

# Ohio Shale Gas

## *Supply Chain Opportunities*

Presented to:

**Licking County Energy Summit**

**March 22, 2012**

By:

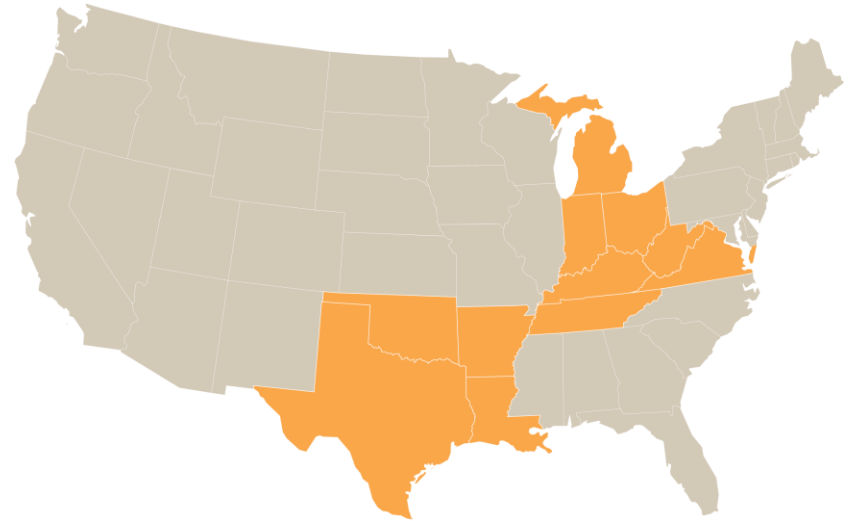
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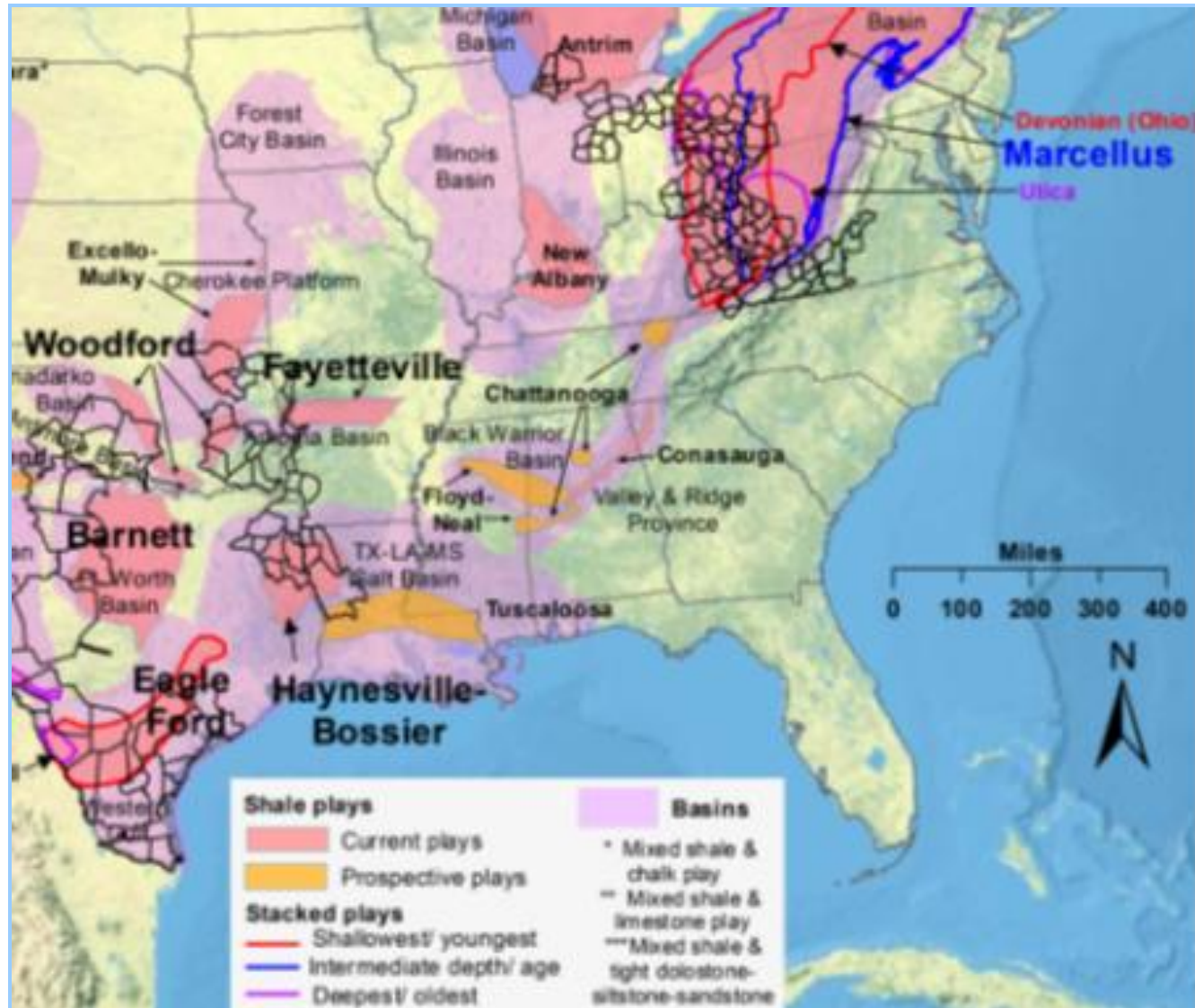
# AEP Economic & Business Development

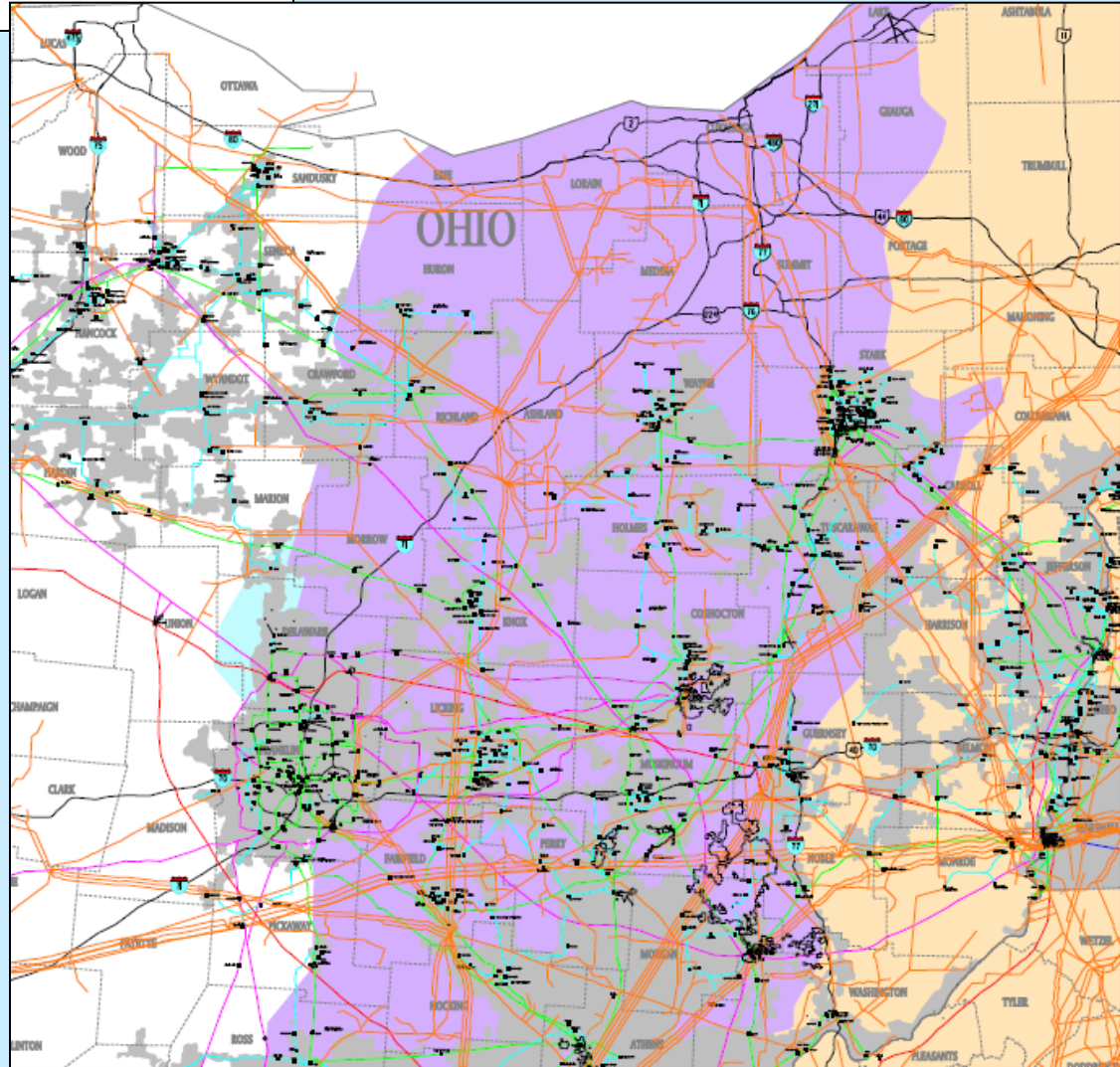
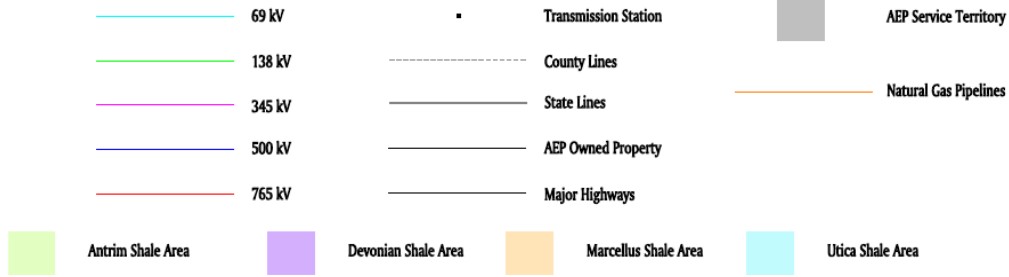
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- 200,000 square miles of US
- Arkansas, Indiana, Kentucky, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia, West Virginia
- Top 3 in terms of generation; Largest 765 kilovolt system
- Economic and Business Development



# AEP Economic & Business Development





## BY 2014:

### Field Development & Supply Chain

*(construction, transport, distribution, etc.)*

28,153 Jobs

\$59,451 Avg. Income

### Mixed Sources of Demand

*(real estate, insurance, employment services, etc.)*

6,279 Jobs

\$38,414 Avg. Income

### Professional Services

*(engineering, legal, business support, etc.)*

5,712 Jobs

\$69,177 Avg. Income

### Personal Services

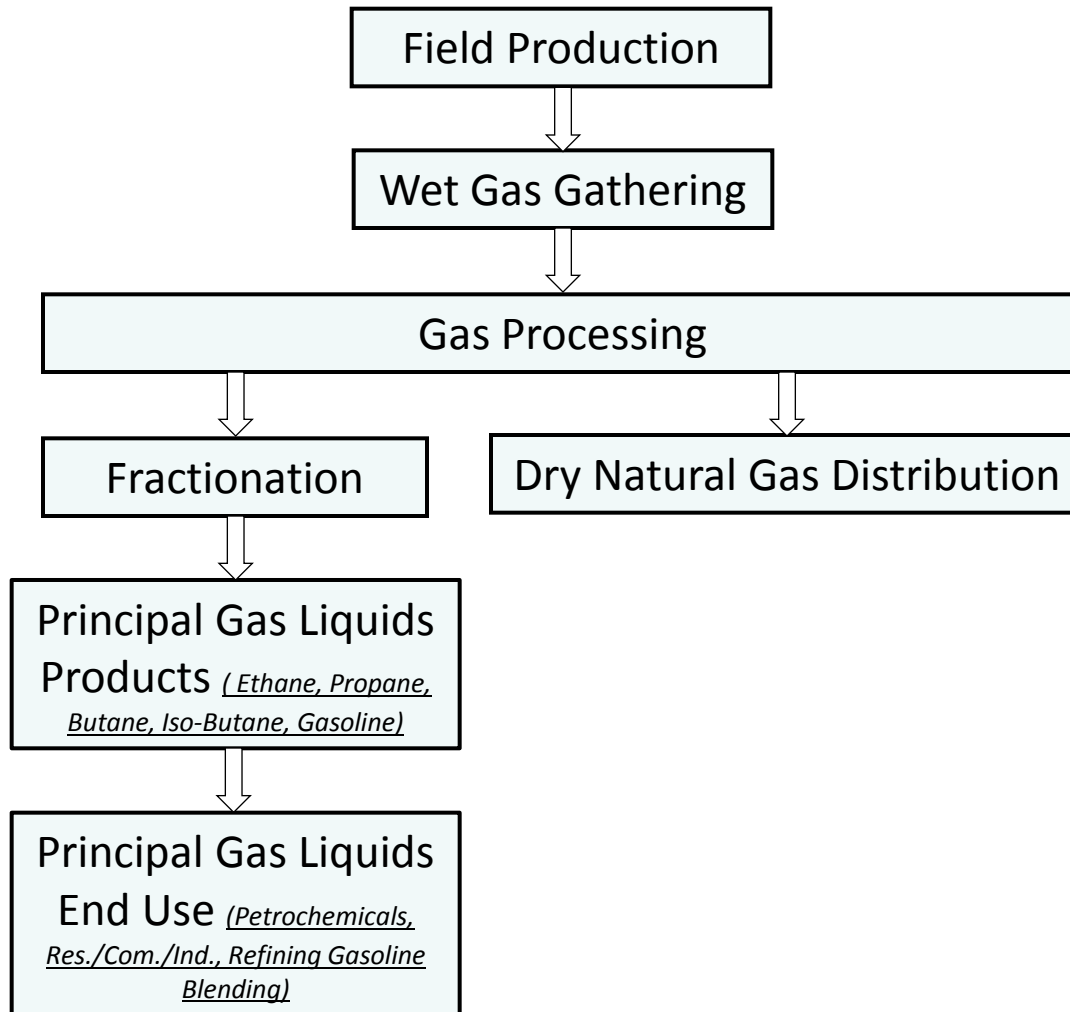
*(retail, healthcare, auto repair, etc.)*

16,066 Jobs

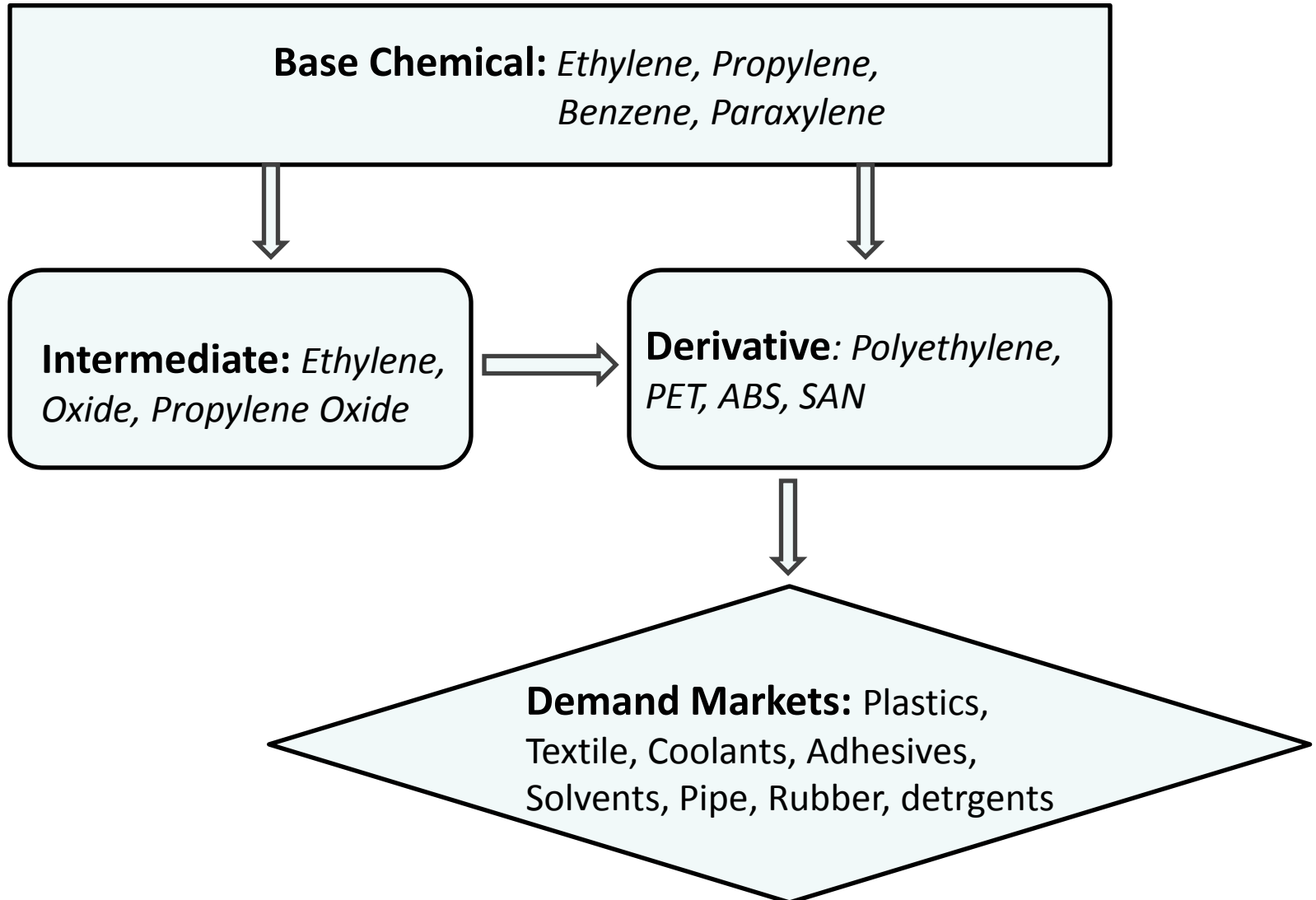
\$36,018 Avg. Income



# General Production Overview



# Demand Markets





# Supply Chain Opportunities

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## **DRILLING**

- 28 Drilling oil and gas wells
- 29 Support activities for oil and gas operations
- 36 Construction of other new nonresidential structures
- 160 Cement manufacturing
- 171 Steel product manufacturing from purchased steel
- 220 Cutting tool and machine tool accessory manufacturing
- 357 Insurance carriers
- 369 Architectural, engineering, and related services

## **COMPLETIONS**

- 26 Sand, gravel, clay, and ceramic and refractory minerals mining and quarrying
- 28 Drilling oil and gas wells
- 29 Support activities for oil and gas operations
- 33 Water, sewage and other systems
- 36 Construction of other new nonresidential structures
- 121 Industrial gas manufacturing
- 125 All other basic inorganic chemical manufacturing
- 201 Fabricated pipe and pipe fitting manufacturing
- 206 Mining and oil and gas field machinery manufacturing
- 226 Pump and pumping equipment manufacturing
- 227 Air and gas compressor manufacturing
- 335 Truck transportation





# Supply Chain Opportunities

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## **GATHERING**

- 201 Fabricated pipe and pipe fitting manufacturing
- 206 Mining and oil and gas field machinery manufacturing
- 227 Air and gas compressor manufacturing

## **PIPELINE INFRASTRUCTURE**

- 36 Construction of other new nonresidential structures
- 201 Fabricated pipe and pipe fitting manufacturing

## **PRODUCTION**

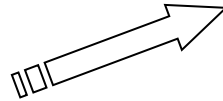
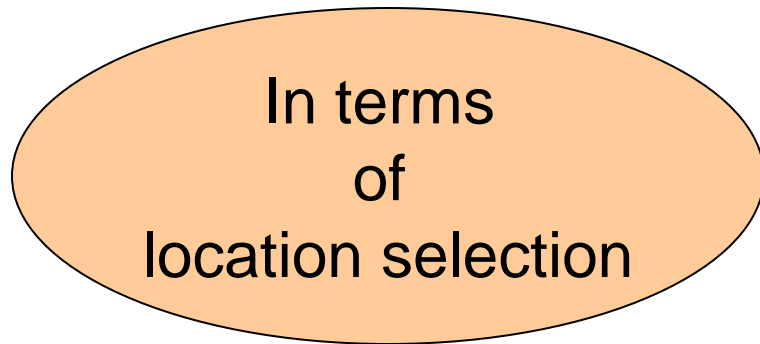
- 20 Extraction of Oil and Gas

Source: IHS Global Insight and IHS CERA

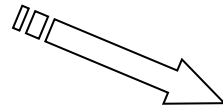


# Supply Chain Opportunities

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E&P, midstream  
is non traditional

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The  
Supply Chain  
is not

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## Supply Chain Opportunities

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- Talk to the companies already located here.
- Advantage existing suppliers.
- Conduct targeting marketing activities.
- Pace is important.
- Know your product.

Thanks for your attention!