

DOE and HMSDC Business Energy Summit: Pipelines and Intrastate

CenterPoint Energy Intrastate Pipeline Overview

11/29/2017

DELIVERING

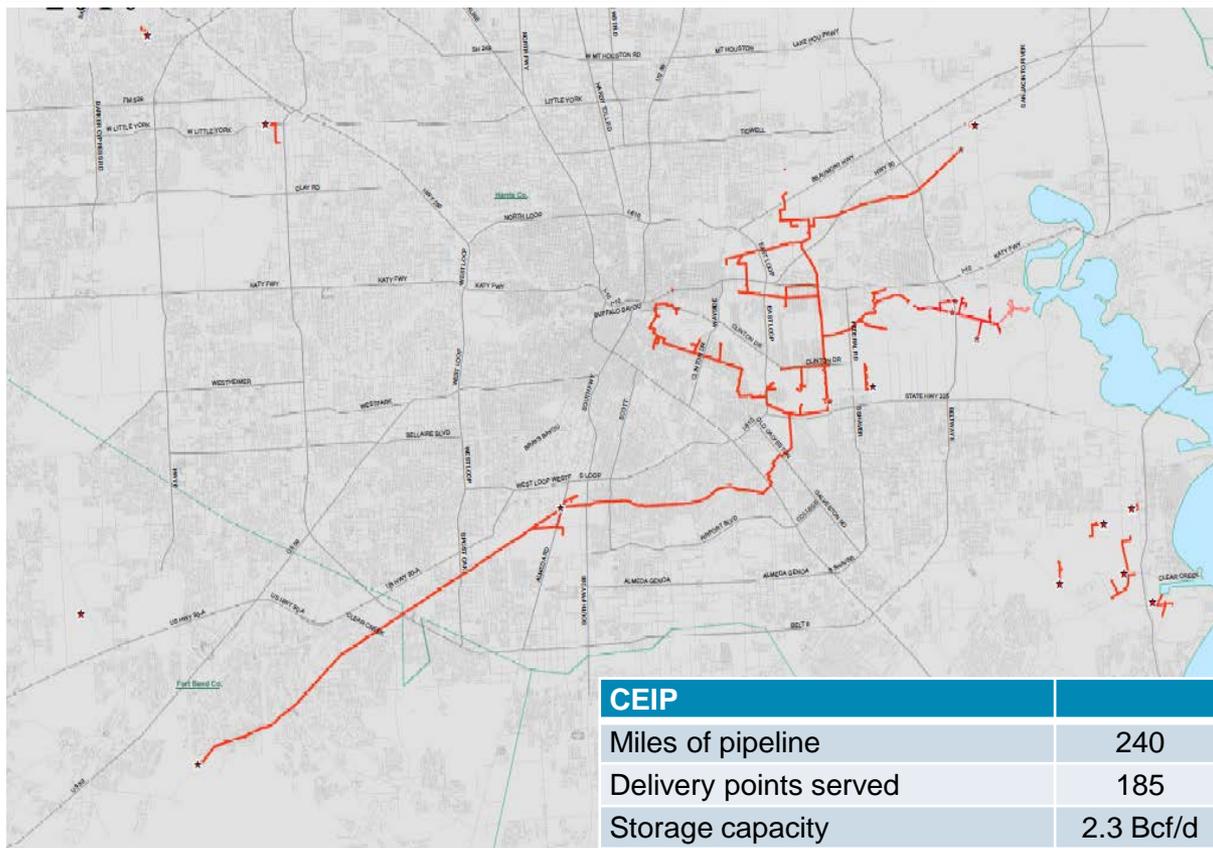
ENERGY, SERVICE

AND VALUE



CenterPoint Energy Intrastate Pipeline (CEIP)

TX CEIP Intrastate Pipelines



CEIP builds pipeline infrastructure and offers design and consulting services

Customers are typically large industrial end users having multiple competitive alternatives for gas supply and include:

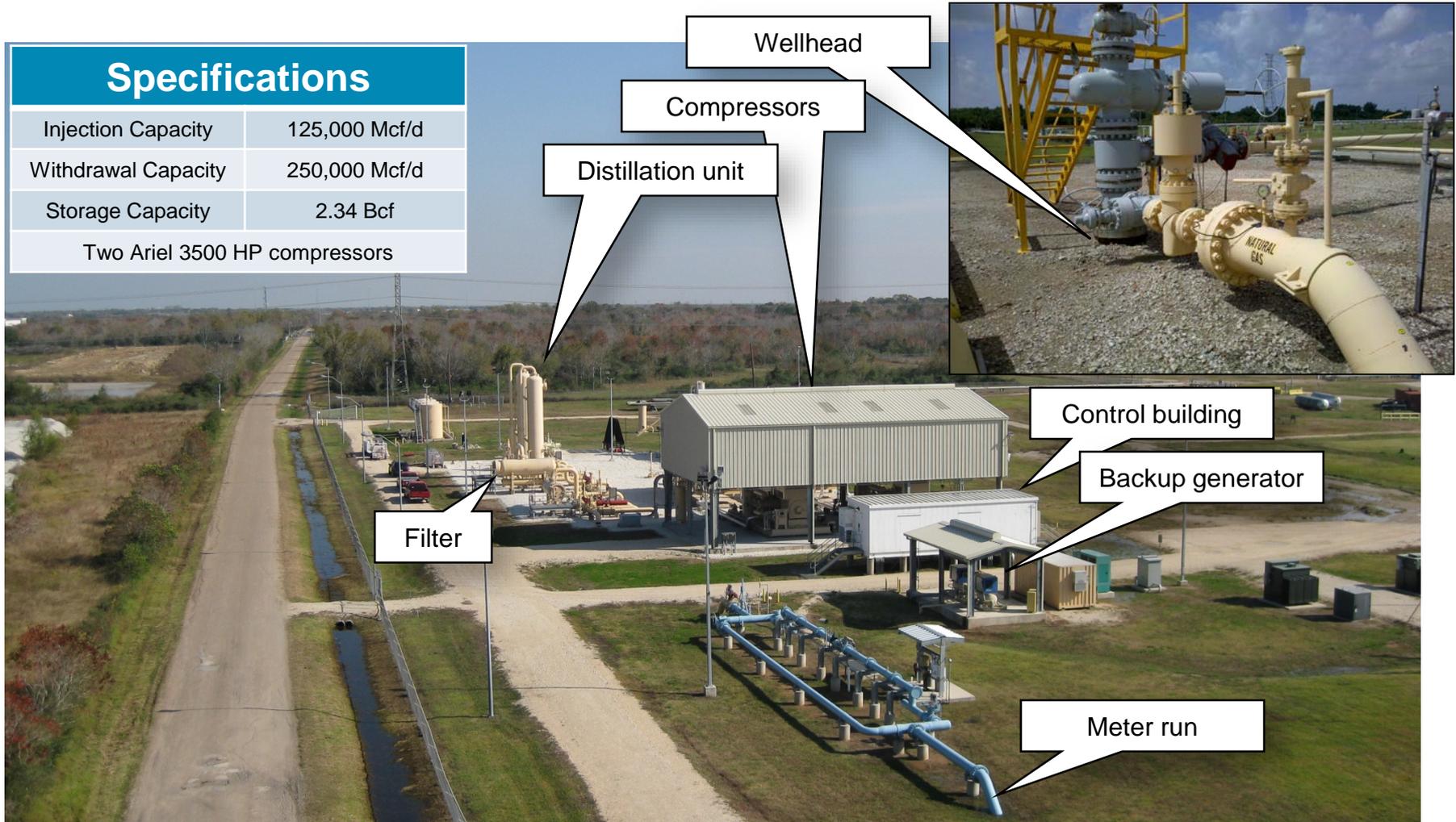
- Refineries
- Specialty chemical plants
- Industrial product manufacturers

Assets in Texas and Louisiana include transportation and bundled sales

Pierce Junction

Specifications

Injection Capacity	125,000 Mcf/d
Withdrawal Capacity	250,000 Mcf/d
Storage Capacity	2.34 Bcf
Two Ariel 3500 HP compressors	



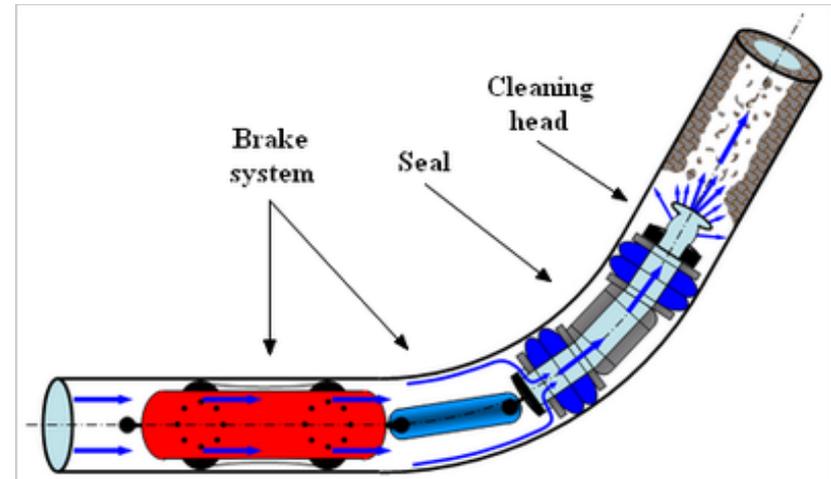
- Acquisitions
 - Potential pipeline acquisitions typically come up due to pending abandonments and companies looking to monetize non-core assets
 - Look to acquire assets with Strategic Fit
 - Assets that add connectivity to existing CEIP system and diversify supply
 - Assets near CERC growth areas
 - Assets near industrial growth areas
- Organic
 - New customers
 - Existing customer expansions

- Design (est. 2-3 weeks)
- Approvals (est. 1 week)
- Materials (est. 6 months or less)
- Land/ROW (est. 2+ months)
- Environmental review (est. 2 months)
- Permitting (est. 2 months – 1 year)
- Internal crews vs contractors (est. 2 months)
- Fab shop (est. 2 months)
- Line install (est. 2 weeks)
- Measurement/odorization (est. 1-3 days)
- Commissioning (est. 1 day)

- System improvement
 - Necessary maintenance
 - Replacing corroded, damaged or faulty equipment
 - Troubleshooting issue on a system (i.e. low pressure)
 - Other issues discovered by T.F.O. personnel

- Public improvement
 - 3rd party construction near CEIP facilities
 - Review 3rd party plans
 - Determine if we have to relocate or they need to re-plan

- Integrity test
 - Frequency
 - Types
 - Direct Assessment
 - Nitrogen Gas Pressure
 - Hydro Pressure
 - I.L.I.



- Dig Leaks & leak survey



- Corrosion & cathodic protection



Proposed Rule Making Could Provide Opportunities

- Significant growth in natural gas production places demands on nation's pipeline system
- Pipeline and Hazardous Materials Safety Administration (PHMSA)
 - 49 CFR 192
 - Revision of Pipeline Safety Regulations applicable to the safety of onshore gas transmission and gathering pipelines
 - Pipelines without traceable, verifiable, and complete records may become more expensive to operate
 - Increased pipeline testing resulting in more pipeline excavations and replacement of pre-1970's pipelines may occur

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