



# 2013 UBS MLP Conference Investor Presentation

January 14 - 16, 2013

# Forward-Looking Statements



2013

## 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).

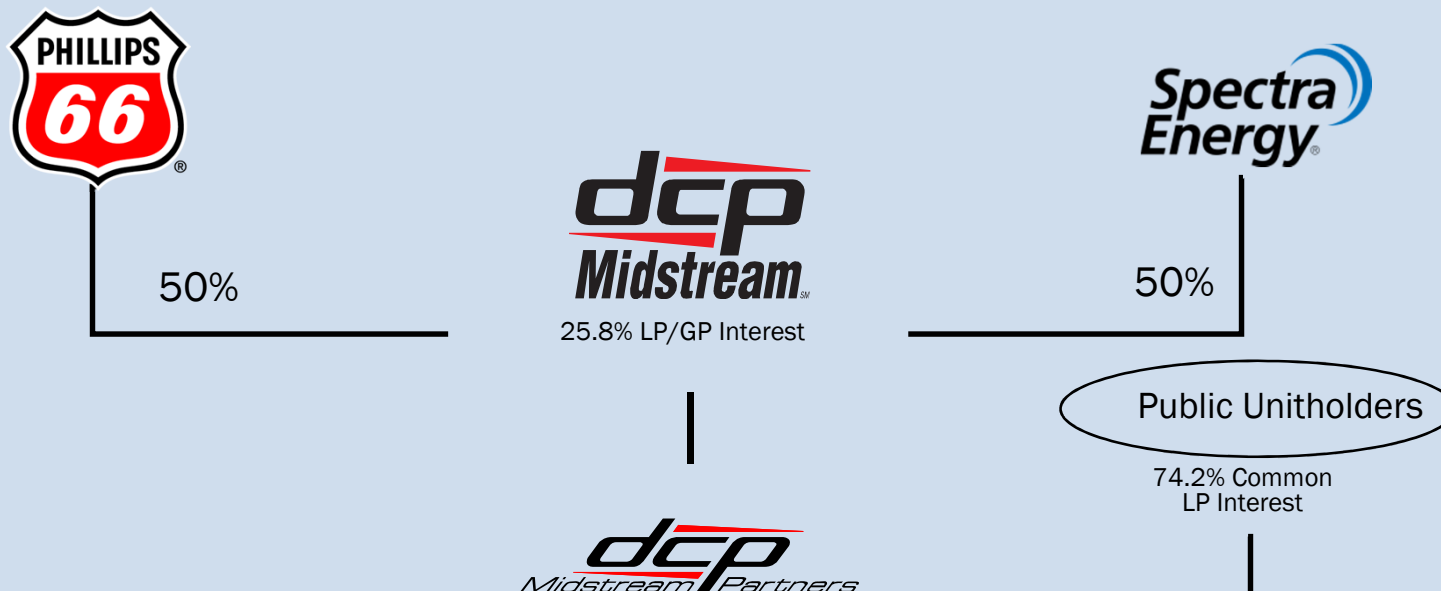
# DPM - Key Investment Highlights

- ❑ 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
- ❑ Co-investment strategy with general partner is providing visible pipeline of growth opportunities
  - Targeted ~\$3 billion of growth in 2012 - 2014
- ❑ 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

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



As of 9/30/12

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

One of the largest gas gatherers and processors in the US

2011 EBITDA ~\$1.5B

49 plants  
6 fractionators  
~57,000 miles of pipe

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

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

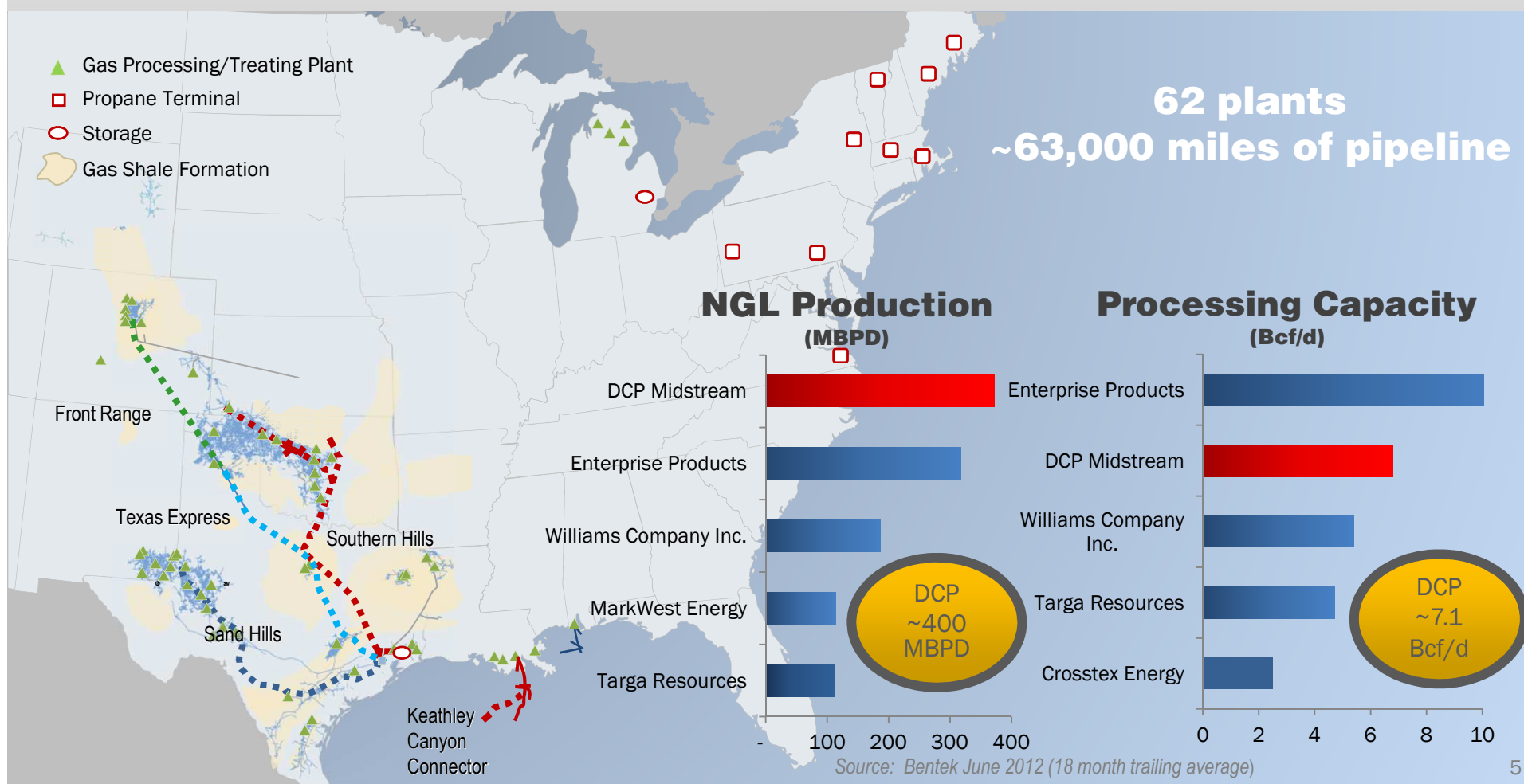
DPM enterprise value of ~\$3.5B

13 plants  
6 fractionators  
~6,000 miles of pipe

# DCP Enterprise – Scale & Scope

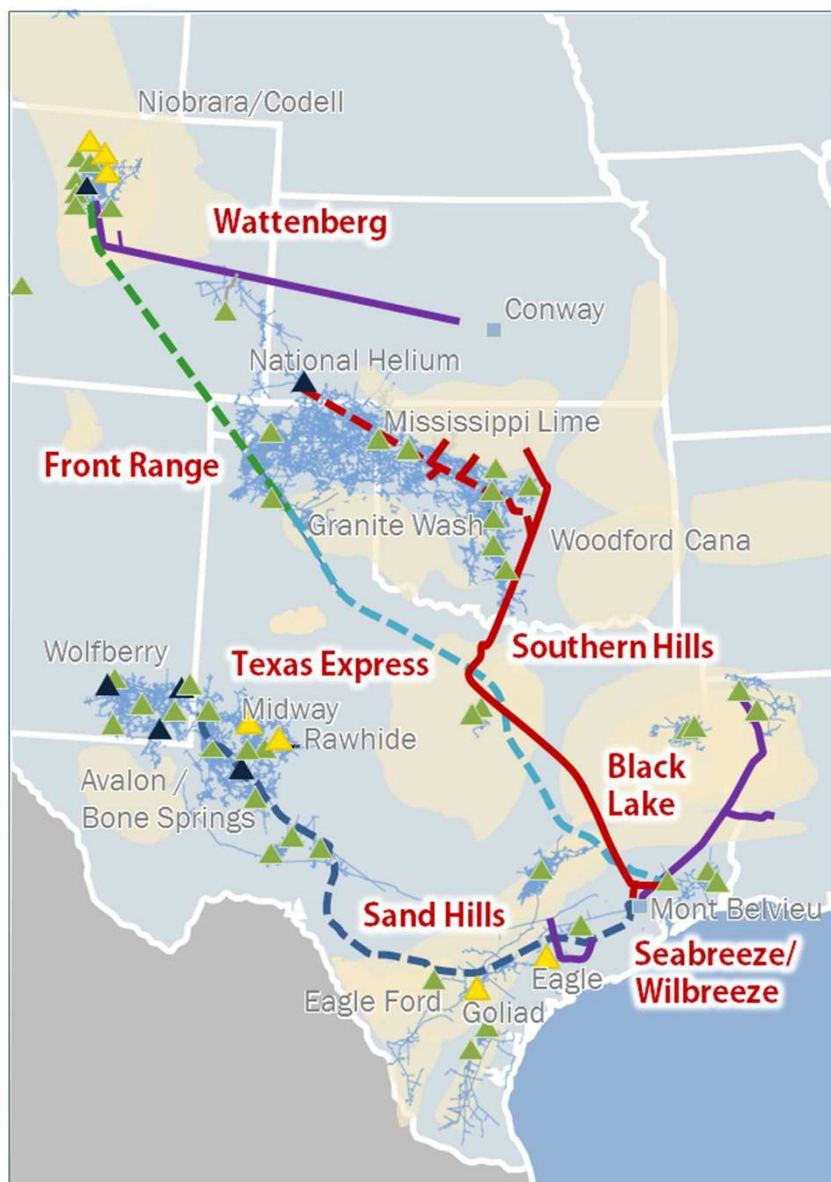
- #1 NGL producer, ~17% of U.S. processing plant NGL production
- Top gatherer and processor
- Super systems in key basins
- Complementary NGL pipelines

**DCP enterprise** has an industry leading footprint in the liquids rich gathering and processing regions coupled with an expanding NGL pipeline position





# DCP Enterprise Growth



Attractive fee-based earnings growth from quadrupling NGL pipeline capacity

Project	Ownership	Scope	Completion
<b>Sand Hills Pipeline</b>	33% DCP Midstream LLC ("LLC")	720 mile 20" NGL pipeline, initial capacity = 200 MBPD; expandable to 350 MBPD	First flow Oct. 2012; Permian Q2 '13
<b>Southern Hills Pipeline</b>	33% LLC	800 mile 8" - 20" NGL pipeline, capacity = 150 MBPD	First flow Q1 '13 Mid '13
<b>Front Range Pipeline</b>	33% LLC	435 mile 16" NGL pipeline, initial capacity = 150 MBPD; expandable to 230 MBPD	Q4 '13
<b>Texas Express Pipeline</b>	10% DPM	580 mile 20" NGL pipeline, initial capacity = 280 MBPD; expandable to 400 MBPD	Q2 '13
<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
  - 200 MMcf/d Eagle plant
  - Discovery's Keathley Canyon Connector gathering system expansion
- Expanding scale through Eagle Ford co-investment transaction

## NGL Logistics

- Recent drop down of two non-operated Mt. Belvieu fractionators
- Texas Express NGL pipeline under construction with Q2 2013 expected completion date
- Targeting drop down of one-third interest in Sand Hills and Southern Hills pipelines

## Wholesale Propane Logistics

- Multiple supply sources
- Logistic capabilities providing strong competitive positioning



# DPM - Eagle Ford Co-investment

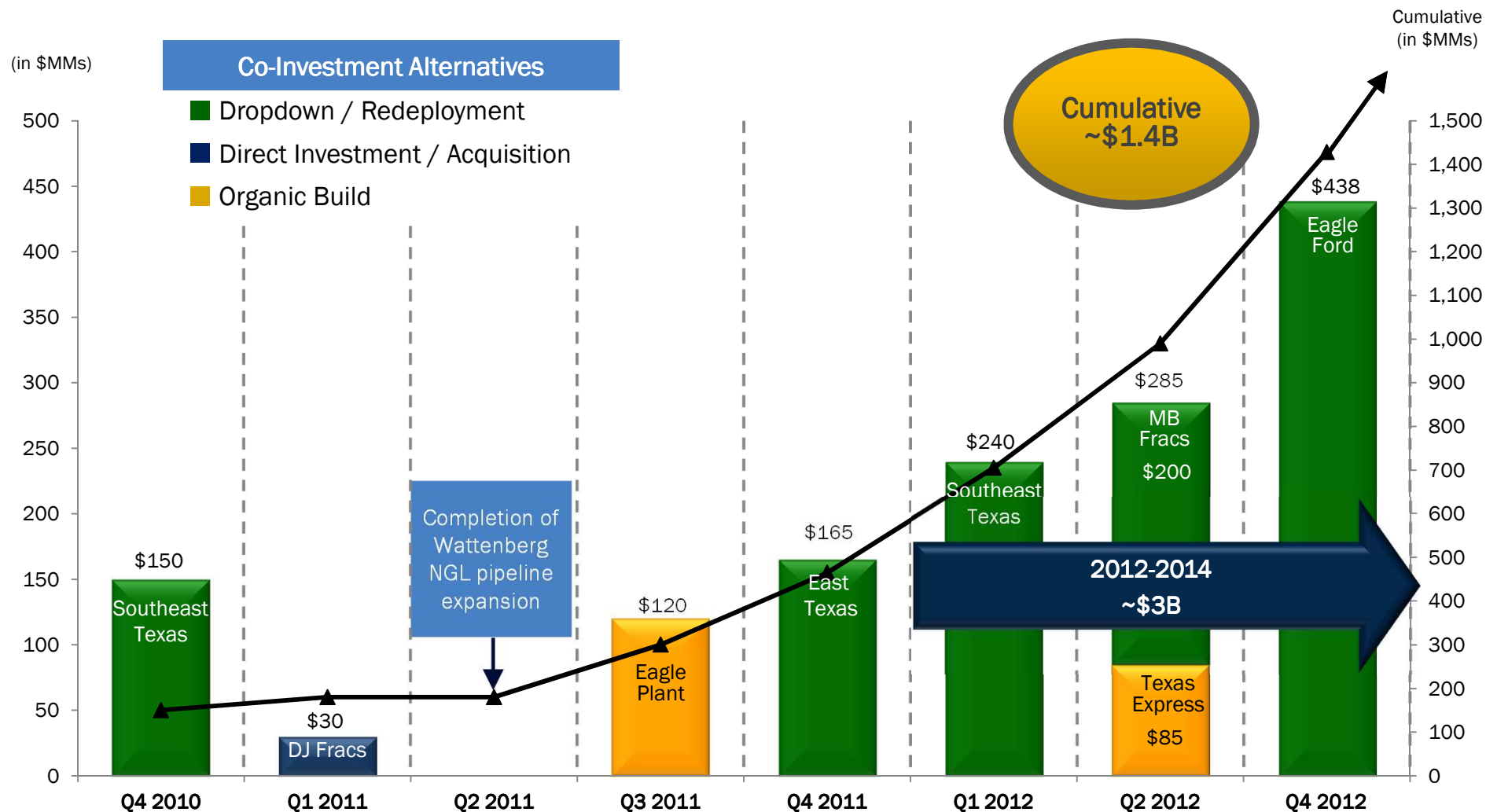
- ❑ DCP Midstream completed drop down of one-third interest in Eagle Ford joint venture to DPM for \$438.3 million
  - DCP Midstream took ~20% of consideration in DPM common units



- ❑ Eagle Ford system
  - Five cryogenic plants with 760 MMcf/d processing capacity
  - ~6,000 miles of gathering systems
  - Three fractionators with 36,000 BPD capacity
  - Production from 900,000 acres supported by acreage dedications or throughput commitments under long-term agreements
  - Favorable access to interstate and intrastate gas markets
  - Synergistic with DPM's 200 MMcf/d Eagle plant, targeted for completion by year end 2012
- ❑ Predominantly percent-of-proceeds margins that will be substantially hedged
  - 3-year direct commodity price hedge provided by DCP Midstream
- ❑ Market access to Mont Belvieu and petchem markets via Sand Hills pipeline



# Co-Investment Commitment Update

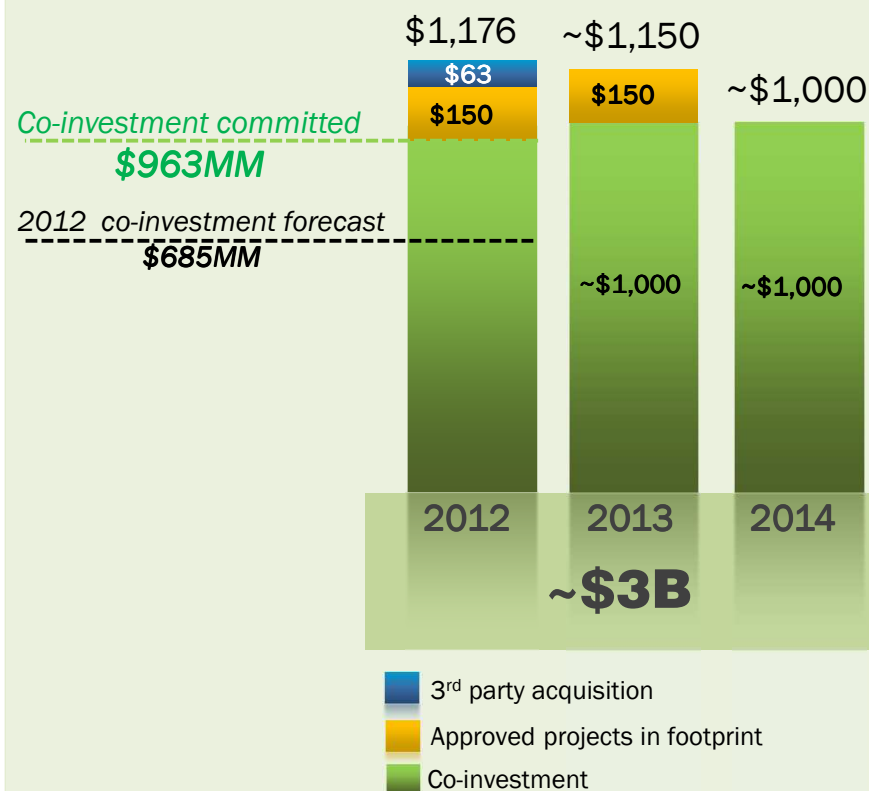


Capital timeline reflects commitment/announcement date

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

# DPM - Capital & Distribution Growth Outlook

## Total Growth Capital (\$MM)



Visible pipeline of growth opportunities supports outlook for future distribution growth

**6 – 8%**  
distribution growth target  
in 2012

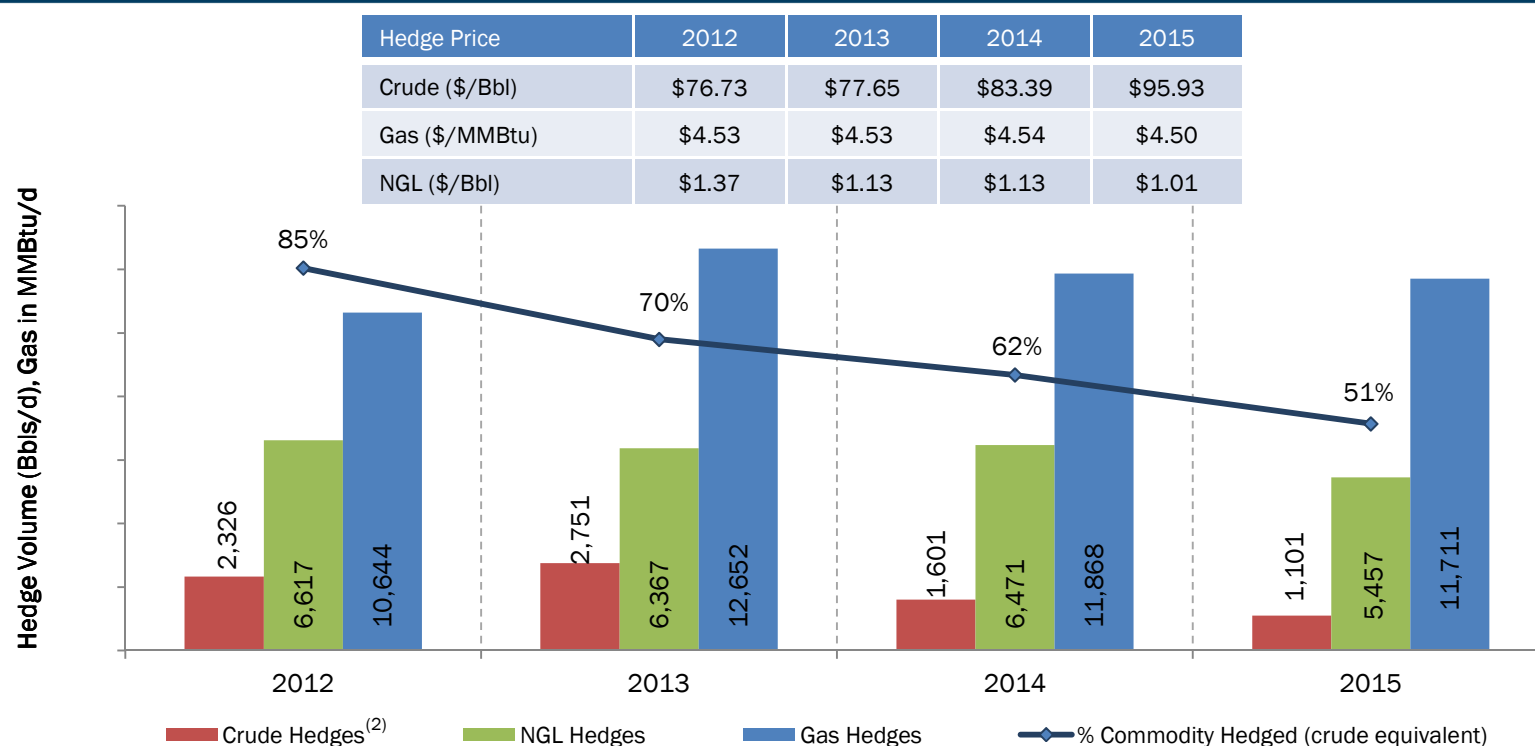
**6 – 10%**  
distribution growth target  
in 2013 and 2014

Exceeding 2012 growth capital forecast and on pace to meet our \$3B target (2012 – 2014)

# Long-Term Cash Flow Stability

- Approximately 60% of 2012 forecasted margin is fee-based
- Commodity-based margin is approximately 85% hedged on crude-oil-equivalent basis in 2012
  - Approximately 70% of NGLs hedged using direct commodity price hedge

Commodity Hedge Position <sup>(1)</sup>

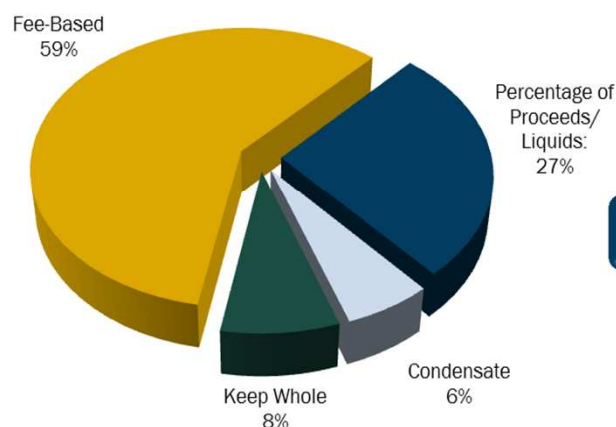


(1) As of 11/1/2012 (reflects Eagle Ford Joint Venture transaction)

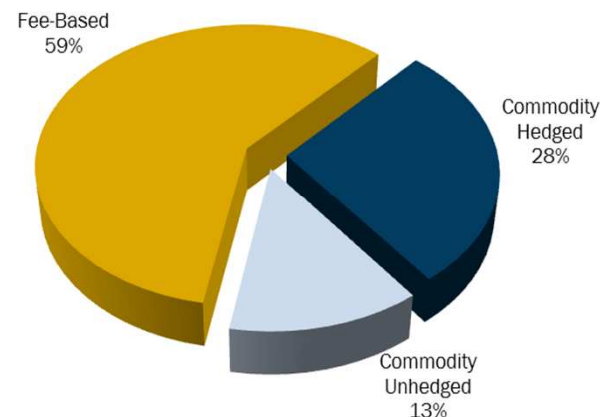
(2) Crude hedge includes 600 Bbls/d and 400 Bbls/d of crude collar arrangements in 2012 and 2013, respectively

Multi-year hedge positions provide cash flow stability

# Contracts & Commodity Sensitivities



2012 Margin



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.

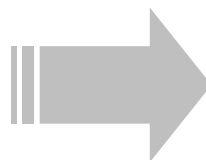
(b) Assuming 60% NGL to crude oil price relationship. At crude oil prices outside of our collar range of approximately \$80 to \$97, this sensitivity decreases by \$0.8 million.

(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**

## 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
  - \$500MM 5-year 2.5% bond closed in November 2012
- ❑ Competitive cost of capital



### Liquidity and Credit Metrics

Effective Interest Rate	3.5%
Credit Facility Leverage Ratio ( <i>max 5.0x/5.5x</i> )	3.3x
Public Term Debt % of Total Debt	58%
Unutilized Revolver Capacity (\$MM)	\$699

As of September 30, 2012

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



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## Appendix

# DCF & Distribution Growth Forecast

## 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 wholesale propane results

# DPM - Mont Belvieu Fractionators

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

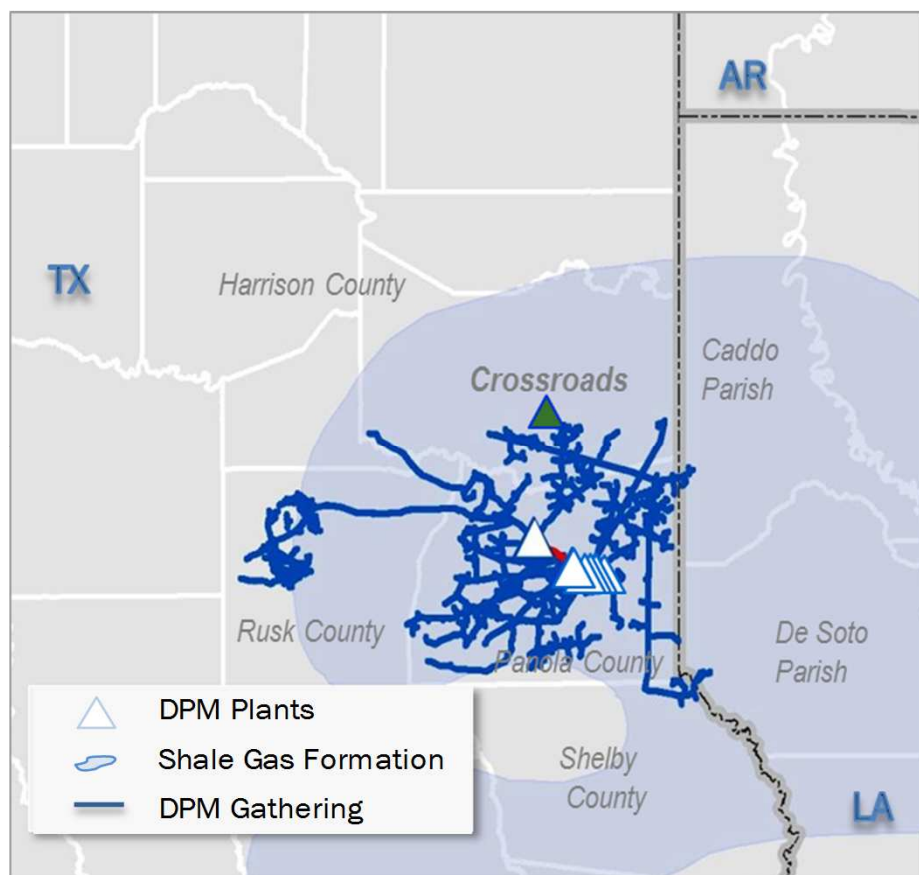


- Total investment \$200 million
- Fee-based margins
- 20% interest in MB1 fractionator
  - Partners with ONEOK (Operator)
- 12.5% interest in Enterprise fractionator
  - Partners with EPD (Operator) and Phillips 66

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

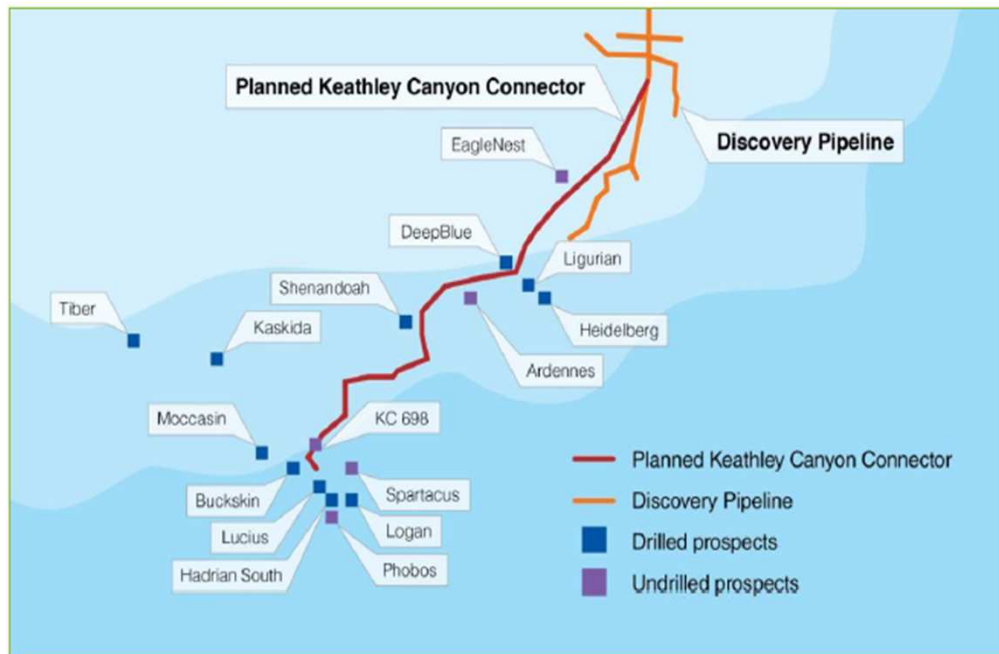
**Bolt-on opportunity with substantial fee-based margins**



# DPM - 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 \$285 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