

Federal Energy Regulatory Commission



Gas-Electric Coordination Technical Conference
Docket No. AD12-12-000
Washington, D.C.
April 25, 2013

Presented by:

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Cardinal Gas Storage Partners LLC

❑ **About Cardinal Gas Storage Partners LLC -**

❑ Cardinal is a joint venture between Redbird Gas Storage LLC (“Redbird”) and funds controlled by Energy Capital Partners, LLC (“ECP”). Since its inception in 2008, Cardinal has been focused on the development, construction, operation and management of natural gas storage facilities throughout North America. Cardinal owns Arcadia Gas Storage LLC, Cadeville Gas Storage LLC, Perryville Gas Storage LLC and Monroe Gas Storage Company LLC. For more information, visit www.cardinalgas.com.

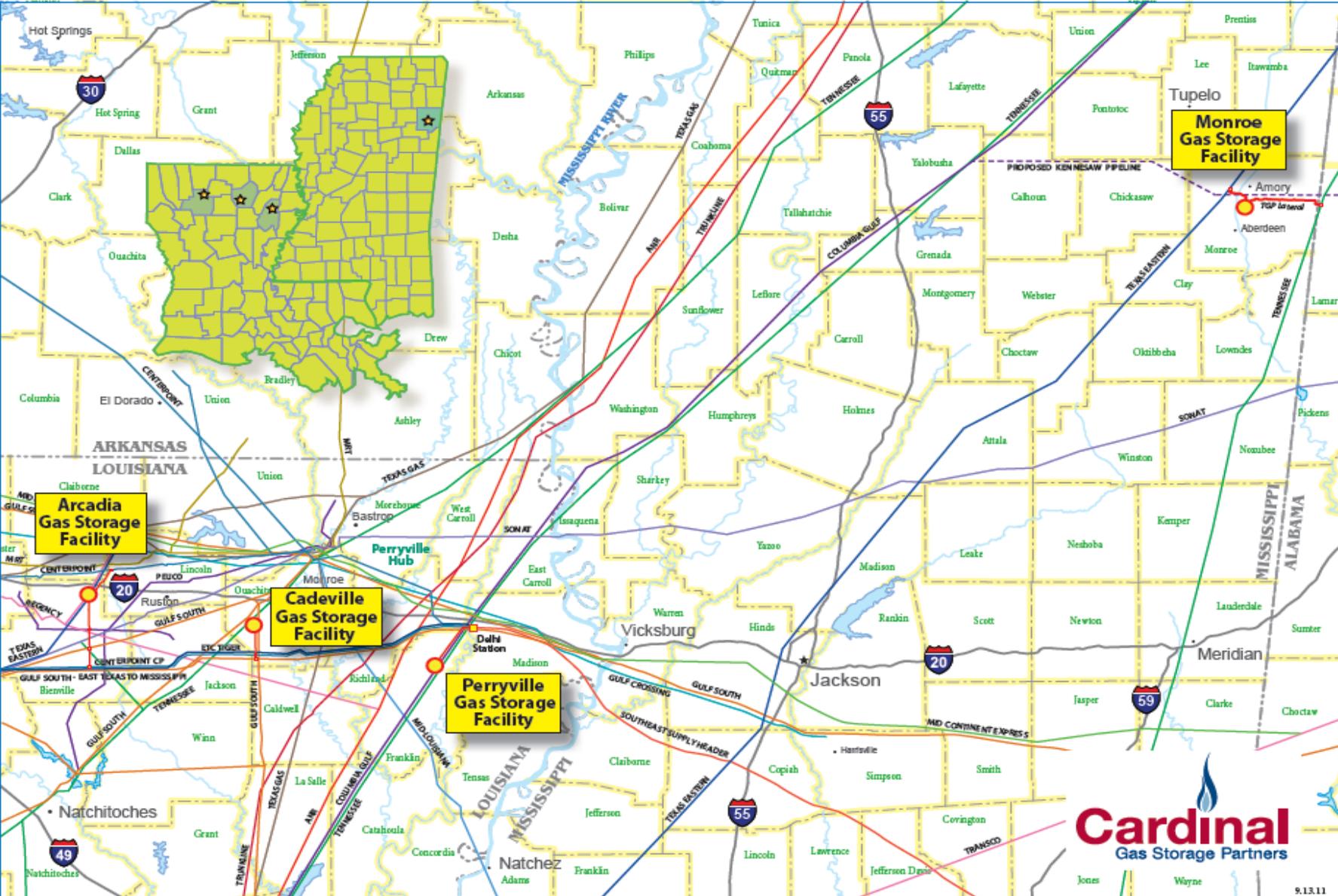
❑ **About Redbird Gas Storage LLC –**

❑ Redbird is a joint venture formed by Martin Resource Management Corporation and Martin Midstream Partners L.P. (NASDAQ: MMLP) to invest in natural gas storage related opportunities through its ownership interests in Cardinal.

❑ **About Energy Capital Partners, LLC –**

❑ Energy Capital Partners is a private equity firm with offices in Short Hills, New Jersey and San Diego, California. ECP is focused on investing in the power generation, electric transmission, midstream gas and renewable energy sectors of North America’s energy infrastructure. The fund’s management has substantial experience leading successful energy companies and energy infrastructure investments. For more information, visit www.ecpartners.com.

Cardinal Gas Storage Partners - Map



- **Arcadia Gas Storage/Regency Intrastate Gas/Union Power Station**

- A Current Example of Where Gas/Electric Coordination Efforts Work

❑ **Union Power Station -**

- ❑ The Union River Power Station is comprised of four individual combined cycle power facilities
- ❑ Located on 330 acres in Union County near El Dorado, Arkansas
- ❑ The station can produce approximately 2,200-megawatt of electrical power
- ❑ Peak burn rate of approximately 300,000 Dth/day

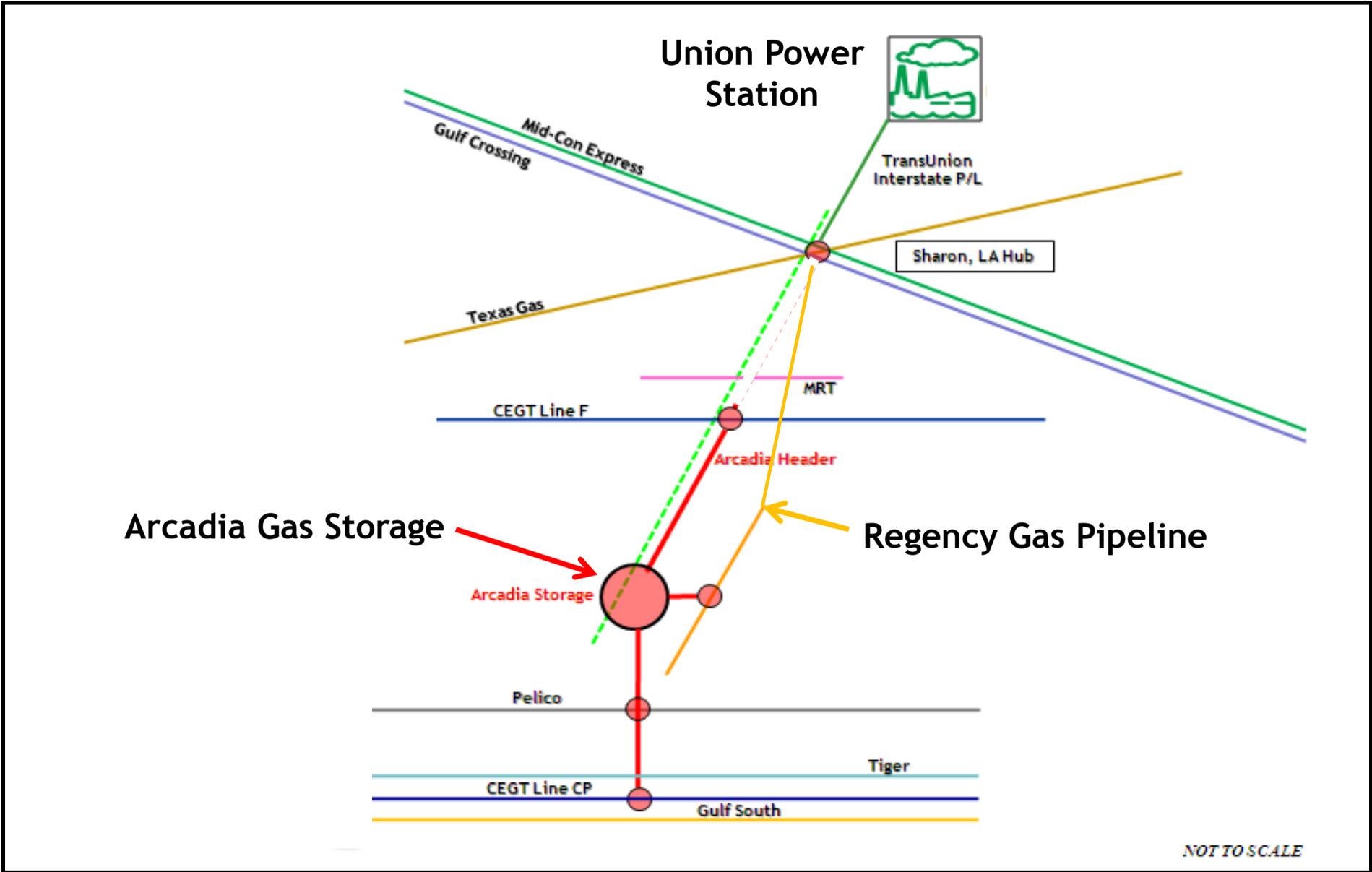
❑ **Arcadia Gas Storage -**

- ❑ Intrastate salt cavern storage facility
- ❑ Provides Interstate storage services pursuant to NGPA Section 311
- ❑ Statement of Operating Conditions (SOC) adopts and implements latest NAESB standards with regards to nomination of gas
- ❑ Provides firm storage, interruptible storage and other hub services including intra-day balancing and load following

❑ **Regency Intrastate Gas -**

- ❑ 450-mile intrastate natural gas pipeline located in northern Louisiana
- ❑ RIGS offers firm and interruptible transportation services on an intrastate basis and interstate basis pursuant to NGPA Section 311
- ❑ Transportation services are provided pursuant to RIGS Operating Statement

Arcadia Gas Storage-Regency Pipeline-Union Power Station Coordination - Map



❑ **Example of how coordination efforts work...**

- ❑ Union Power Station burns up to 300,000 Dth/day during peak times (example: Summer day)
- ❑ Gas purchased by Union Power delivered to plant via Regency Pipeline system
- ❑ During off peak times (Summer evenings/nights) excess gas needs a home
- ❑ Regency Pipeline system has no storage
- ❑ Arcadia Gas Storage takes the “swing” injections intra-day
- ❑ Arcadia Gas Storage redelivers intra-day withdrawals when demand returns
- ❑ Efforts coordinated on an intra-day basis between all gas control/scheduling groups to ensure reliability, thereby operating in a quasi “energy day”

❑ **Based on Success of the Arcadia/Regency/Union example...**

- ❑ Cardinal anticipates during the next 60-90 days to seek FERC authority to offer enhanced nomination/scheduling flexibility for its facilities;
 - ❑ Cadeville Gas Storage (FERC 7(c) facility)
 - ❑ Perryville Gas Storage (FERC 7 (c) facility)
 - ❑ Monroe Gas Storage (FERC 7 (c) facility)
 - ❑ Arcadia Gas Storage (Intrastate 311 facility)
- ❑ Independent Natural Gas Storage Operators stand ready, willing and able to implement procedures to further enhanced the efforts of gas/electric coordination