

# 2012 Barclays CEO Energy-Power Conference

September 4, 2012

# Forward-Looking Statements



2012

## Under the Private Securities Litigation Act of 1995

This document may contain or incorporate by reference forward-looking statements as defined under the federal securities laws regarding DCP Midstream Partners, LP (the "Partnership"), including projections, estimates, forecasts, plans and objectives. Although management believes that expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. In addition, these statements are subject to certain risks, uncertainties and other assumptions that are difficult to predict and may be beyond our control. If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, the Partnership's actual results may vary materially from what management anticipated, estimated, projected or expected.

The key risk factors that may have a direct bearing on the Partnership's results of operations and financial condition are described in detail in the Partnership's periodic reports most recently filed with the Securities and Exchange Commission, including its most recent Form 10-K and most recent Form 10-Q. Investors are encouraged to consider closely the disclosures and risk factors contained in the Partnership's annual and quarterly reports filed from time to time with the Securities and Exchange Commission. The Partnership undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Information contained in this document is unaudited, and is subject to change.

## Regulation G

This document may include certain non-GAAP financial measures as defined under SEC Regulation G, such as distributable cash flow, adjusted EBITDA and adjusted segment EBITDA. In such an event, a reconciliation of those measures to the most directly comparable GAAP measures is included in supplementary material to this presentation on our website at [www.dcppartners.com](http://www.dcppartners.com).

# DPM - Key Investment Highlights



2012

- ❑ DCP Midstream, Spectra Energy and Phillips 66 – Sponsors committed to the success of the Partnership
- ❑ Diversified business model with significant fee-based business and multi-year hedging program
- ❑ Executing on multi-faceted growth strategy, with visible pipeline of ~\$3 billion of growth opportunities for the Partnership
  - Emphasis on co-investment with our general partner
- ❑ Evolution to becoming a large scale, diversified midstream MLP
- ❑ Targeting long-term top quartile total shareholder return
  - 6-8% distribution growth target in 2012 and 6-10% in 2013 and 2014
- ❑ Investment grade credit with demonstrated access to capital markets

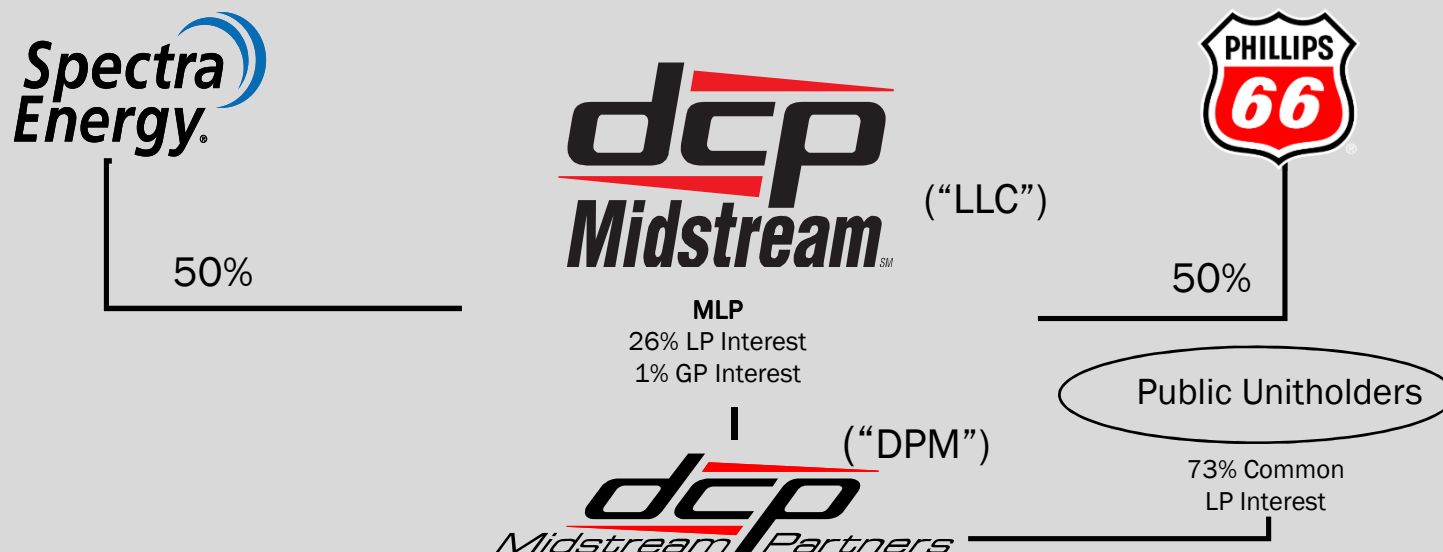
Committed to being a leader in the midstream business

# DCP “Enterprise” Overview



2012

Two companies ... One strategy ... One enterprise



**DCP Midstream, LLC**  
(BBB / Baa2 / BBB)

One of the largest gas gatherers and processors in the US

Total assets of ~\$10B

49 Plants  
8 Fractionators  
~57,000 Miles of Pipe

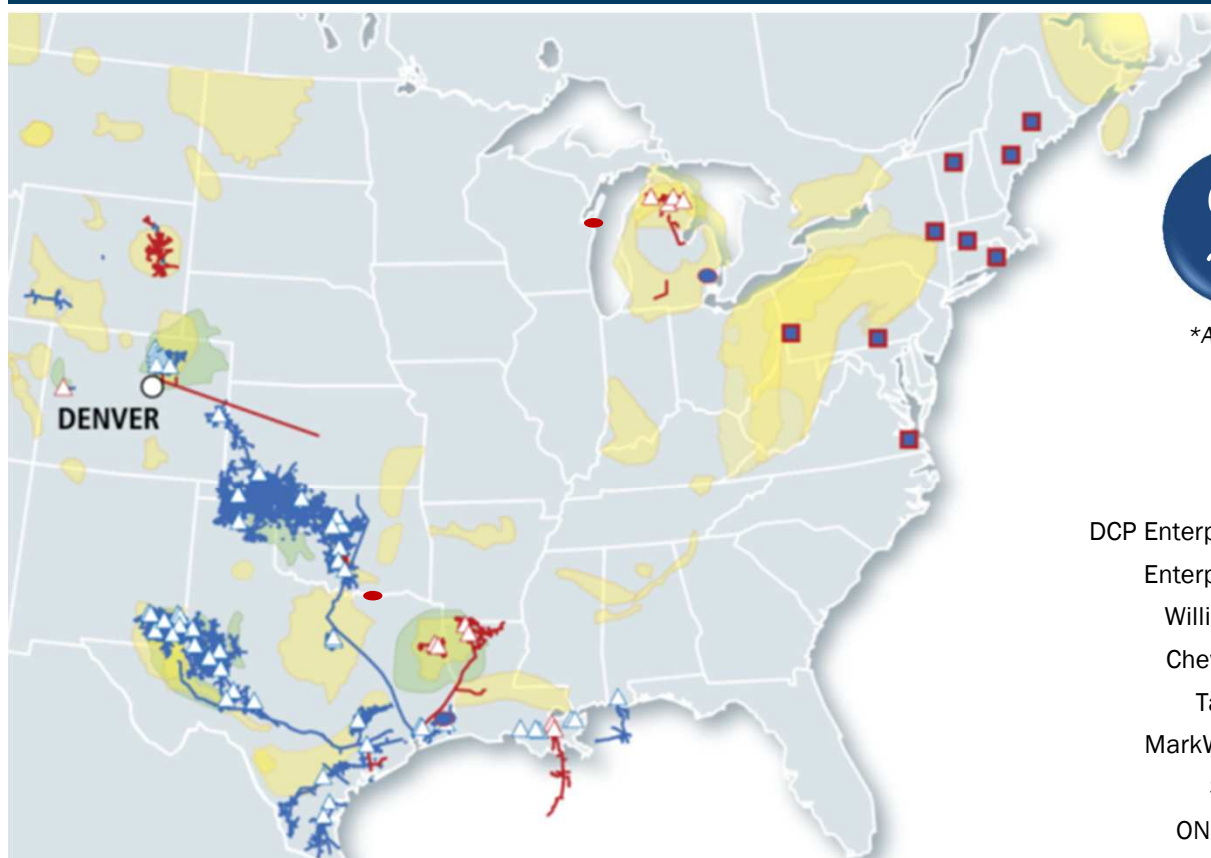
**DCP Midstream Partners, LP**  
(BBB- / Baa3 / BBB-)

Through co-investment, provides source of funding for the DCP Enterprise

DPM Enterprise Value of ~\$3B

12 Plants  
4 Fractionators  
~6,000 Miles of Pipe

# DCP - Scale & Scope

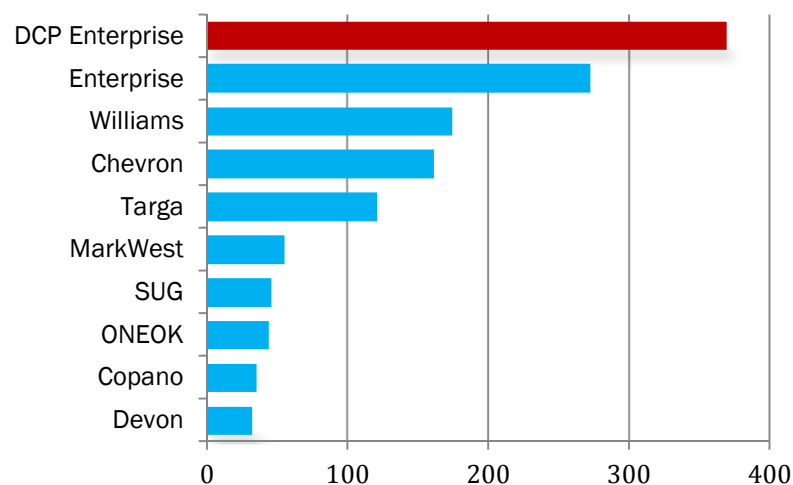


**LLC / DPM Asset**  
△ Gas processing plant  
■ Propane terminal  
● NGL storage  
Shale gas formations

**61 Plants, 12 Fractionators  
~63,000 miles of Pipeline\***

*\*As of 6/30/2012, includes DPM assets on map shown in red*

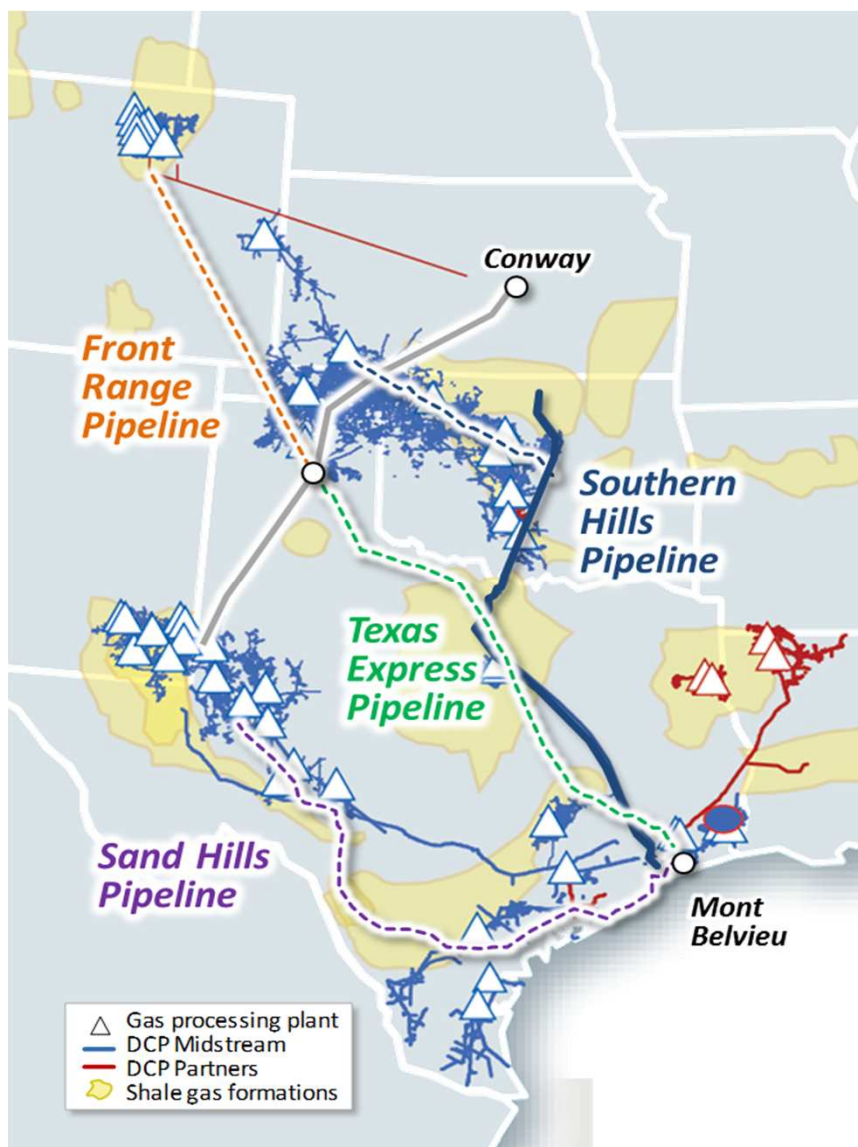
**Daily NGL Production (MBPD)**



*Source: Hart Energy, Top 10 NGL Producers of 2010*

**Industry leading footprint in the liquids-rich gathering and processing regions  
coupled with an expanding NGL pipeline position**

# DCP Enterprise: \$4+ B in Execution



Attractive fee-based earnings growth from quadrupling NGL pipeline capacity

Project	Ownership	Scope	Completion
<b>Sand Hills Pipeline</b>	100% DCP Midstream LLC ("LLC")	720 mile 20" NGL pipeline, initial capacity = 200 MBPD; expandable to 350 MBPD	Eagle Ford 2H12; Permian 2H13
<b>Southern Hills Pipeline</b>	100% LLC	800 mile 8" - 20" NGL pipeline, capacity = 150 MBPD	2H13
<b>Front Range Pipeline</b>	33% LLC ownership interest	435 mile 16" NGL pipeline, initial capacity = 150 MBPD; expandable to 230 MBPD	4Q13
<b>Texas Express Pipeline</b>	10% DPM ownership interest	580 mile 20" NGL pipeline, initial capacity = 280 MBPD; expandable to 400 MBPD	2Q13
<b>Gathering &amp; Processing Facilities</b>	100% LLC	700+ MMcf/d of incremental processing capacity or restarts/de-bottlenecking and 1,500+ miles of new gathering infrastructure; National Helium deep cut extraction upgrade	2011 - 2015

# DPM - Operational Update

## Natural Gas Services

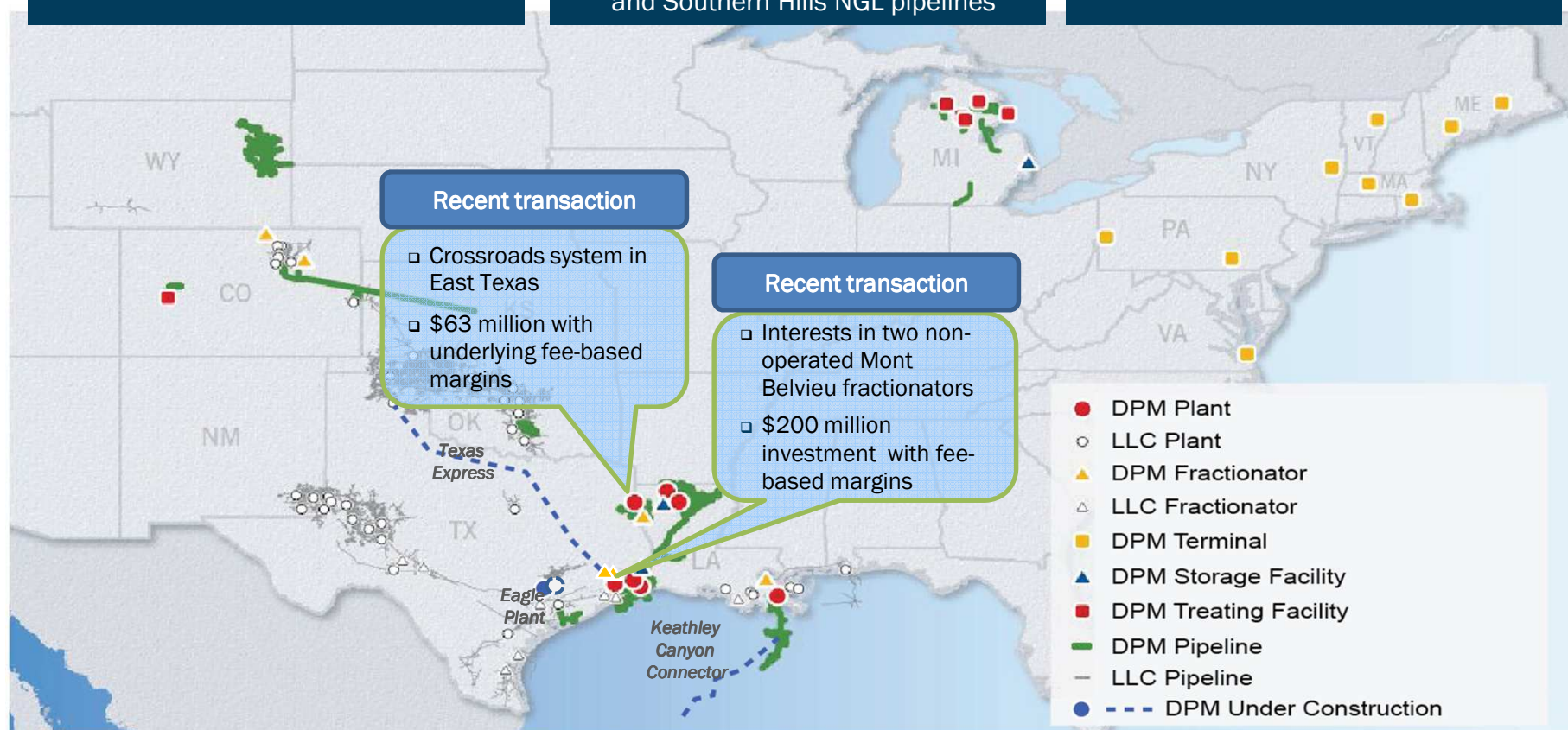
- Capital projects progressing on plan
  - Eagle Ford 200 MMcf/d natural gas processing plant
  - Discovery's Keathley Canyon Connector natural gas gathering system expansion

## NGL Logistics

- Texas Express NGL pipeline under construction with Q2 2013 expected completion date
- Targeting drop down of Sand Hills and Southern Hills NGL pipelines

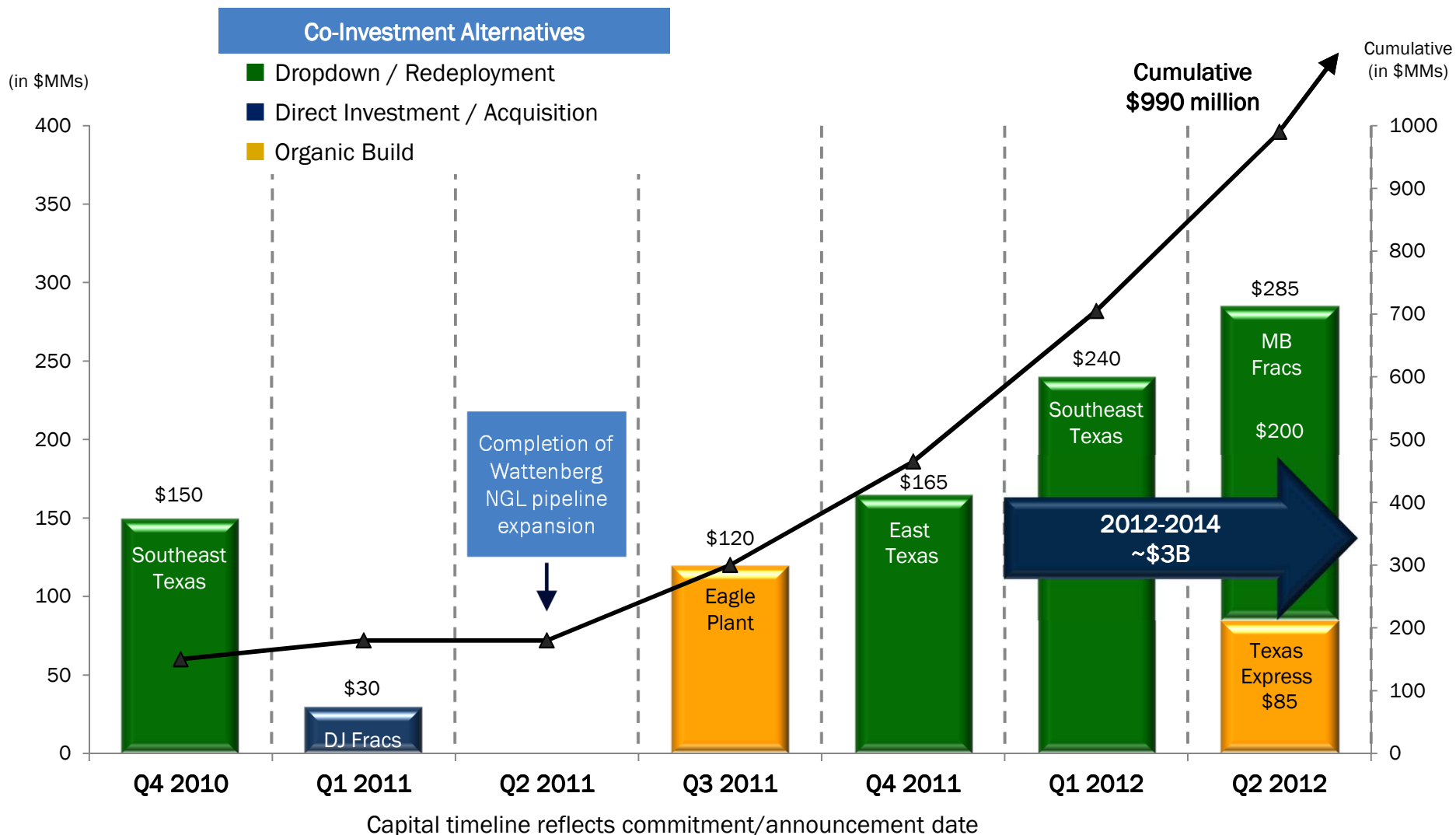
## Wholesale Propane Logistics

- Multiple supply sources
- Logistic capabilities providing strong competitive positioning



Diversified business mix and geographic footprint provide stability

# DPM - Co-Investment Update



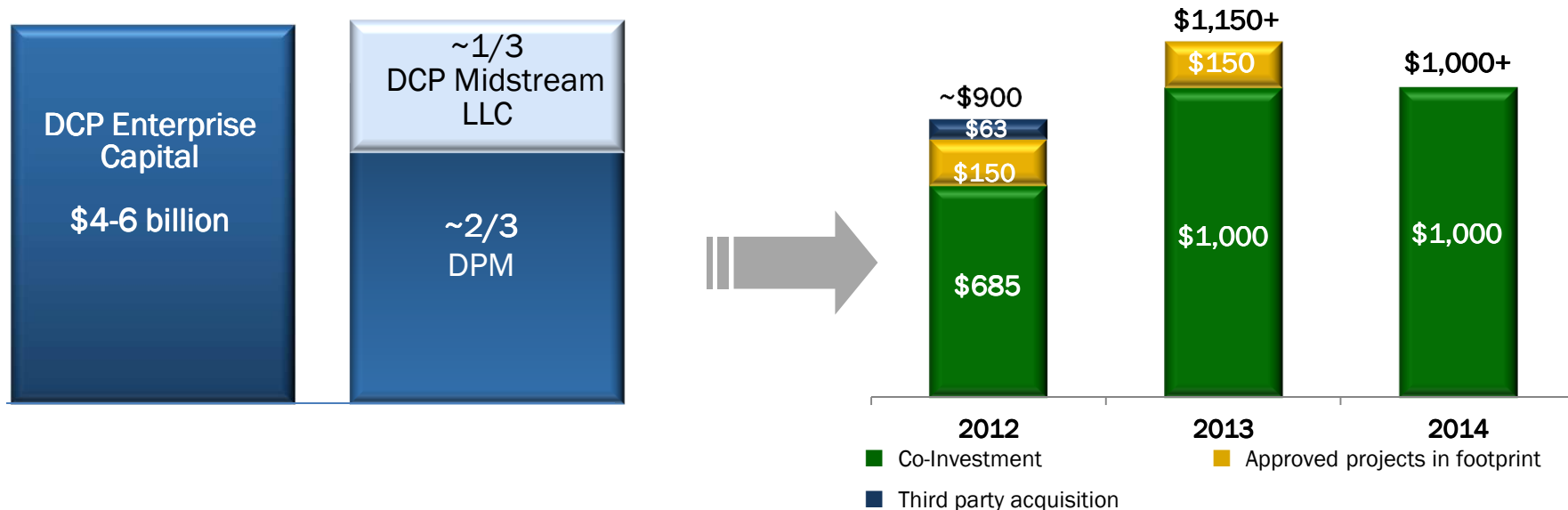
**Pace and scale of co-investment opportunities has accelerated**

# DPM Capital & Distribution Growth Outlook



2012

Total DPM Capital (\$MM)



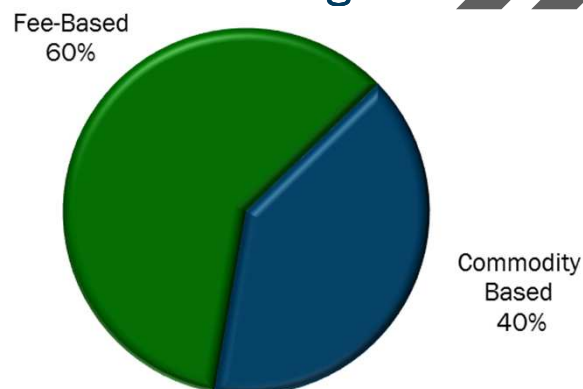
- Targeting Southern Hills and Sand Hills NGL Pipelines
- Visible pipeline of growth opportunities provides outlook for increased future distribution growth
  - 6-8% annual growth target in 2012 and 6-10% annual growth target in 2013 and 2014

Evolution of DPM to becoming a large scale, diversified midstream MLP

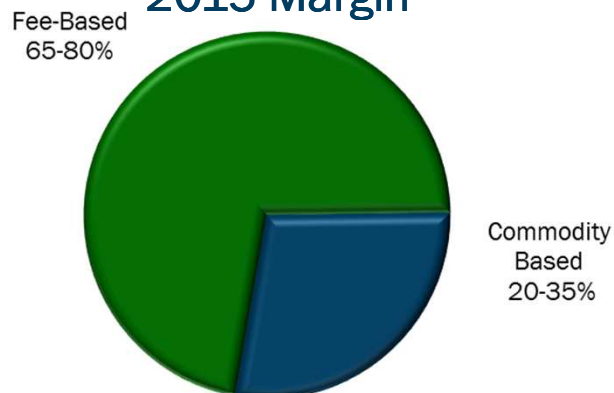
# DPM Fee-Based Margins & Asset Diversity

## DPM Margin Outlook

### 2011 Margin



### 2015 Margin



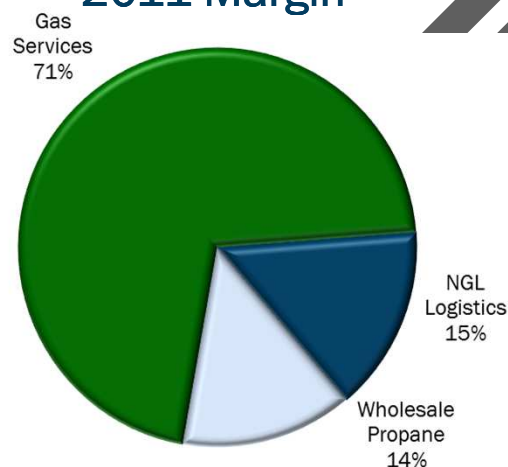
### Today

- 60% fee-based
- 15% NGL Logistics
- Hedging program for commodity based margin

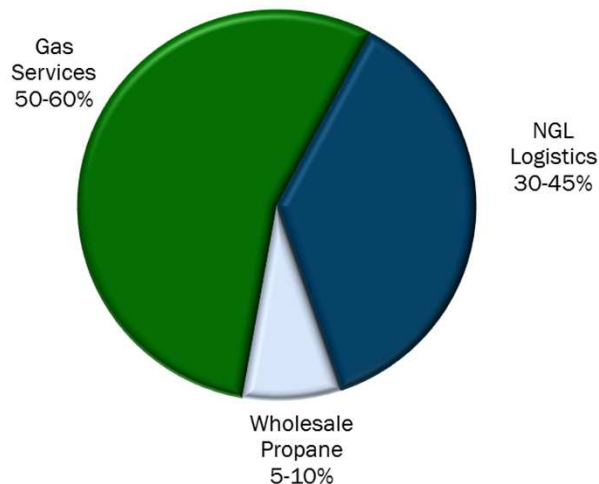
Shifting to more **fee-based** margins and asset **diversity**

## DPM Segment Outlook

### 2011 Margin



### 2015 Margin

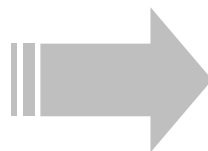


### Future

- 65% to 80% fee-based
- 30% to 45% NGL Logistics asset composite
- Hedging program for commodity based margin

## Financial positioning is key to growth strategy

- ❑ Solid capital structure and investment grade credit ratings
- ❑ Substantial “dry powder” on credit facility
- ❑ Demonstrated access to debt and equity capital markets
- ❑ Competitive cost of capital



Liquidity and Credit Metrics*	
Effective Interest Rate	3.7%
Credit Facility Leverage Ratio ( <i>max 5.0x/5.5x</i> )	3.4x
Public Term Debt % of Total Debt	63%
Unutilized Revolver Capacity (\$MM)	\$649

\* As of June 30, 2012

Well positioned to serve as a significant source of funding for growth capital at DPM and DCP Midstream, LLC

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Committed to being a leader in the midstream business



## Appendix

# DPM - Mont Belvieu Fractionators

- Interests in two non-operated fractionators strategically located in Mont Belvieu
  - Immediately accretive transaction and diversification of business portfolio

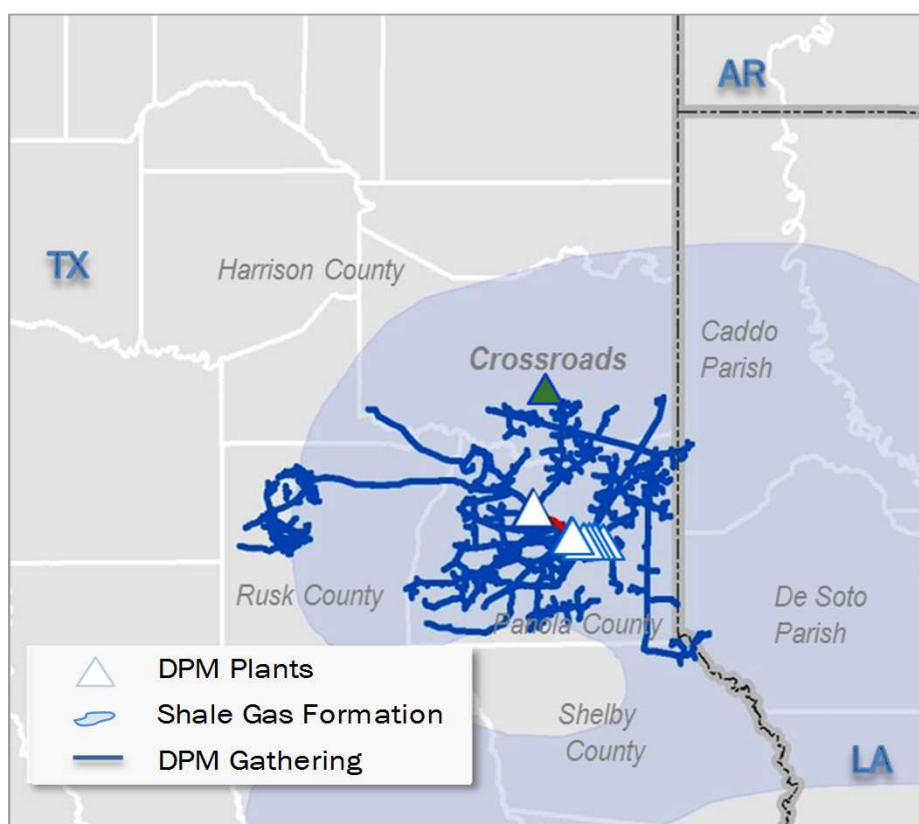


- Total investment \$200 million
- Fee-based margins
- 20% interest in MB1 fractionator
  - Partners with ONEOK (Operator)
- 12.5% interest in Enterprise fractionator
  - Partners with EPD (Operator) and Phillips 66

Co-investment opportunity with attractive fee-based margins

# DPM - Crossroads System Acquisition

- ❑ Gathering and Processing system providing critical midstream services to growing horizontal Haynesville liquids rich drilling
  - Synergistic with East Texas assets

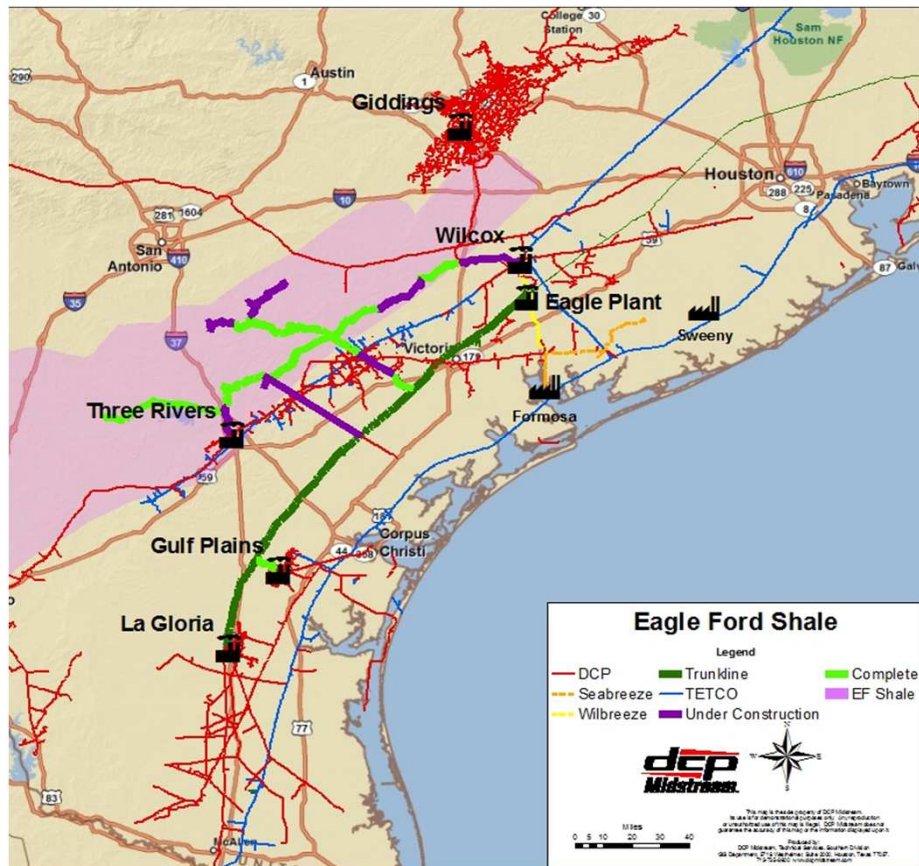


- ❑ Total capital \$63 million
- ❑ Located in the southeast portion of Harrison County, Texas
- ❑ Underpinned by fee-based margins
- ❑ Consists of a modern 80 MMcf/d cryogenic processing plant, natural gas gathering pipelines, and NGL pipeline

**Bolt-on opportunity with substantial fee-based margins**

# DPM - Eagle Ford Overview

Partnership investing \$120 million to construct a 200 MMcf per day cryogenic natural gas processing plant in the Eagle Ford shale



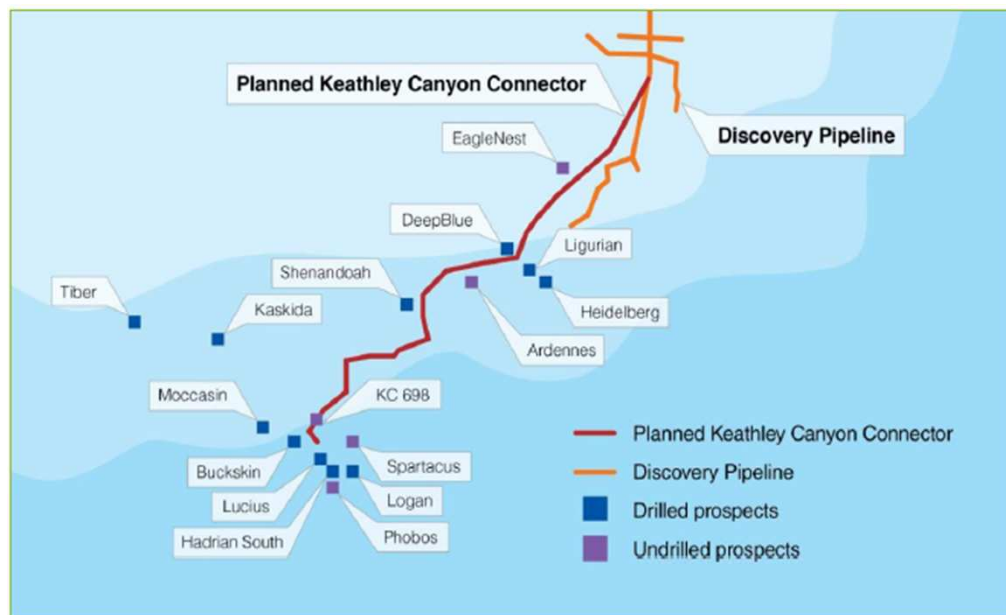
- ❑ Eagle Plant enhances DCP's existing South Texas super system
  - 5 processing plants with 800 MMcf/d capacity
  - Excess capacity rapidly being filled through recent execution of producer agreements for new Eagle Ford supply
- ❑ DCP Midstream provides upstream and downstream interconnects
- ❑ Expected to be in service by Q4 2012

Partnering with our sponsor to grow the DCP Enterprise

# DPM - Keathley Canyon Connector

Major expansion of the central Gulf of Mexico (Discovery System)

- ❑ Partnership owns 40% of Discovery system, with Williams Partners (WPZ) operating and owning the remaining interest
- ❑ Supported by long-term fee-based agreements with the Lucius and Hadrian South owners for natural gas gathering and processing services



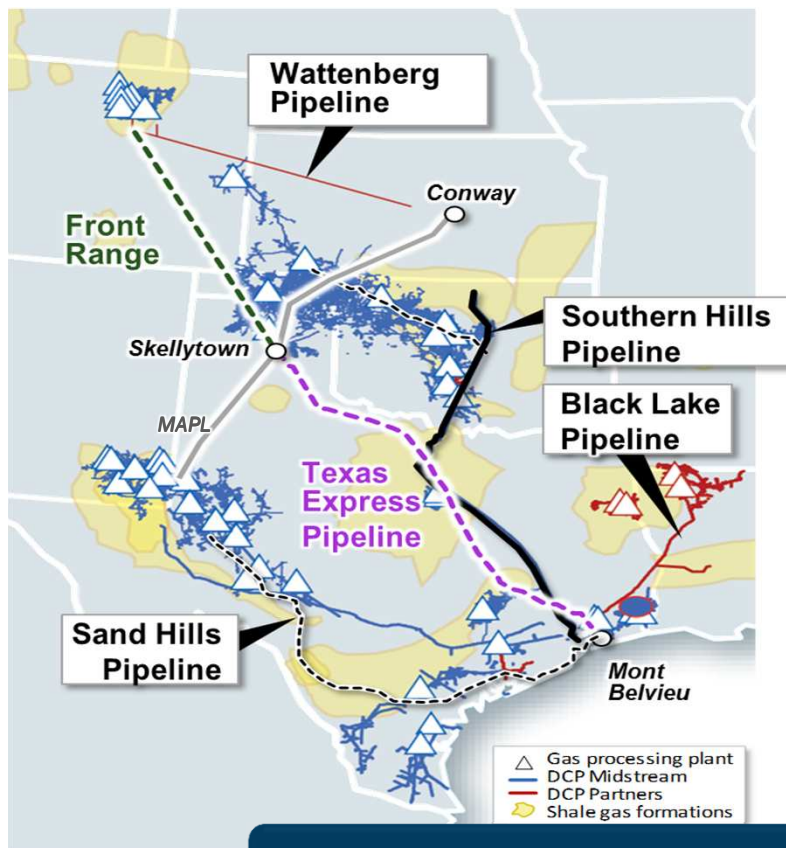
- ❑ Over 200 miles of new large diameter deepwater gas pipeline
- ❑ Gathering capacity of over 400 MMcf/d
- ❑ Total investment to be approximately \$240 million (DPM 40% interest)
- ❑ Expected to be in service by mid-year 2014

Attractive organic growth project in footprint

# DPM - Texas Express NGL Pipeline

NGL pipeline infrastructure project to provide much-needed takeaway capacity from Rockies, Permian Basin and Mid-Continent to Gulf Coast

- ❑ Partnership acquired 10% interest from Enterprise Products Partners as operator
- ❑ Integral to DCP Midstream's assets and strategic positioning, including synergies with its recent investment in Front Range NGL pipeline joint venture project



- ❑ Total investment ~\$85 million (10% interest)
- ❑ 580 miles of 20" pipeline extending from Skellytown, TX to Gulf Coast
- ❑ Underpinned by long-term, fee-based, ship-or-pay transportation agreements
  - 252,000 bpd total commitments (DCP Midstream shipping commitment of 20,000 bpd)
- ❑ Expected to be in service by Q2 2013

Co-investment opportunity with "MLP friendly" characteristics

# DPM – 2012 Forecast



2012

## 2012 Target Distribution Growth of 6-8%

## 2012 DCF Forecast

in \$MMs Crude (\$/Bbl)	NGL to Crude Relationship		
	50%	60%	70%
\$85	\$165 - \$180	\$180 - \$195	\$195 - \$210
\$95			
\$105	\$175 - \$190	\$190 - \$205	\$205 - \$220
\$115			

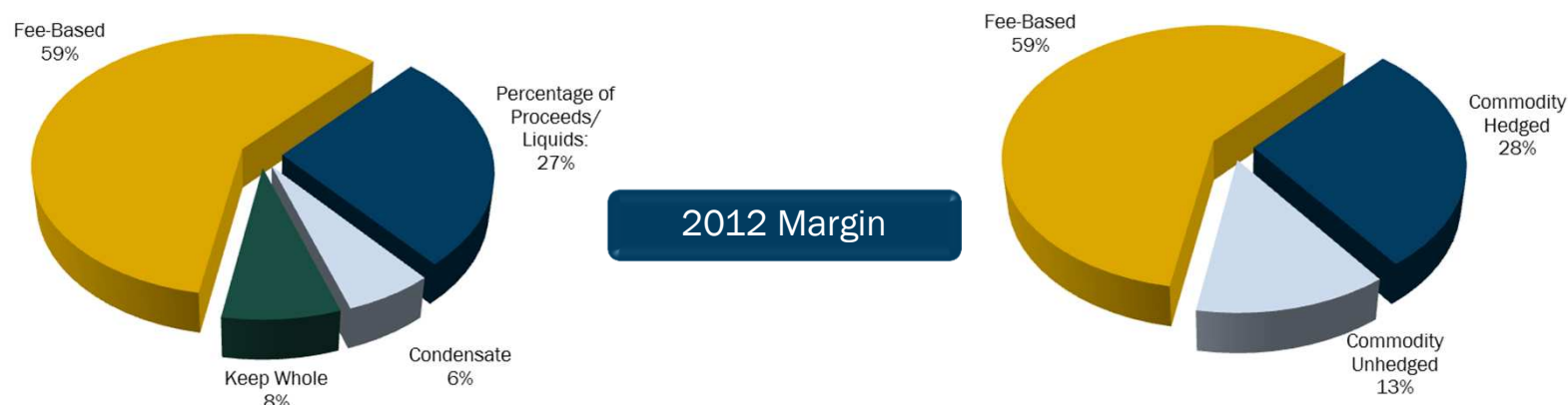
Reflects range of YTD and general market views of commodity prices

## 2012 Outlook

- On track to achieve 2012 DCF forecast
- On track to achieve 6-8% distribution growth in 2012

Growth offsetting weakness in NGL markets

# DPM - Commodity Sensitivities



## Estimated 2012 Commodity Sensitivities <sup>(a)</sup>

Commodity	Amount of Change	Impact to Adjusted EBITDA (\$MM)
Natural Gas	+/- \$1.00/MMBtu change	+/- \$1.7
Crude Oil <sup>(b)</sup>	+/- \$5.00/Bbl change in crude at 60% NGL to crude relationship	+/- \$3.6
NGL to Crude Relationship <sup>(c)</sup>	+/- 5 percentage point change (assuming 60% NGL to crude relationship and \$90/Bbl crude)	+/- \$7.2

(a) Excluding keep whole sensitivities

(b) Assuming 60% NGL to crude oil price relationship. At crude oil prices outside of our collar range of approximately \$80 to \$97, this sensitivity decreases by \$0.8 million

(c) Assuming 60% NGL to crude oil price relationship and \$90.00/Bbl crude oil price. Generally, this sensitivity changes by \$0.8 million for each \$10.00/Bbl change in the price of crude oil. As crude oil prices increase from \$90.00/Bbl, we become slightly more sensitive to the change in the relationship of NGL prices to crude oil prices. As crude oil prices decrease from \$90.00/Bbl, we become less sensitive to the change in the relationship of NGL prices to crude oil prices.

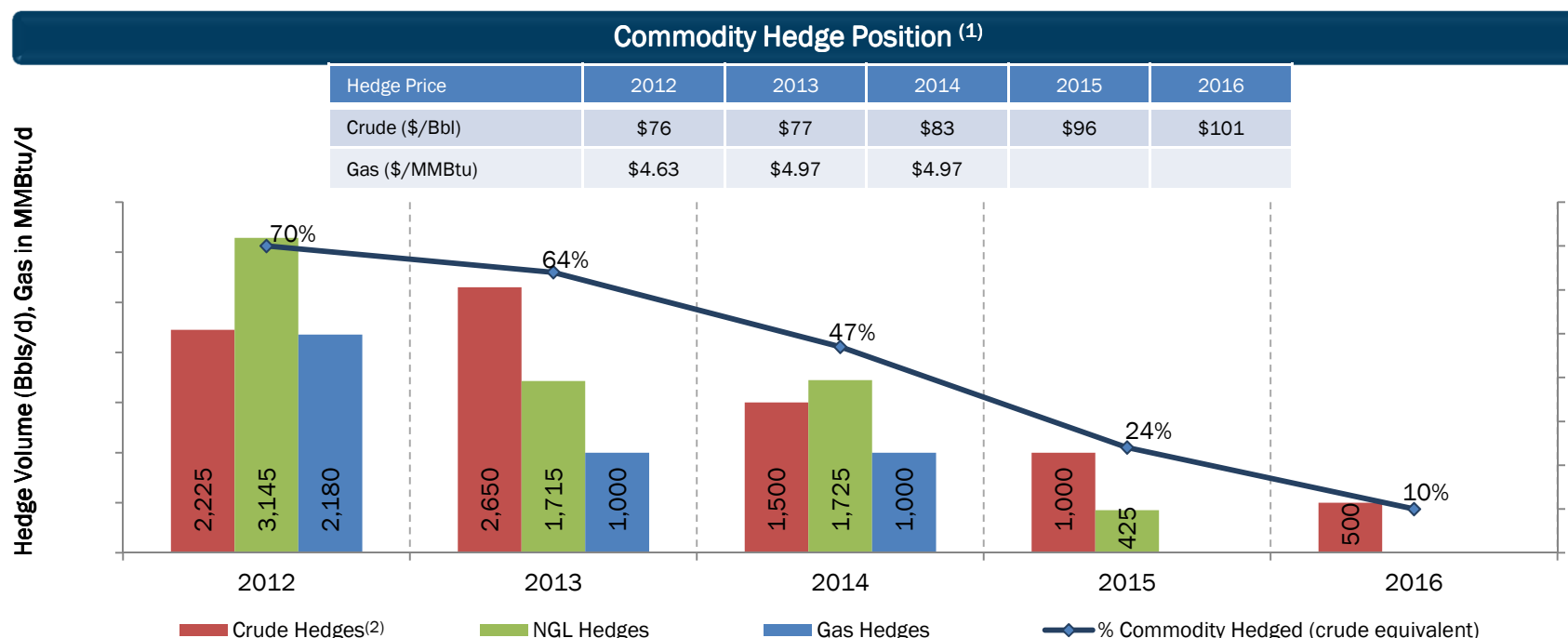
**Over 85% of 2012 margins are fee-based or supported by commodity hedges**

# DPM - Long-Term Cash Flow Stability



2012

- Approximately 60% of 2012 forecasted margin is fee-based
- For commodity-based margins, approximately 70% hedged on crude oil equivalent basis in 2012
  - Approximately 60% of NGLs hedged using direct products in 2012



(1) As of 6/30/2012

(2) Crude hedge includes 600 Bbls/d and 400 Bbls/d of crude collar arrangements in 2012 and 2013, respectively

**Multi-year hedge positions provide cash flow stability**