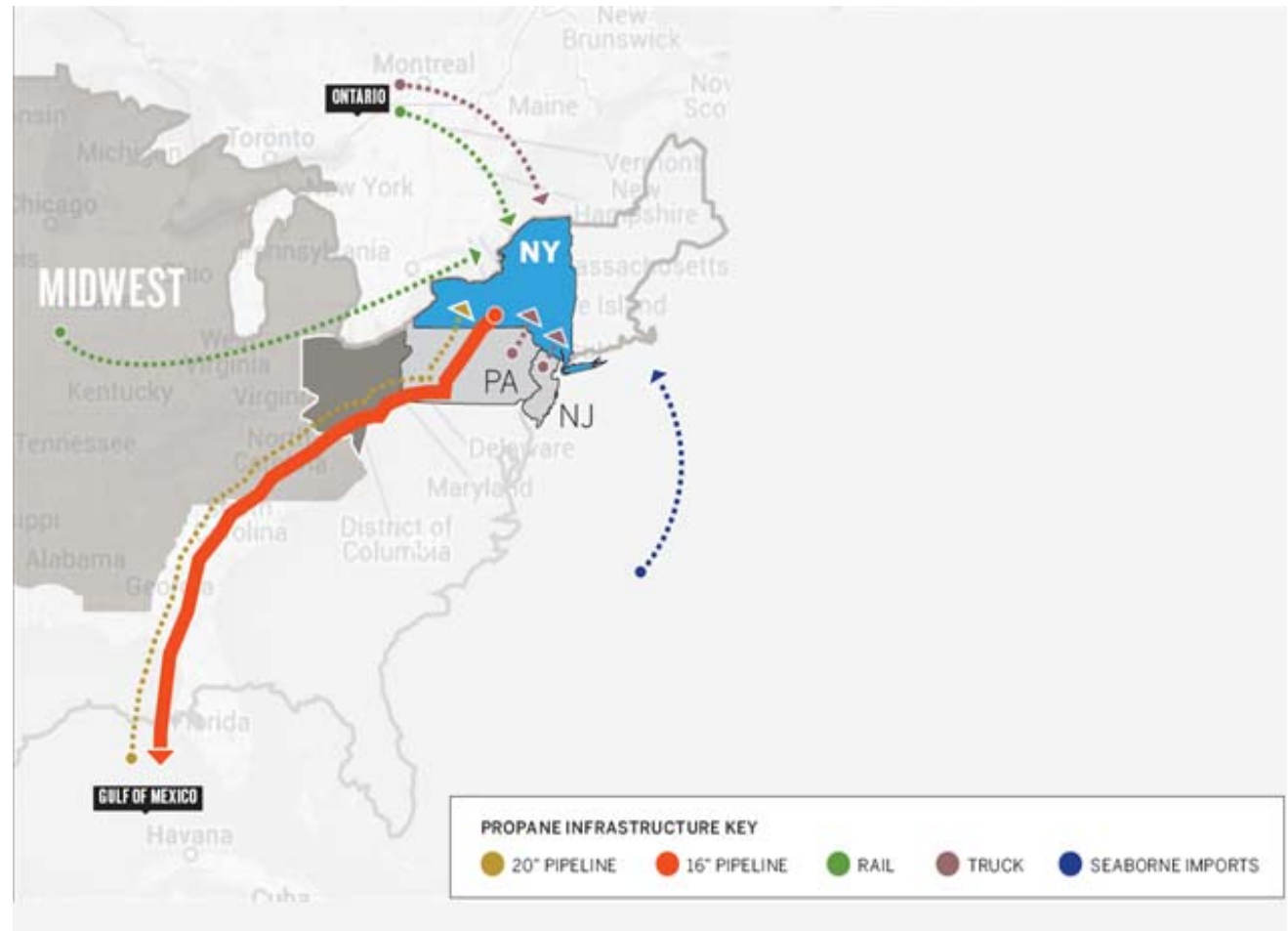


Source: EIA /OPIS

Propane Supply Chain and Economic Impact

Economic Impact

- Insufficient Northeast storage requires Propane imports to meet higher winter demand
- Import alternatives are more expensive than local storage and results in higher prices for consumers
- Without additional storage, the growing Northeast production surplus will be forced out of PADD and then imported back in
- Double handling product would further increase prices



Finger Lakes' 2.1 MMBbls Impact to Northeast Supply

- From Dec-Mar the Northeast imported a total of 1.8 MM Bbls through Providence, RI and Newington, NH
- If Finger Lakes had been in-service this high cost import product would not have been necessary
- The Newington, NH and Providence, RI import facilities have listed storage capacity, however neither has the capability to refrigerate domestic product received by truck or rail.

<u>NGL Import Facilities</u>	<u>MBbls</u>	<u>MBPD</u>
Newington, NH	600	3
Providence, RI	400	2

Crestwood Proposed Finger Lakes Storage

<u>NGL Storage Facilities</u>	<u>MBbls</u>	<u>MBPD</u>
Watkins Glen, NY	2,100	12

Current PADD 1A/B NGL STORAGE CAPACITY

<u>NGL Storage Facilities</u>	<u>MBbls</u>	<u>MBPD</u>
Bath, NY	1,500	8
Hartford Mills, NY	500	3
Greensburg, PA	250	1
Bayway, NJ	230	1
Teppco Watkins Glen, NY	1,141	6
Marcus Hook, PA	1,500	8
Current Storage	5,121	28

Finger Lakes % of Current Capacity 41%

*MBPD capacity assumes an Oct 1-Apr 1 (180 day) withdrawal season

Crestwood's Finger Lakes Proposed LPG Storage Facility

Finger Lakes LPG Storage

Crestwood Midstream is proposing to store LPG in existing underground salt caverns – a **proven** and **environmentally safe** method. The project's safety and integrity attributes are endorsed by the New York State Geological Survey.



PROPOSED CAPACITY

88.2 million gallons,
eliminating shortfall

NEW JOBS

50 construction,
8–10 permanent

CAPITAL INVESTMENT

Approx. \$40 million

STATUS

Awaiting DEC Approval
(4+ years)

- **Facility Overview**

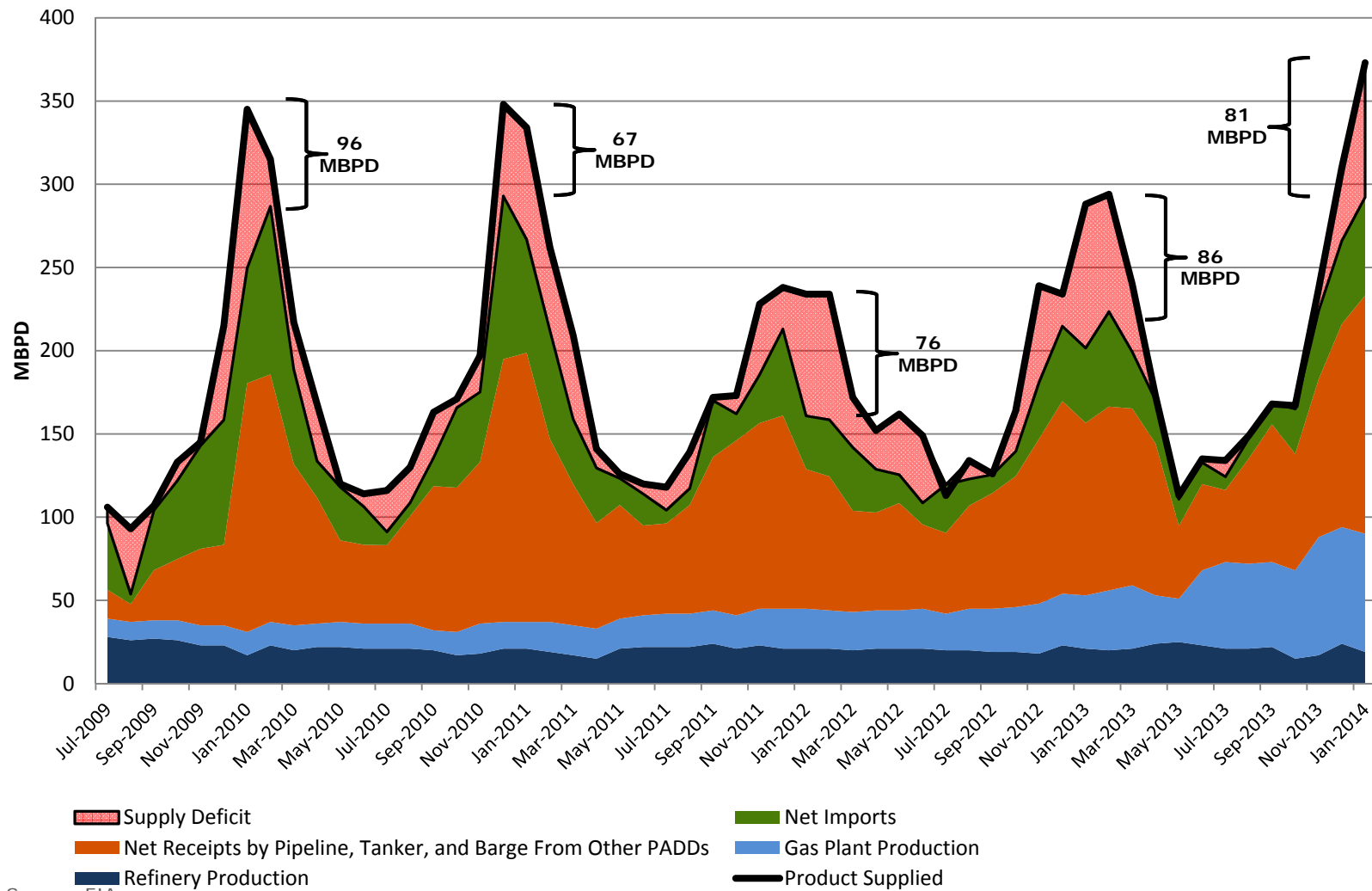
- \$40 MM shovel-ready investment
- 2.1MMBbls (88.2 MM Gals) of Propane Storage
- Connected to Teppco pipeline
 - Summer fill from various Shale Injection Points (Pipeline Truck & Rail Receipts)
 - Winter Delivery Out via Pipeline to Selkirk Gateway to New England Market (ME, NH, MA, RI & CT) Truck & Rail

- **Permitting and Development issues**

- Challenging regulatory environment
 - 4+ years in the permitting process
 - Completed Strategic Risk Analysis 2012 - outcomes were very favorable
 - Satisfied all Engineering & Subsurface requirements of NY DEC 2nd Quarter 2013
 - Shovel-ready project waiting state approval

Propane Supply / Demand

PADD 1 Propane Supply-Demand Balance



Source: EIA

Conclusions

- Growing shale production in Marcellus and Utica provide significant new supply of Propane to all of PADD 1
- Seasonality's of Propane demand create large seasonal imbalance of supply of PADD 1A/B
- Crestwood's 2.1 MMBbl Shovel-Ready Finger Lakes storage project provides:
 - Pipeline connection in from all injection points of new production and
 - Pipeline capacity out to terminals serving New England market
 - The lowest cost logistics solution
 - Reduces consumer exposure to high cost imported product
 - Utilizes idle summer pipeline capacity to solve seasonal imbalance
- Crestwood can complete the Finger Lakes Project to provide these benefits for the coming 2015/16 winter season with a decisive approval from the state of New York, assuming Crestwood receives state approval in 2014



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Q&A