



**Dakota Access, LLC
Crude Oil Pipeline Project
South Dakota Presentation**

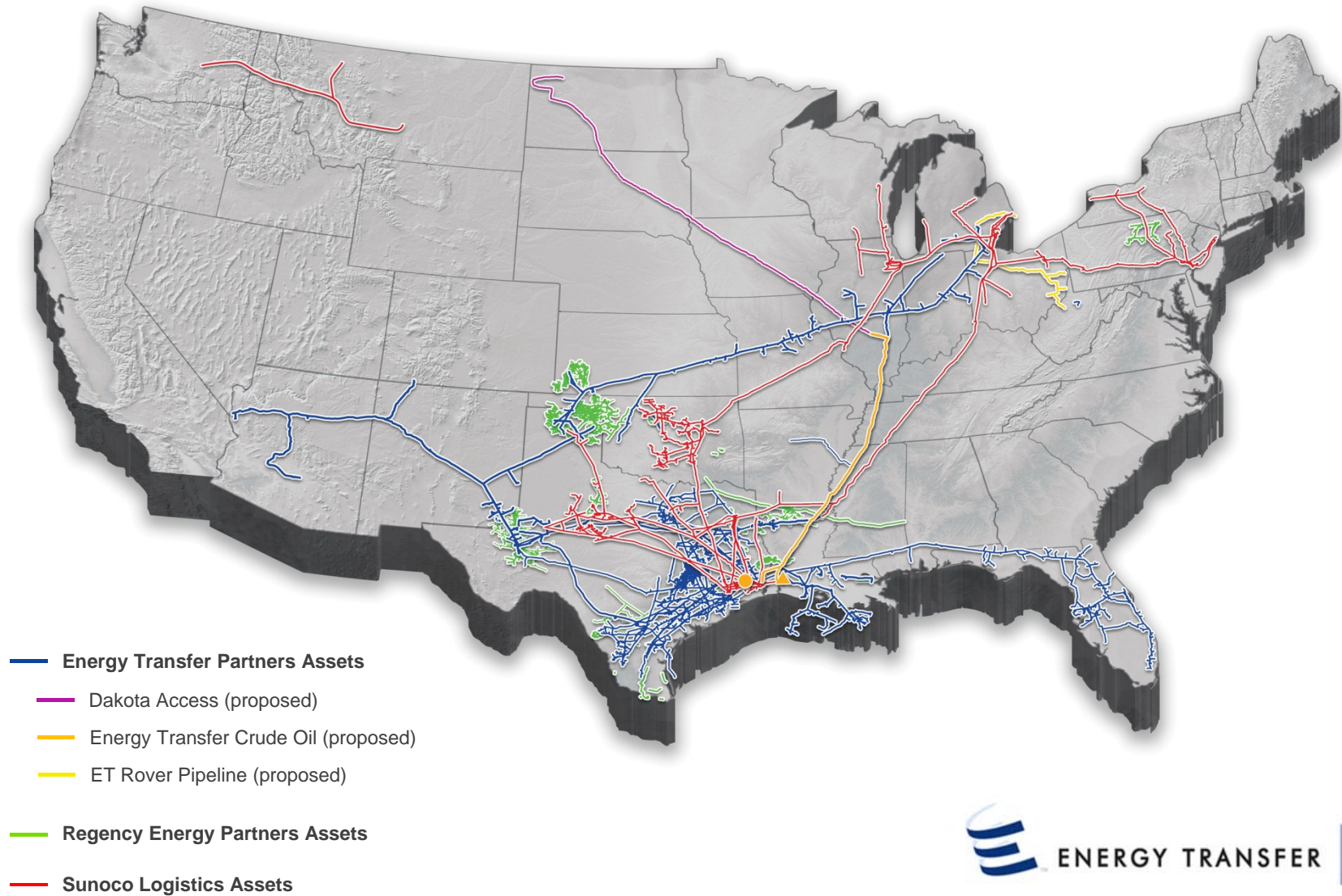


Energy Transfer Partners Overview



- The Energy Transfer family is a diversified organization comprised of:
 - Energy Transfer Equity, L.P. (NYSE:ETE) is a master limited partnership which owns the general partner of ETP and owns the general partner of RGP.
 - Energy Transfer Partners, L.P. (NYSE:ETP) is a master limited partnership owning one of the largest and most diversified portfolios of energy assets in the United States with intrastate transportation and storage, interstate transportation, midstream operations and fractionation and liquids transportation operations.
 - Regency Energy Partners, L.P. (NYSE:RGP) is a master limited partnership with gathering and processing, transportation, contract compression, contract treating, fractionation and liquids transportation operations
 - Sunoco Logistics Partners, L.P. (NYSE:SXL) is a master limited partnership that owns and operates a diverse mix of crude oil and refined products pipelines, terminals and storage facilities, as well as crude oil acquisition and marketing assets.
- Fully consolidated, ETE owns:
 - Approximately 71,000 miles of natural gas and Natural Gas Liquids (NGL), refined products, and crude oil pipelines today.
 - Fifty-one (51) natural gas processing, conditioning, and treating facilities
 - One hundred forty-two (142) Billion cubic feet (Bcf) of natural gas storage capacity
 - Forty-seven (47) million barrels of crude oil terminal capacity
 - Two (2) NGL fractionators (one (1) more under construction)
 - One of North America's largest liquefied natural gas import terminals

Energy Transfer Partners - Asset Overview



Project Overview and Scope



• Project Objective

- Move crude oil from the Bakken and Three Forks production zones in northwestern North Dakota to the Patoka Hub near Patoka, Illinois
- Interconnect with third-parties for re-delivery of crude oil to processing facilities and refineries located in the Midwest and Gulf Coast for production of motor fuels and other crude oil derivatives that support the U.S. economy

• Project Purpose and Need

- Dakota Access, LLC has secured long-term binding contractual commitments to
 - Transport approximately 450,000 barrels per day of crude oil starting Q4 2016
 - Potential to transport approximately 570,000 or more barrels per day depending upon additional potential shipper commitments

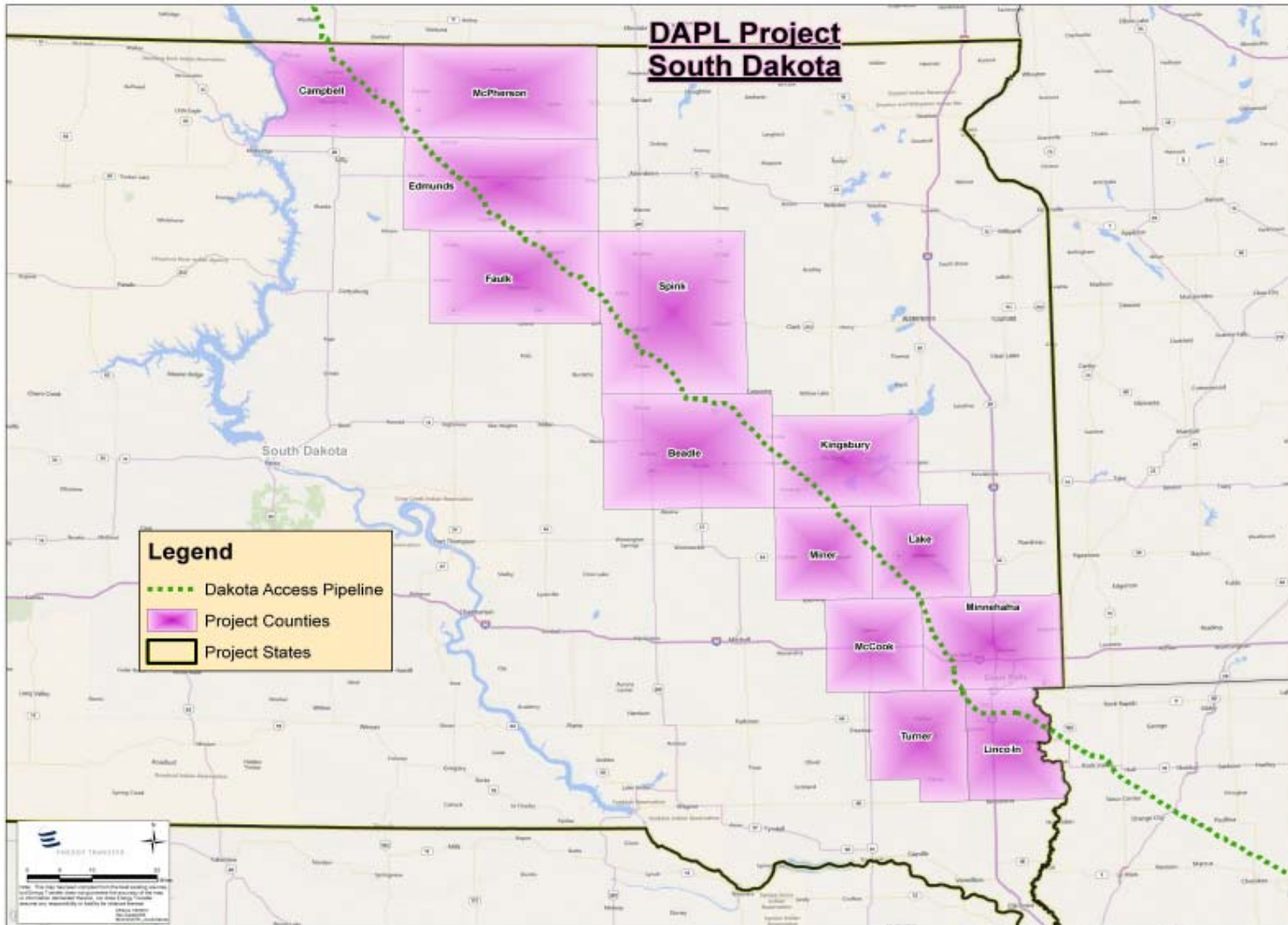
• Project Scope

- Overall, construct approximately 1,134 miles of 12-inch to 30-inch diameter pipeline through the states of North Dakota, South Dakota, Iowa and Illinois ultimately terminating near Patoka, Illinois. Scope also includes building up to 6 tank farms in North Dakota as gathering or pool points for receipt and delivery into the proposed pipeline
- In South Dakota, approximately 274 miles of 30-inch diameter pipeline is proposed across 13 counties and one pump station is proposed in Spink County, South Dakota

Project Map



DAPL - South Dakota Project Map



Pipeline Mileage in South Dakota



	Approximate Length
• Campbell County	29 miles
• McPherson County	7 miles
• Edmunds County	36 miles
• Faulk County	28 miles
• Spink County	36 miles
• Beadle County	29 miles
• Kingsbury County	22 miles
• Miner County	14 miles
• Lake County	19 miles
• McCook County	2 miles
• Minnehaha County	26 miles
• Turner County	2 miles
• Lincoln County	24 miles
» Total	274 miles

Project Benefits



- \$3.78 Billion investment into the overall US economy
 - \$820 million investment in South Dakota
- Gulf Coast and Midwest refineries will have additional access to North American crude oil production which will reduce our reliance on unreliable foreign oil imports
- Reduces truck and rail utilization for crude oil transportation which increases overall safety to the public and the environment
- Free-up rail capacity for commodity crop transportation currently curtailed by crude cargos

Project Benefits



- Job creation via construction jobs and increase in service related jobs to support construction workforce
 - 10 to 12 thousand temporary jobs
 - Approximately 50% of those jobs will be offered to the labor force from the various regional Union Halls
 - Approximately 4,000 temporary construction jobs in South Dakota
- Long-term job creation to operate pipeline and facilities
 - 40 to 50 jobs along the entire pipeline route
 - Up to 12 permanent jobs in South Dakota

Project Benefits



- Provides long and short term economic benefits to areas affected by the project via consumption of goods and services with an approximate benefit to state / local sales tax during construction:
 - State use, gross receipts and lodging – \$35.6 million
 - Local use, gross receipts and lodging – \$2.9 million
- Long-term tax benefit to communities and state via ad valorem or property taxes
 - Estimated approximate value - \$13 million per year (actual value may differ depending upon tax year and prevailing tax laws over time)
- Provides additional income to residents via right-of-way compensation for permanent easements and damages
 - Approximate value to landowners - \$47 million

Projected South Dakota Permit Timeline



- **INITIAL MEETING w/ SDPUC STAFF** **JULY 2014**
- **PROJECT OPEN HOUSES** **OCTOBER 2014**
- **APPLICATION FILED** **DECEMBER 2014**
- **PERMIT ISSUED** **3rd QUARTER 2015**
- **FACILITIES IN-SERVICE** **4th QUARTER 2016**

Pipeline Route Siting



The pipeline route was selected considering the following:

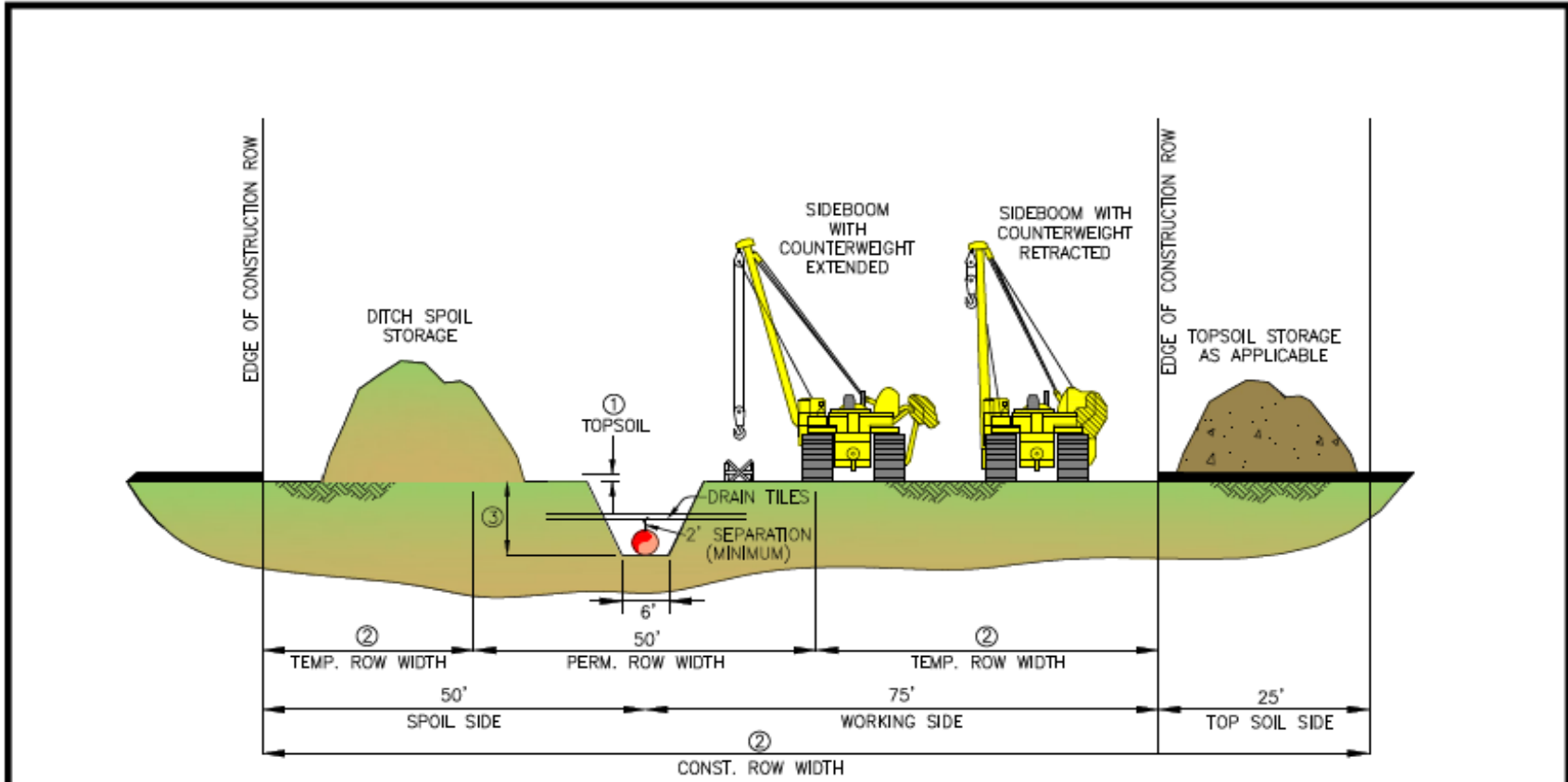
- Length of pipeline
- Following existing pipeline / utility ROW corridors to the extent possible to minimize potential impacts
- Avoiding environmentally sensitive areas
- Major water crossings
- Topography constraints
- Population Density
- Industrial Development Areas

Right – Of – Way



- Dakota Access will seek to acquire a 50-foot permanent easement
- Additional temporary easement/workspace of 25-100 feet needed for construction depending upon site-specific conditions (e.g. wetlands, agricultural fields)
- Dakota Access personnel are contacting landowners in person (when possible) and are presenting written offers for the permanent easement, temporary easement/workspace and anticipated damages (including damages to crops)
 - Crop damages will be paid based upon the following schedule:
 - Year 1 - 100% of crop loss
 - Year 2 - 80% of crop loss
 - Year 3 - 60% of crop loss
- Dakota Access will utilize findings from its Market Data Study incorporating State Analysis information (by county) to include Comparable Sales of farm, non-farm and forested properties

DAPL - Construction R-O-W Configuration



- NOTES:
- ① DEPTH OF TOP SOIL SEGREGATED BASED UPON SITE-SPECIFIC CONDITIONS; MAX 36" INCHES, MIN-ACTUAL DEPTH OF TOP SOIL.
 - ② ACTUAL WIDTH OF ROW WILL VARY DEPENDING UPON DEPTH OF TOP SOIL TO BE SEGREGATED.
 - ③ DEPTH OF COVER BASED UPON LANDOWNER OR STATE SPECIFIC REQUIREMENTS.

REV.	DATE	BY	DESCRIPTION	CHK.
C	9/15/14	RAL	ISSUED FOR APPROVAL	
B	9/12/14	RAL	ISSUED FOR REVIEW	
A	9/9/14	DAH	ISSUED FOR REVIEW	

TYPICAL RIGHT-OF-WAY CONFIGURATION

AGRICULTURAL- FULL TOP SOIL SEGREGATION W/DRAIN TILES

PROJECT NO. 10395700

DRAWN BY: DAH	DATE: 08/18/14	DWG. NO.	REV.
CHECKED BY: DAH	DATE: 08/18/14	P12-54	C
SCALE: N.T.S.	APP.:		

DAPL - Agricultural Plan Overview



Agricultural Impact Mitigation plan submitted to the State of South Dakota, addresses specific issues to pipeline construction in agricultural areas:

- Clearing Brush and Trees along the Easement
- Topsoil Separation and Replacement
- Prevention of Erosion
- Pumping Water from Open Trenches
- Temporary and Permanent Repair of Drain Tiles
- Removal of Rocks and Debris from the Right-of-Way
- Restoration after Soil Compaction and Rutting
- Restoration of Terraces, Waterways and other Erosion Control Structures
- Re-vegetation of Untilled Land
- Soil Conservation Structure Installation
- Restoration of Land Slope and Contour
- Siting and Restoration of Areas Used for Field Entrances and Temporary Roads

DAPL - Pipeline Operations and Safety



Control Center Overview

- 24/7 Pipeline Controller Monitoring
 - Trained pipeline control operators continuously monitor pressure, flow, temperature, and other operating data to provide real time oversight of pipeline operations
- Supervisory Control and Data Acquisition (SCADA)
 - Provides pressure, flow, temperature, and other operating data in real time to allow continuous oversight of pipeline operations
 - Provides warnings and alarms when operating data nears minimum and maximum operating set points
 - Allows for the remote operation of key equipment including pump stations and isolation valves
- Leak Detection – Computational Pipeline Monitoring (CPM)
 - CPM uses SCADA data to perform real time hydraulic modeling for leak detection warning

DAPL - Pipeline Operations and Safety



Field Operations Overview

- Aerial Patrol
 - The pipeline route is flown typically every 10 days, weather permitting, to look for evidence of leaks or work activity near the pipeline
 - Trained operators will investigate all reports called in by the patrol pilot
- One Call
 - DAPL is a strong supporter of the One Call Network
 - Trained operators will respond to all One Call notifications to mark the pipeline and monitor any adjacent construction activity to ensure pipeline safety
- Public Education
 - On an annual basis in each county our pipeline crosses, DAPL will provide an educational meeting for first responders, other public utilities and construction contractors explaining pipeline safety and how to contact us if there is any work activity near our pipeline



Emergency Response Overview

- Emergency Response Plan
 - DAPL will have an Emergency Response Plan in place that must be submitted to both the Federal DOT and the State before the pipeline begins operations
 - The Plan will identify trained company personnel, contractors, equipment, and supplies to be used in a leak response
 - The Plan will identify all notifications to be made at the local, State, and Federal levels
 - Emergency response drills, ranging from table top simulations to full equipment deployment, will be conducted on a regular basis as determined by the Emergency Response Plan



Thank You



The Dakota Access Pipeline Project is a new approximate 1134-mile, 30-inch diameter pipeline that will connect the rapidly expanding Bakken and Three Forks production areas in northwestern North Dakota to terminal facilities near Patoka, Illinois. The \$3.78 billion investment will provide the needed infrastructure to enable domestically produced light sweet crude oil to reach major refining markets in the United States.

The pipeline will transport approximately 450,000 barrels per day with a capacity as high as 570,000 barrels per day or more—approximately half of the Bakken’s current daily crude oil production. As proposed, it will alleviate 4 to 7 unit trains per day, helping ease railcar transportation shortages for agriculture and other products, especially in the upper Midwest.

- Domestic produced crude to support domestic consumption.
- Will allow increasing Bakken production to reach the Patoka Hub and continue on to refineries in the Gulf Coast area.
- Gulf Coast refineries will have additional access to North American crude oil production which will reduce our reliance on foreign oil imports.
- Reduces truck and rail utilization which increases overall safety to the public and the environment.
- Provides long and short term economic benefits to areas affected by the project via consumption of goods and services.
- Provides additional income to residents via right-of-way compensation.
- Short-term job creation via construction jobs and increase in service jobs to support construction workforce.
- Long-term job creation to operate pipeline and facilities.
- Long-term tax benefit to communities and state via ad valorem taxes.

South Dakota:

Total Estimated Project Costs:

Overall	\$3.78 Billion
South Dakota	\$820 Million

Number of Jobs During Construction:

Overall	8,000 – 12,000
South Dakota	2,000 – 4,000

Number of Permanent Jobs:

Overall	30 to 40
South Dakota	12 to 15

Estimated Ad Valorem Taxes 2017:

South Dakota	\$13.5 Million
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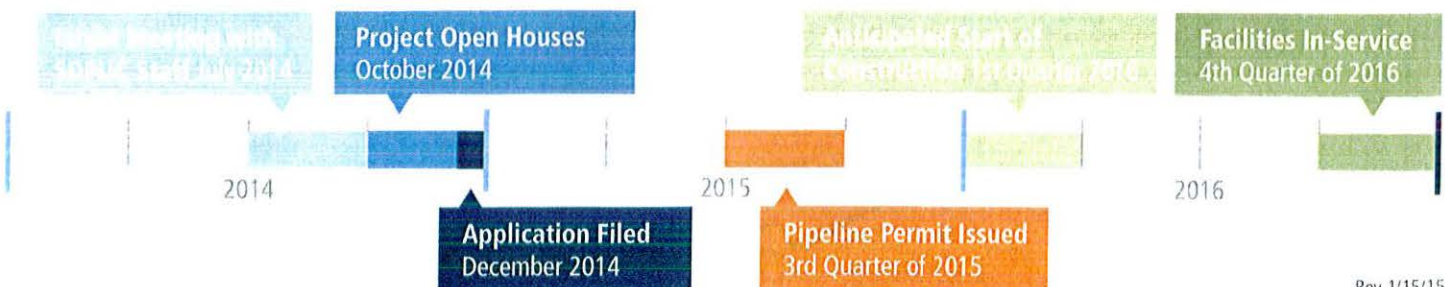
Approximate State/Local Sales Taxes During Construction:

State use, gross receipts and lodging	\$35.6 Million
Local use, gross receipts and lodging	\$2.9 Million

Right-of-Way Compensation for South Dakota Permanent Easements:

Approximate value to landowners	\$47 million
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Proposed Project Timeline





Typical Pipeline Construction Sequence

1) Surveying and Staking Many months ahead of construction, field surveys are conducted along the proposed pipeline route, or right-of-way, to better understand environmental, development and local issues. A final route is then selected. The specific location of the selected route is then marked with stakes.

2) Front-End Clearing Once weather conditions permit, crews begin to prepare for construction by grading the right-of-way and temporary work space to remove trees and prepare the working space.

3) Right-of-Way Grading In cultivated areas, the topsoil along the right-of-way is stripped by bulldozer and stored in piles for careful replacement later.

4) Stringing Pipe Crews then re-stake the center of the trench, lay out or "string" sections of the pipe along the right-of-way.

5) Bending Pipe Crews bend and weld the pipe into one long piece.

6) Line-up, Initial Weld The pipeline will follow the contours of the land.

7a) Trenching These pipes are already coated to prevent corrosion. The integrity of the weld is inspected, and the weld joint is coated.

7b) Trenching Once this process is complete, backhoes or wheel v are used to dig a trench.

8) Final Coating and Inspection In agricultural areas, careful attention is paid to properly separating and storing the topsoil and subsoil so they do not mix. The pipe coating is inspected one more time.

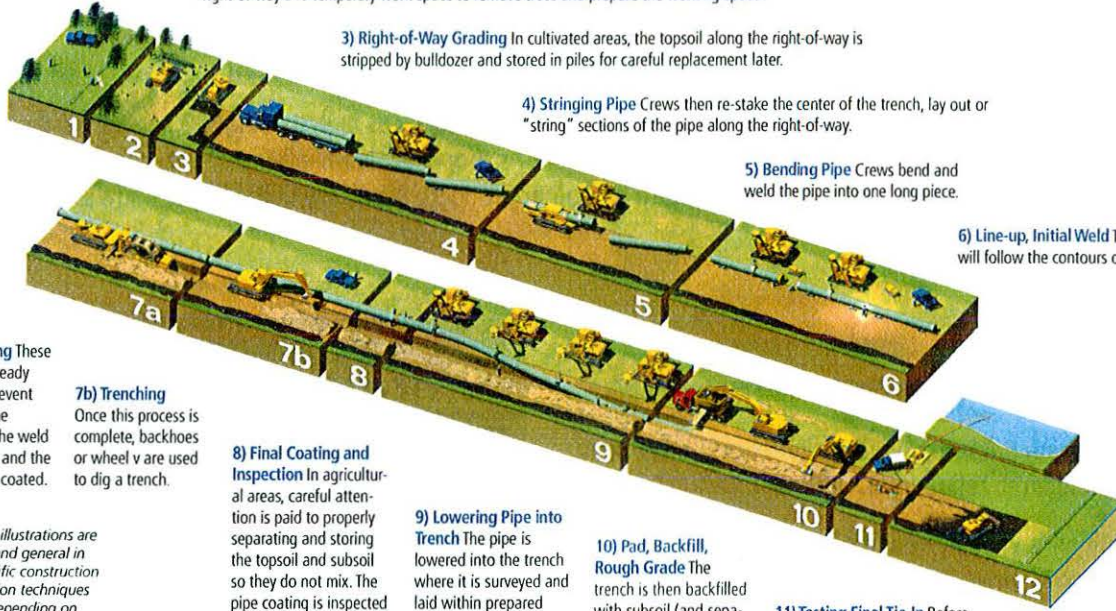
9) Lowering Pipe into Trench The pipe is lowered into the trench where it is surveyed and laid within prepared trench bottom.

10) Pad, Backfill, Rough Grade The trench is then backfilled with subsoil (and separated topsoil set aside in many areas).

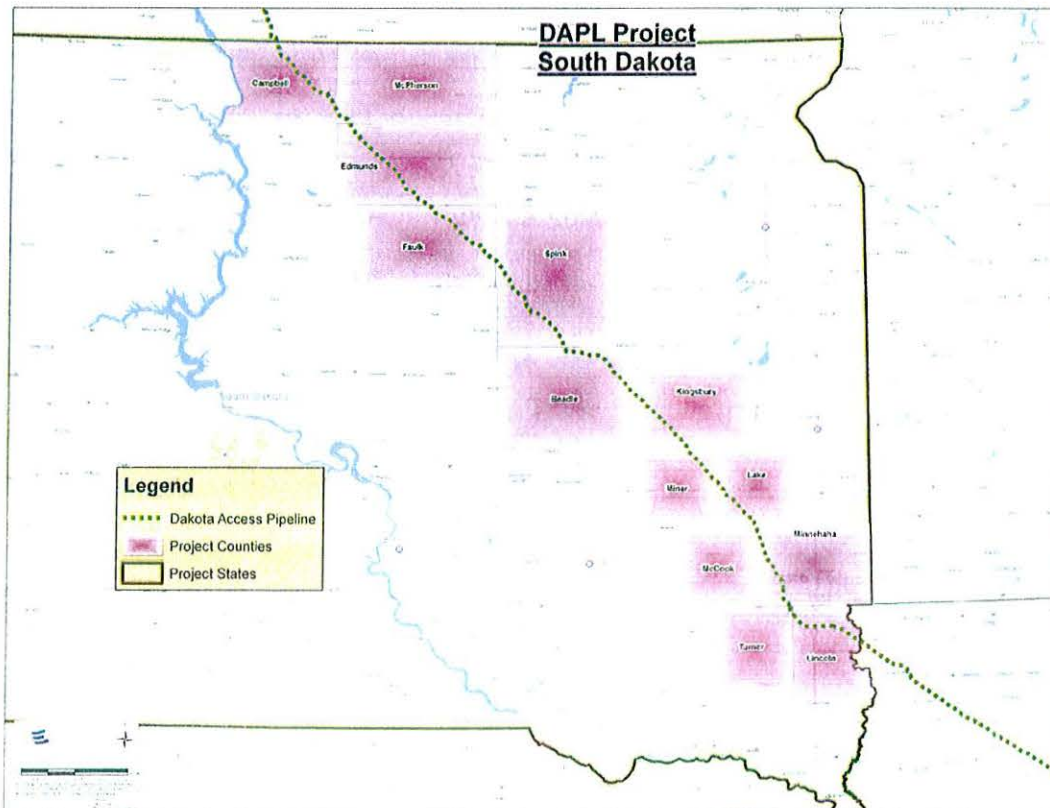
11) Testing Final Tie-In Before operation, water is used to test the pressure of the line and ensure the structural integrity of the pipe and welds.

12) Final Clean-up, Full Restoration Final grading is performed and topsoil spread over work area using a bulldozer.

Note: These illustrations are conceptual and general in nature, specific construction and restoration techniques could vary depending on circumstances.



Dakota Access Pipeline Project South Dakota Map



Mileage by County

Campbell County	29 miles
McPherson County	7 miles
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