

# Credit Suisse Energy Summit

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February 8, 2011



# Forward-Looking Statements

## 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 highlighted in the earnings release to which this presentation relates and 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).

# Key Investment Highlights

- DCP Midstream, ConocoPhillips and Spectra Energy – Sponsors committed to the success of the Partnership
- Diversified business model and geographic footprint with strong market positions support growth strategy
- Strong investment grade credit with demonstrated access to capital markets
- Balanced contract portfolio with significant fee-based business
- Multi-year hedging program mitigates commodity price risk
- Experienced management team with a demonstrated track record of growing midstream and MLP businesses

Committed to being a leader in the midstream business

# Strong Sponsorship

## The DCP Midstream "Enterprise"



50%



50%

28.8% Common LP Interests  
(11.7MM units)  
0.9% GP Interest



Public  
Unitholders

70.3% Common  
LP Interest  
(28.7 MM units)

NYSE: DPM

Natural  
Gas Services

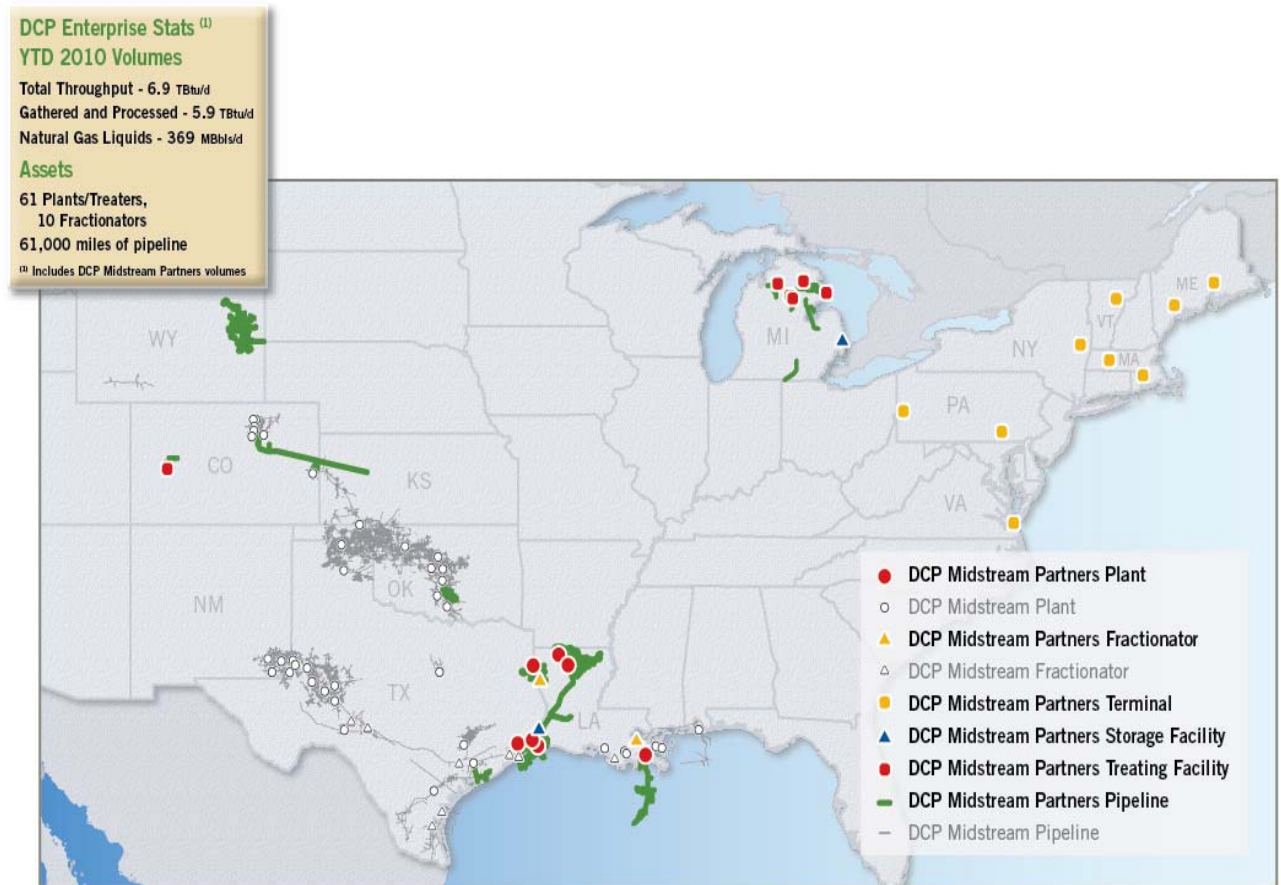
Wholesale  
Propane

NGL  
Logistics

Sponsors representing decades of energy leadership are committed to  
our success

# DCP Enterprise Strategic Assets with Scale and Scope

- Largest natural gas liquids (NGL) producer in the U.S.
- One of the largest natural gas gatherers and processors in the U.S.
  - Broad scope of G&P services
- Located in most major gas basins



**DPM is the preferred long-term growth vehicle for the DCP Enterprise**

# Business Strategies

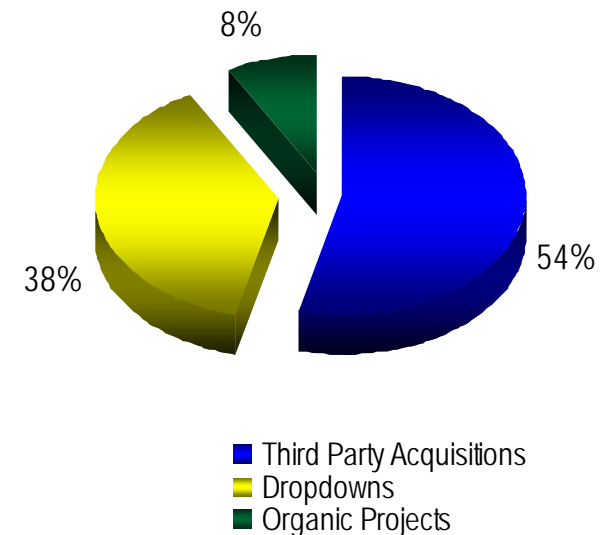
## STRATEGIES

- ACQUIRE:**
- Pursue strategic and accretive acquisitions
    - Consolidate with and expand existing infrastructure
    - Pursue new lines of business and geographic areas
    - Potential to acquire assets from sponsors

- BUILD:**
- Capitalize on organic expansion opportunities
    - Expand existing infrastructure
    - Develop projects in new areas

- OPTIMIZE:**
- Maximize profitability of existing assets
    - Increase capacity utilization
    - Expand market access
    - Enhance operating efficiencies
    - Leverage ability to provide integrated services

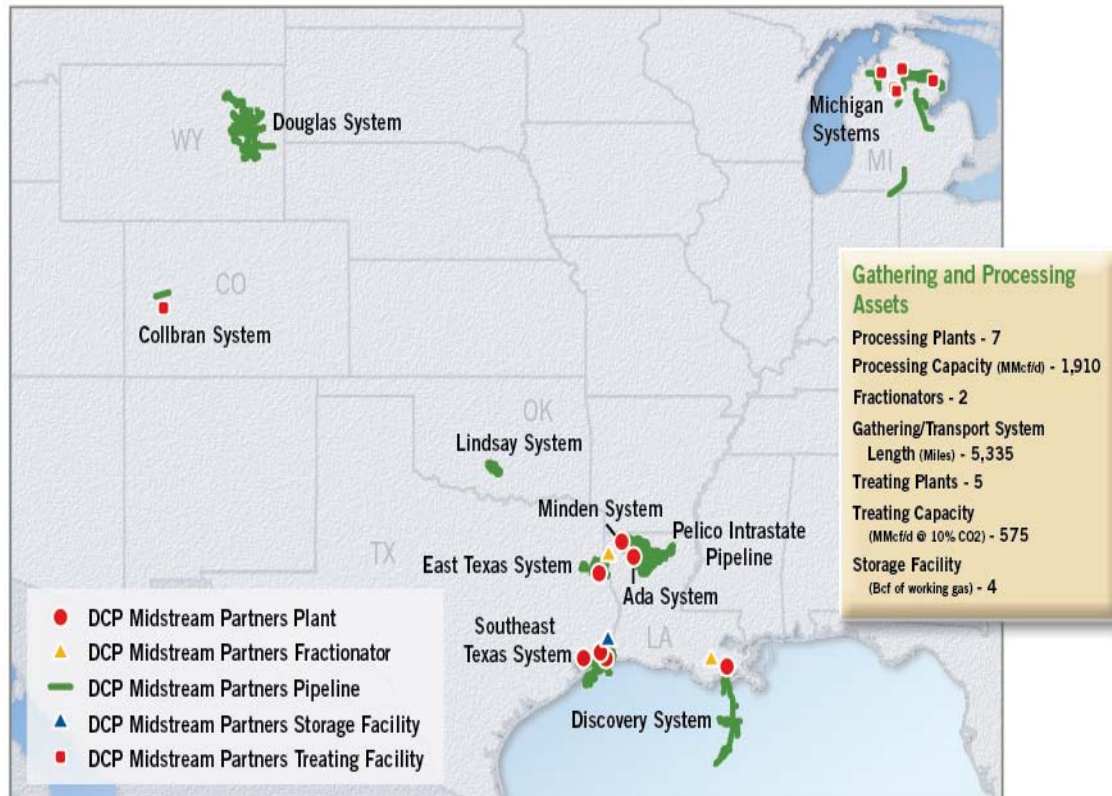
Growth Since December 2005 IPO



Multiple strategies to sustain and grow cash flows and distributions



# Natural Gas Services Segment

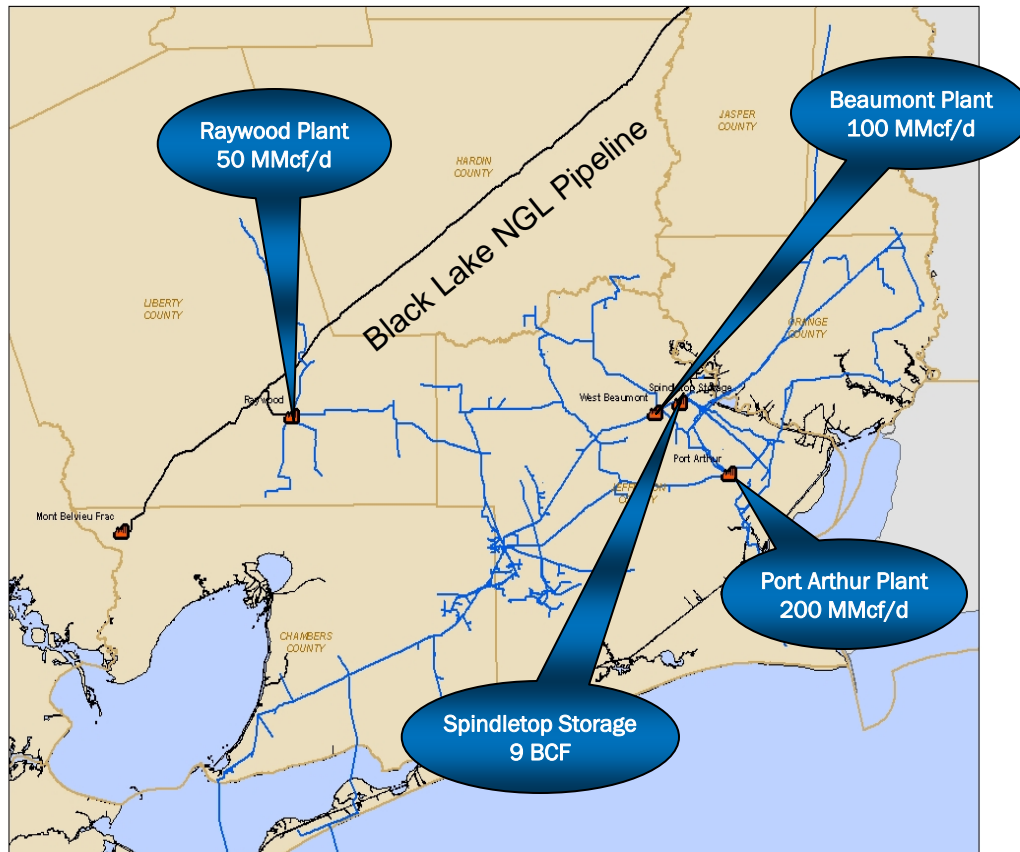


- Geographically diverse asset portfolio
- Mix of fee and commodity based business
  - Commodity position substantially hedged
- Organic growth from gathering system expansions
- Expansion of footprint with entry into Southeast Texas via dropdown

Expanding on diverse geographic footprint

# Dropdown Transaction Overview

- Partnership acquired a 33% interest in Southeast Texas joint venture from DCP Midstream for \$150 million



- DCP Southeast Texas JV formed as a fully integrated midstream business
  - 675 miles of natural gas pipelines
  - Three natural gas processing plants totaling 350 MMcf per day of processing capacity
  - Natural gas storage assets with 9 Bcf of existing salt dome storage capacity
  - Favorable access to interstate and intrastate gas markets
  - NGL markets
    - Direct to Exxon Mobil
    - Mont Belvieu via Black Lake

Partnering with our sponsor to grow the DCP Enterprise

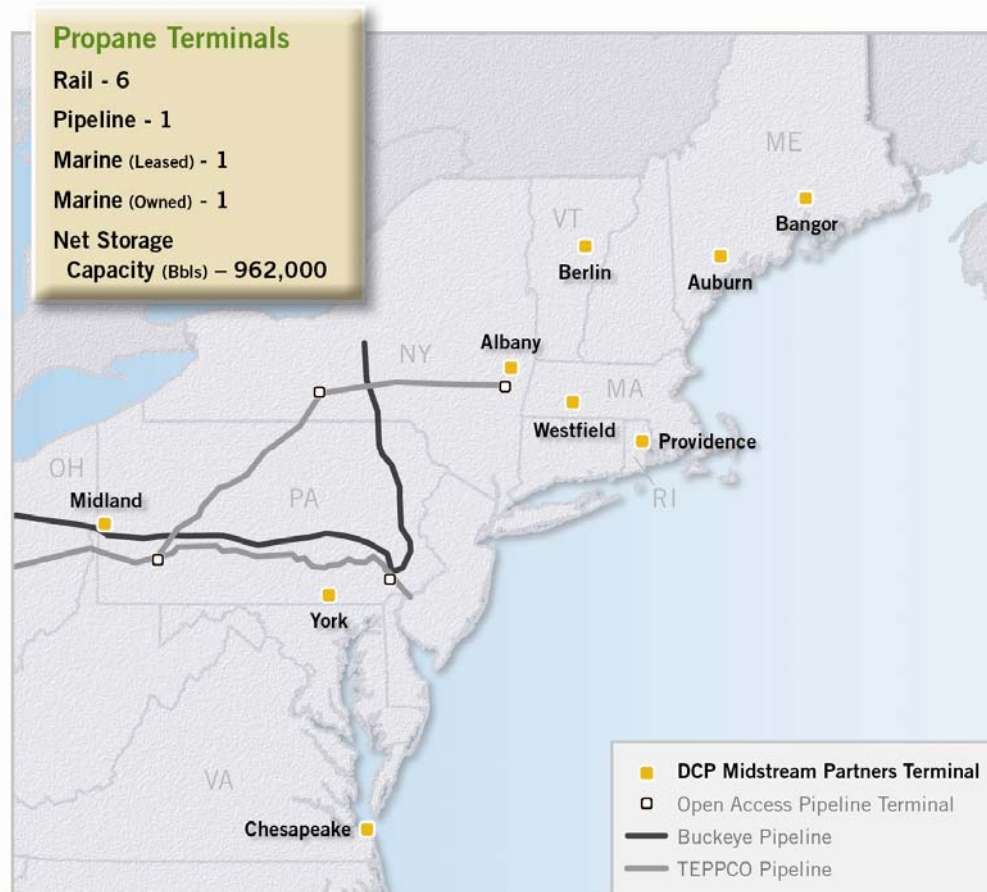


# Transaction Attributes

- Spindletop natural gas storage provides new business line and diversification
  - Stable cash flows with no commodity price or volume exposure
- Mix of demand charge based fees and commodity based margins that are substantially hedged
  - Natural gas storage margins we realize will be 100% fee-based tied to a seven year storage capacity contract
  - Gathering and processing margins will be substantially hedged
- Well positioned for future growth
  - Processing plant and storage expansions
  - Provides future dropdown opportunities

**Immediately accretive transaction with future growth opportunities**

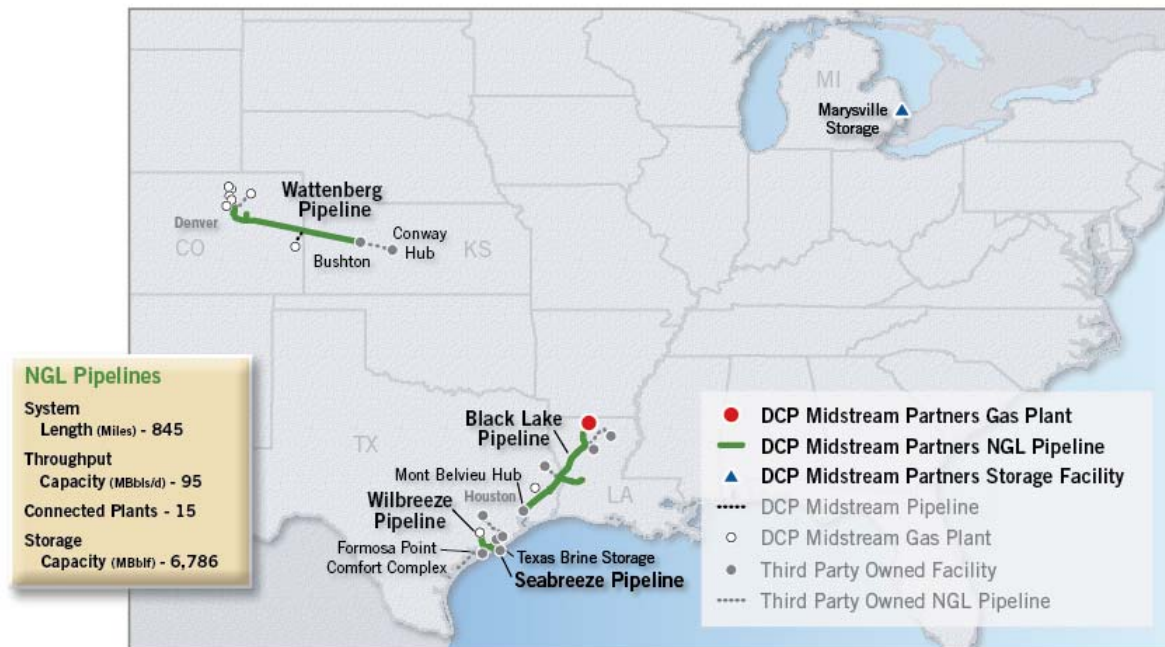
# Wholesale Propane Logistics Segment



- Fee-like earnings from purchases and sales tied to same index
- Multiple supply sources help ensure reliable deliveries to customers
- Supply and logistics capabilities enable upside opportunity
- Recent acquisition expands business into Mid-Atlantic region

Strengthening supply and logistics capabilities enhance competitive positioning

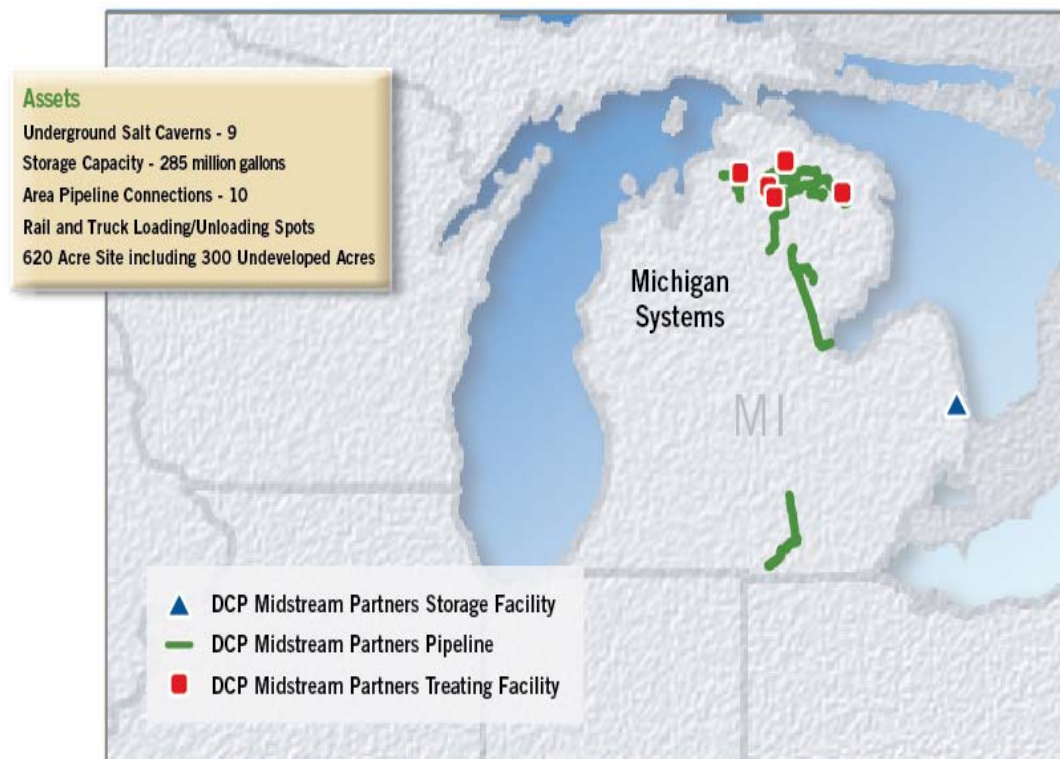
# NGL Logistics Segment



- Fee-based assets complement G&P business
- Wattenberg NGL pipeline acquisition and expansion project expands footprint
- Acquisition of additional 55% interest in Black Lake pipeline
- Marysville NGL storage facility acquisition expands presence in the Midwest, Sarnia and Northeast

Integrated fee-based business providing expansion opportunities

# Marysville NGL Storage Acquisition

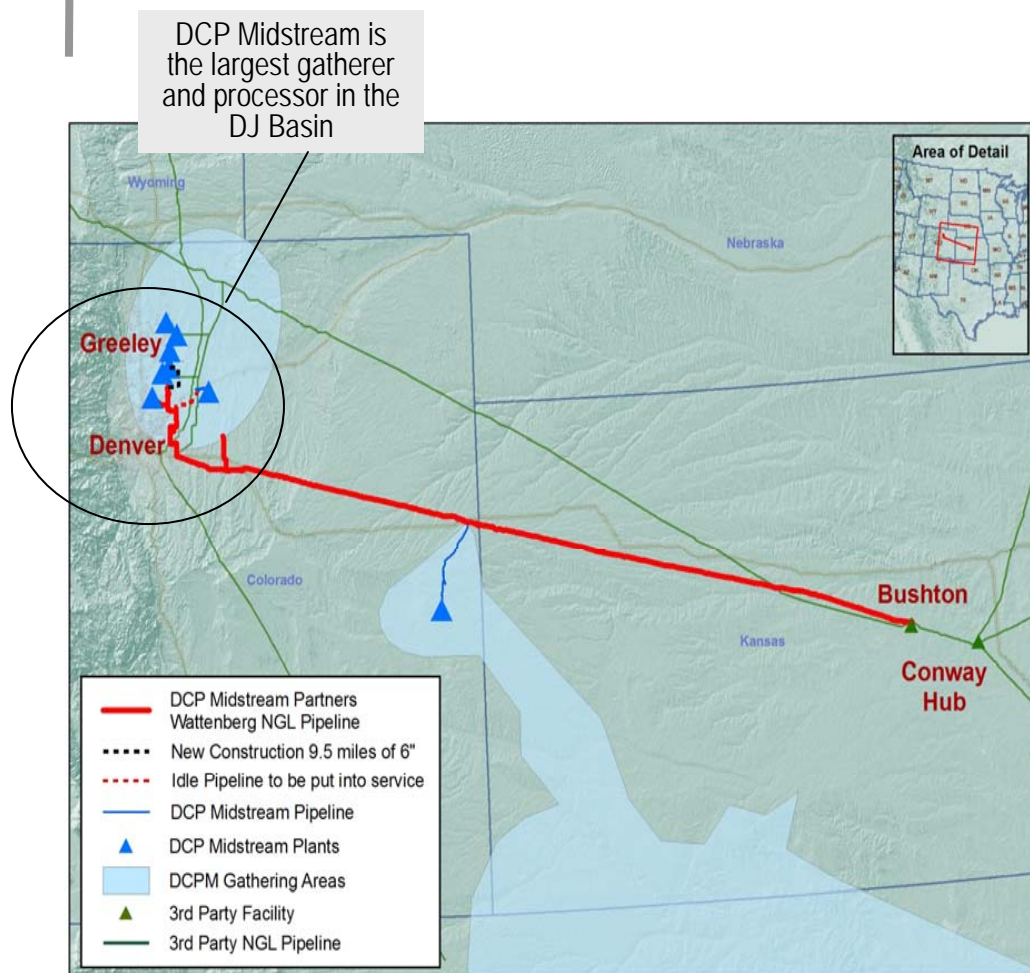


- Important supply point for refiners, petrochemical plants and wholesale propane distributors
  - Located across the border from petrochemical corridor in Sarnia
- Expansion potential for two additional underground salt caverns
- Immediately accretive acquisition generates majority fee-like margins

Strategic investment provides new business line and portfolio diversification



# NGL Pipeline Acquisition

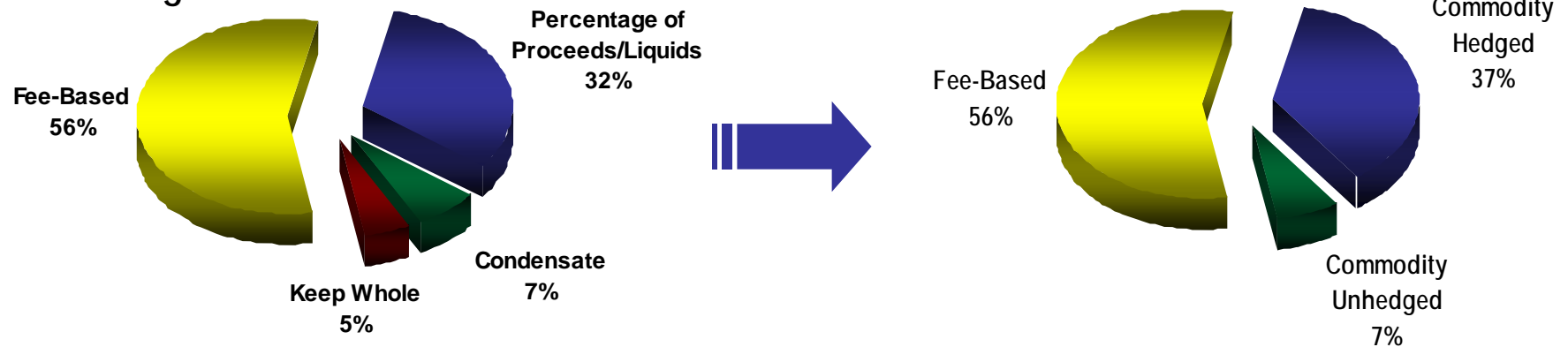


- Strategic investment for DCP Enterprise
  - Outlet for increased NGL production from GP-owned facilities in Colorado's DJ Basin
- DPM \$22 million acquisition plus \$18 million expansion capital to connect and integrate facilities
- Generates 100% fee-based margins
- Project completion early 2011

Complementary investment in the DCP Enterprise footprint

# Contracts and Commodity Sensitivities

## 2010 Margin



- Over 90% of 2010 margins are fee-based or supported by commodity hedges
- Hedging program extending through 2015

Multi-year hedge positions provide cash flow stability



# Financial Positioning Objectives

- Disciplined approach to long-term debt refinancing
  - Issued \$250 million of 3.25% senior notes due 2015
    - Significant benefit realized through investment grade ratings
    - Well positioned to refinance existing debt on credit facility
- Maintain liquidity to support operating plan and future growth
  - Unused revolver capacity increased to \$487 million following debt offering
- Timely and cost-effective financing of growth
  - Obtained approximately \$190 million through successful August and November equity offerings
  - Investment grade ratings and proven execution of debt offering improve cost of capital

Disciplined financial management consistent with investment grade objective

# Growth Opportunities

- Executing on opportunities across all business segments
  - Addition of natural gas and NGL storage add new significantly fee-based businesses
  - Diversification of geography and resource exposure
- Recent growth resulting in increased percentage of fee-based margins

## Wholesale Propane Logistics

### Footprint expansion

- Organic projects
- Third party acquisitions



## NGL Logistics

NGL infrastructure development in shale plays



Potential divestitures by majors



Organic expansion around footprint



- DJ Basin

Dropdowns

## Natural Gas Services

Emerging shale play infrastructure development

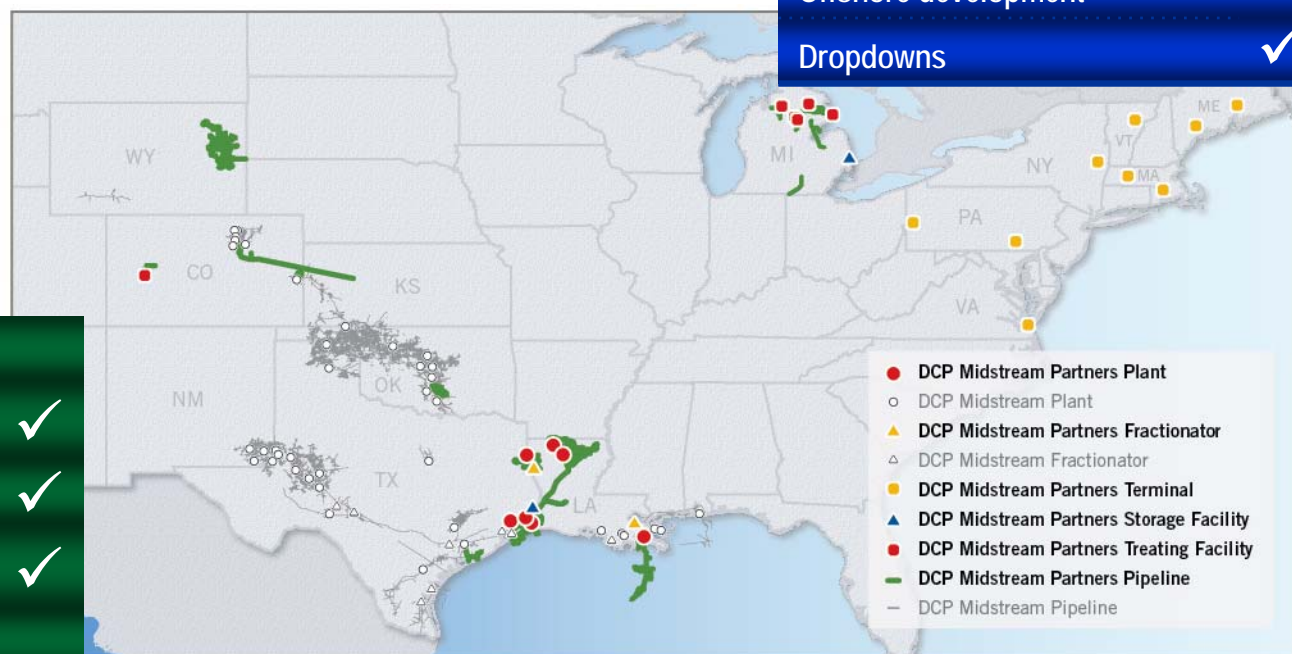


Potential divestitures by majors and E&P

Offshore development



Dropdowns



Strategic and disciplined growth enhancing diversity of asset portfolio

# Long-term Value Creation

## DPM is the key growth vehicle for the DCP Enterprise

- Execute multi-faceted growth strategy
  - Organic opportunities around footprint
  - Third party acquisitions
  - Dropdowns
- Competitive cost of capital supports execution of growth strategy
- Consistent distribution growth
  - Partnering with our sponsor to grow the DCP Enterprise
  - 5-7% long-term distribution growth target



Top Tier MLP

Targeting top quartile total shareholder return

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