

## Equity Research

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### MLP Monthly: June 2011

- **MLPs Retreated In May.** It was a volatile month for performance, with master limited partnerships (MLPs) down 5.7%, compared to a 1.4% decrease for the S&P 500. For the year, MLPs have been lagging the overall market, up 1.9%, compared to 7.0% for the S&P 500. May performance is attributable to (1) MLP investor jitters concerning potential tax reform legislation (a low probability); (2) overall weakness in the equity markets; (3) an 8.3% decrease in crude prices (MLPs exhibited 0.60 correlation to crude prices in the past three years); and (4) negative fund flow tied to the unwinding of the April dividend capture strategy.
- **MLPs Are Playing A Major Role In Shale Development.** Since 2007, we estimate that MLPs have announced, allocated, or spent total capital of at least \$35.1 billion toward the development of midstream infrastructure in the major oil and natural gas shale plays in North America. While early capital development was focused on the buildout of (mostly dry) natural gas shale pipeline and supporting infrastructure (e.g., Barnett, Fayetteville, Woodford, and Rockies regions), the majority of more recent and future development is focused on oil shale and natural gas liquids (NGL) rich gas development. On the basis of our calculations, the most capital to date (i.e., since 2007) has been allocated to the Eagle Ford Shale (\$6.1 billion), followed by the Rockies (\$6.0 billion) and Haynesville Shale (\$5.9 billion). Given that midstream infrastructure in the Spraberry and Wolfcamp (Permian Basin), Marcellus Shale, and Bakken Shale are in the relatively early stages of development, we expect capital investments in these areas to accelerate as producers deploy more capital to develop the reserves in these regions.
- **Eagle Ford Shale NGL Production Likely Constrained Near Term, But Takeaway Capacity Sufficient Longer Term.** By our calculations, midstream companies have announced plans to construct more than 1,400 miles of natural gas pipelines in the Eagle Ford Shale, 1.9 billion cubic feet per day (Bcfe/d) of natural gas processing capacity, and 340 thousand barrels per day (MBbls/d) of NGL takeaway capacity. However, the majority of the aforementioned projects are not to be placed into service until late 2012 or early 2013. Hence, we forecast that production in the Eagle Ford Shale could be constrained by limited takeaway capacity through the end of 2012. However, following the completion of these projects (and potential expansions), we believe NGL takeaway capacity should be sufficient to support production growth in the region through 2015 under our base case scenario.
- **Themes From NAPTP.** The Annual National Association of Publicly Traded Partnerships (NAPTP) Conference was held in Greenwich, Connecticut from May 25 through May 26. Growing attendance this year reflected MLPs' greater acceptance as an asset class. There were more than 700 participants at the conference, which compares with approximately 550-600 participants over the past two years. Major themes included the following: (1) MLPs' organic growth capital is primarily being driven by NGLs and crude oil; (2) natural gas prices are likely to remain in the \$4-5 per million British thermal unit (MMBtu) range, due to increased shale production and rich gas drilling; and (3) acquisition activity remains fairly active.
- **Top Picks.** Our favorite Outperform rated stocks are BBEP (\$20.69); BPL (\$63.45); EPB (\$34.37); EXLP (\$25.71); GEL (\$27.43); and TOO (\$29.05).

#### Master Limited Partnerships

**Michael Blum, Senior Analyst**

(212) 214-5037

michael.j.blum@wellsfargo.com

**Sharon Lui, CPA, Senior Analyst**

(212) 214-5035

sharon.lui@wellsfargo.com

**Eric Shiu, Associate Analyst**

(212) 214-5038

eric.shiu@wellsfargo.com

**Praneeth Satish, Associate Analyst**

(212) 214-8056

praneeth.satish@wellsfargo.com

**Hays Mabry, Associate Analyst**

(212) 214-8021

hays.mabry@wellsfargo.com

**Ronald Londe, Senior Analyst**

(314) 955-3829

ron.londe@wellsfargo.com

**Jeffrey Morgan, CFA, Associate Analyst**

(314) 955-6558

jeffrey.f.morgan@wellsfargo.com

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## Top Picks

Our top Outperform-rated picks are as follows: BBEP (\$20.69); BPL (\$63.45); EPB (\$34.37); EXLP (\$25.71); GEL (\$27.43); and TOO (\$29.05). For investors that are price sensitive, we would generally wait for a pullback before adding to positions. For investors with a longer-term time horizon, we highlight our top picks by subsector, as outlined in Figure 1.

Figure 1. Top Sector Picks

	Price 5/31/11	Current Yield	Valuation Range		Total Return Potential
			Low	High	
<b>Large Cap Pipeline MLPs</b>					
Buckeye Partners L.P. (BPL)	\$63.45	6.3%	\$69	\$74	19%
El Paso Pipeline Partners L.P. (EPB)	\$34.37	5.4%	\$37	\$40	18%
Enterprise Products Partners L.P. (EPD)	\$41.64	5.7%	\$43	\$46	13%
<b>Small Cap Pipeline &amp; Compression MLPs</b>					
Exterran Partners L.P. (EXLP)	\$25.71	7.4%	\$29	\$32	26%
Genesis Energy L.P. (GEL)	\$27.43	5.9%	\$30	\$32	19%
Martin Midstream Partners L.P. (MMLP)	\$38.81	7.9%	\$41	\$43	16%
<b>Gathering and Processing MLPs</b>					
Crestwood Midstream Partners, L.P. (CMLP)	\$27.83	6.3%	\$32	\$34	25%
<b>Upstream MLPs</b>					
BreitBurn Energy Partners L.P. (BBEP)	\$20.69	8.1%	\$23	\$25	24%
Legacy Reserves L.P. (LGCY)	\$31.88	6.6%	\$34	\$36	17%
<b>Propane MLPs</b>					
Inergy L.P. (NRGY)	\$37.09	7.6%	\$42	\$44	24%
<b>Shipping MLPs</b>					
Teekay Offshore Partners L. P. (TOO)	\$29.05	6.9%	\$32	\$34	21%
<b>Coal MLPs</b>					
Natural Resource Partners L.P. (NRP)	\$32.29	6.7%	\$35	\$37	18%
Oxford Resource Partners, L.P. (OXF)	\$24.77	7.1%	\$27	\$29	20%
<b>General Partnerships</b>					
Energy Transfer Equity L.P. (ETE)	\$42.14	5.3%	\$45	\$48	16%

Source: FactSet and Wells Fargo Securities, LLC estimates

## MLPs Retreated In May

It was a volatile month for performance, with MLPs down 5.7%, compared to a 1.4% decrease for the S&P 500. For the year, MLPs are lagging the overall market, up 1.9%, compared to 7.0% for the S&P 500. On a total return basis, the MLP sector (as represented by the Wells Fargo Securities MLP TR Index) is up 4.9%, compared to 7.8% for the S&P 500 TR. May performance is attributable to the following, in our view:

- **Potential tax reform proposal.** Potential tax reform legislation tied to pass-through entities (including MLPs) raised concerns among some MLP investors. Notably, we view the potential legislation as having a low probability of passage in the near term and mostly headline risk at this point.
- **Overall weakness in the equity markets.** MLPs exhibited a 0.85 correlation to the overall stock market (i.e., the S&P 500) during the past three years. The overall market was weak due primarily to concerns about slowing global economic growth and the European sovereign debt crisis.
- **Decrease in crude prices.** WTI crude prices decreased 8.3% in May. Of note, MLPs exhibited a 0.60 correlation to crude prices over the past three years.
- **Negative fund flow tied to the unwinding of the April dividend capture strategy.** As we have noted previously, May is (on average) the third-weakest-performing month for the MLP sector, in part, due to the unwinding of the dividend capture strategy. In April, some investors purchase MLPs to collect the distribution payment and then sell the security after the payment date.

Many MLP dedicated investors had been growing less comfortable with current valuation levels. Thus, we suspect that some institutional investors were trimming positions on the margin. This, as much as any of the factors mentioned in the preceding text likely contributed to the weakness in May.

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In general, the sell-off in MLPs makes us slightly more positive on the sector as valuations look more attractive at current levels. However, performance is tracking in line with our overall expectations for the year. As a reminder, in our 2011 outlook piece published on December 1, 2010, we forecasted a total return potential of 8.6% for the MLP sector for the year.

**MLPs Appear Fairly Valued Relative To Historical Valuation Metrics**

According to our estimates, MLPs appear fairly valued relative to historical valuations metrics. The average MLP yield currently stands at 6.2%, versus the five-year historical average of 7.7%. In addition, MLPs are trading at a premium on an enterprise value (EV)-to-adjusted 2011E EBITDA ratio of 12.1x, versus the historical average of 10.8x. On a price-to-2011E distributable cash flow basis, MLPs are currently trading at 13.7x, versus the five-year average of 11.7x.

To note, we expect MLPs to trade at premiums to historical levels given the growing emphasis on yield products and the changing profile of the MLP investor base. As the sector matures, with more institutional capital allocated to MLPs, we expect a gradual improvement in “normalized” valuations. In general, we believe MLPs are mispriced (i.e., have yields that are too high) given (1) their strong underlying fundamentals, (2) mostly low-risk business models, and (3) attractive growth prospects relative to other yield-oriented securities. However, MLP valuations are affected by their lack of liquidity (relative to other securities) and unique tax characteristics, which limits the pool of capital willing to own the securities.

**Figure 2. MLP Valuation Metrics--Current Versus Historical**

	<b>Current</b>	<b>5-Year Average</b>	<b>Premium/ (Discount)</b>	<b>9-Year Average</b>	<b>Premium/ (Discount)</b>
Yield	6.2%	7.7%	20%	7.5%	17%
Price-to-DCF	13.7x	11.7x	17%	11.5x	19%
EV-to-EBITDA	12.1x	10.8x	12%	10.7x	13%
Spread-to-10-year Treasury	340	381	-	335	-

Note 1: Current yield, P-to-DCF, and EV-to-EBITDA are based on 2011 average estimates for MLPs under coverage only

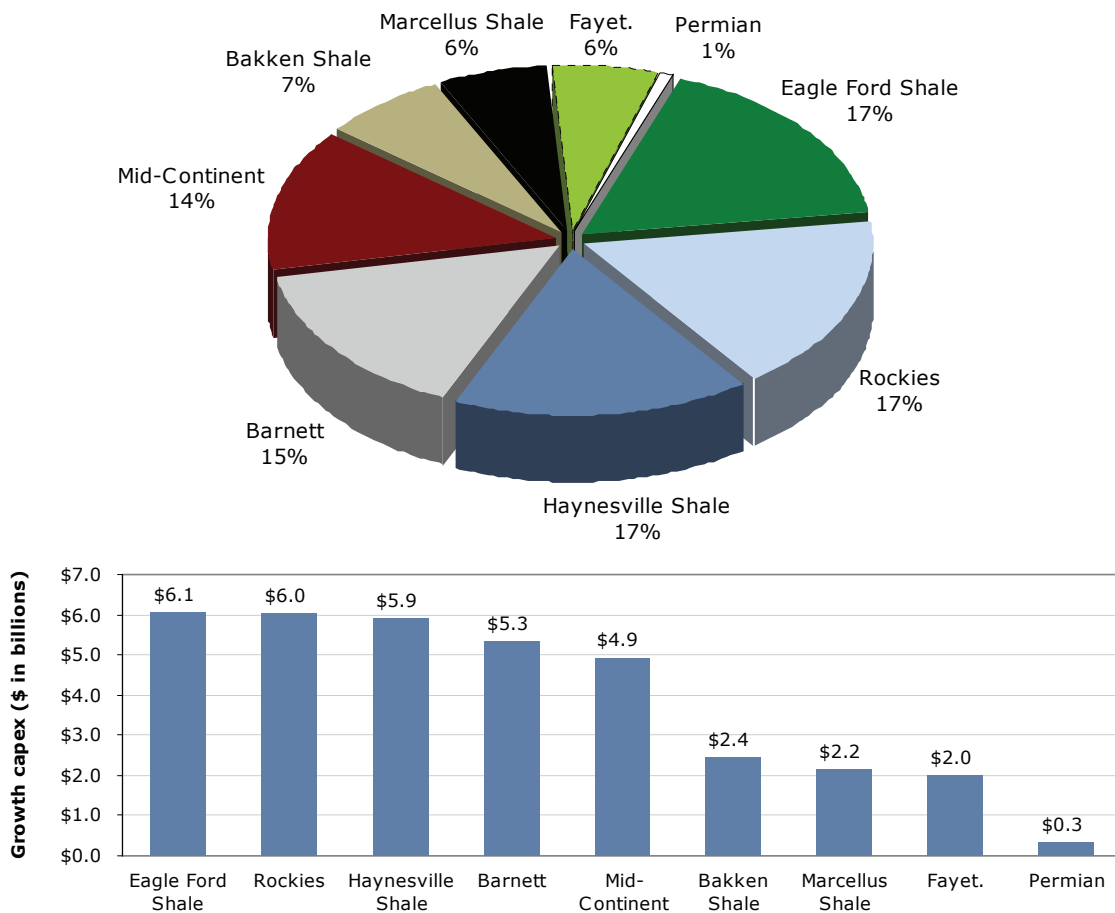
Note 2: EV-to-EBITDA adjusted to reflect % of cash flow to GP

Source: FactSet and Wells Fargo Securities, LLC estimates

**MLPs Are Playing A Major Role In Shale Development**

Since 2007, we estimate that MLPs have announced, allocated, or spent total capital of at least \$35.1 billion toward the development of midstream infrastructure in the major oil and natural gas shale plays in North America. While early capital development was focused on the buildout of (mostly dry) natural gas shale pipeline and supporting infrastructure (e.g., Barnett, Fayetteville, Woodford, and Rockies regions), the majority of more recent and future development is focused on oil shale- and NGL-rich gas development. Based on our calculations, the most capital to date (i.e., since 2007) has been allocated to the Eagle Ford Shale (i.e., \$6.1 billion), followed by the Rockies (i.e., \$6.0 billion) and Haynesville Shale (i.e., \$5.9 billion). Over the same time period, the smallest amount of capital has been allocated in the Permian (i.e., \$0.3 billion), Fayetteville (i.e., \$2.0 billion), Marcellus Shale (i.e., \$2.2 billion), and Bakken Shale (i.e., \$2.4 billion) areas. Given that midstream infrastructure in the Spraberry and Wolfcamp (Permian Basin), Marcellus Shale, and Bakken Shale are in the relatively early stages of development, we expect capital investments in these areas to accelerate meaningfully as producers deploy more capital to develop the reserves in these regions.

**Figure 3. MLP Growth Capex By Major Producing Regions Since 2007**



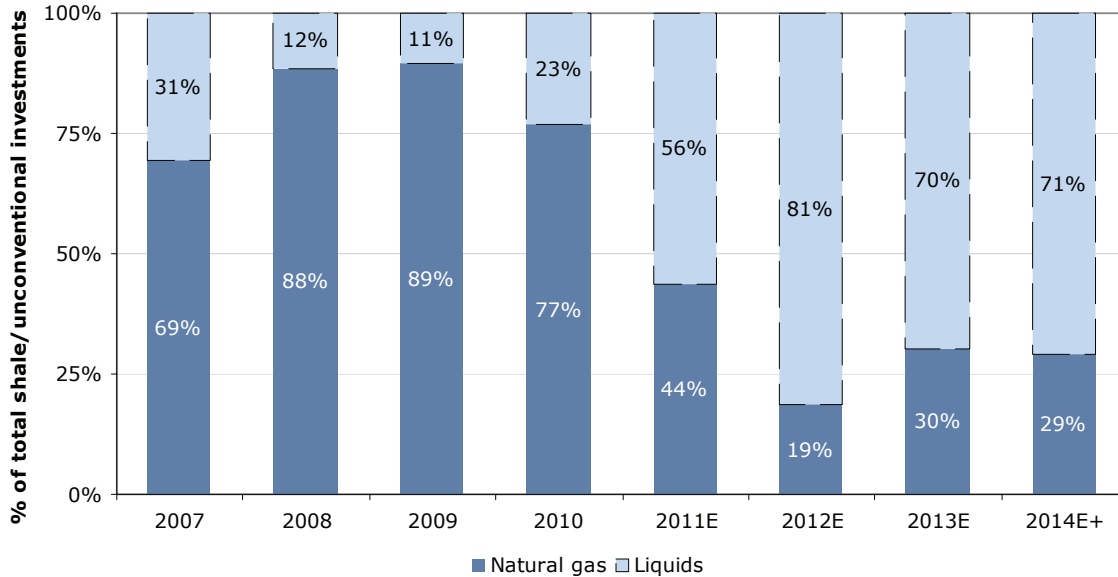
Source: Partnership reports and Wells Fargo Securities, LLC

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From Gas To Liquids

From 2007 to 2010, we estimate that 81% of total MLP infrastructure investments in shale and unconventional plays were natural gas related (the balance of these investments were crude oil or NGL related). Given the shift in producer activity toward regions with high oil and liquids content, MLP capex investments in shale and unconventional areas for 2011-14 are shifting toward crude oil and NGL projects (i.e., an average of about 70%).

Figure 4. Shift From Natural Gas To Liquids (NGL/Crude Oil) Investments



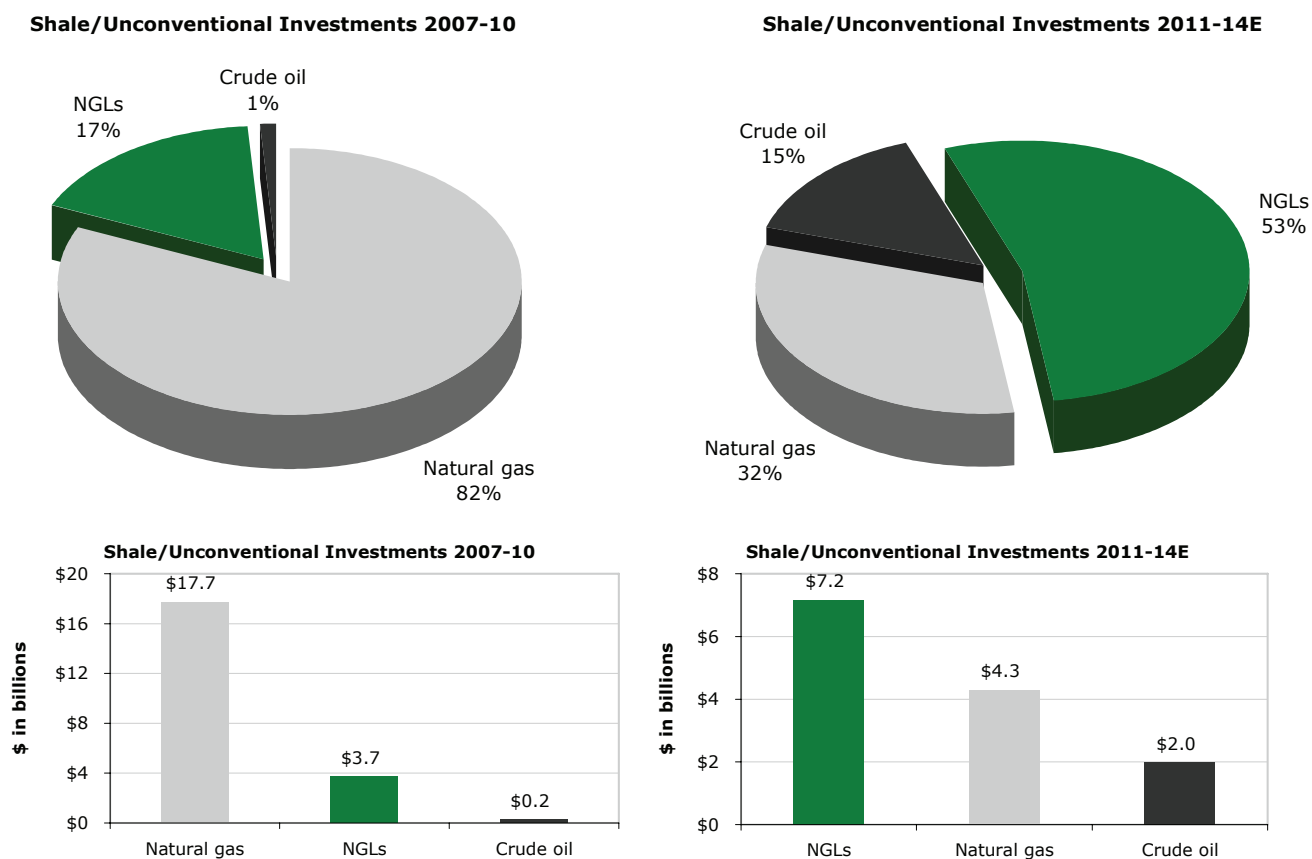
Source: Partnership reports and Wells Fargo Securities, LLC estimates

From 2007 to 2014, we estimate that MLPs have announced or constructed natural gas shale-related projects totaling \$22.0 billion. This amount accounts for approximately 63% of total shale or unconventional investments announced during this period. As noted, MLP investments are shifting toward the liquids-rich plays given the higher producer net backs. Based on announced MLP investments for 2011-14, we estimate that NGL and crude oil investments will account for about 68% (or \$9.2 billion) of total projected shale and unconventional investments of \$13.4 billion. This compares with 2007-10, when NGL and crude oil investments accounted for only 18% of total shale investments.

For 2011-14, we estimate that approximately 53% (or \$7.2 billion) of 2011-14 capex investments are being allocated to NGLs (e.g., fractionation, y-grade pipelines, and processing plants), followed by natural gas (e.g., gathering lines and transmission) at 32% (or \$4.3 billion). Approximately 85% of these NGL projects are expected to occur in the Eagle Ford, Bakken, and Mid-Continent region. Eagle Ford NGL projects include investments to be made primarily by CPNO, EPD, ETP/RGNC (i.e., LoneStar), and NGLS. A majority of the future investments in the Bakken Shale and Mid-Continent region are expected to be largely made by OKS.

Natural gas investments for 2011-14 are largely expected to be allocated to the Haynesville and Marcellus Shales, which constitute approximately 75% of the total natural gas projects (of \$4.3 billion). The Haynesville-related capex (of \$1.8 billion) consists mostly of natural gas gathering and long-haul pipeline investments by EEP and EPD. In the Marcellus Shale (total announced capex for 2011-14 of \$1.4 billion), the largest amount of natural gas investments is expected to be made by WPZ (Note: MWE investments have been classified as NGLs). Based on WPZ's recent announcements, the partnership expects to invest about \$1.4 billion on its natural gas projects in the Marcellus Shale for 2011-14. The third-largest area for natural gas investments is in the Eagle Ford Shale. The largest natural gas investments in this play are expected to be made by CPNO, EPD, and RGNC.



**Figure 5. MLP Growth Capex By Commodity**

Source: Partnership reports and Wells Fargo Securities, LLC estimates

Of the total capital investments of \$35.1 billion, approximately 67%, or \$23.7 billion of investments has been allocated toward long-haul transportation projects. Some of the largest projects within this category include the following:

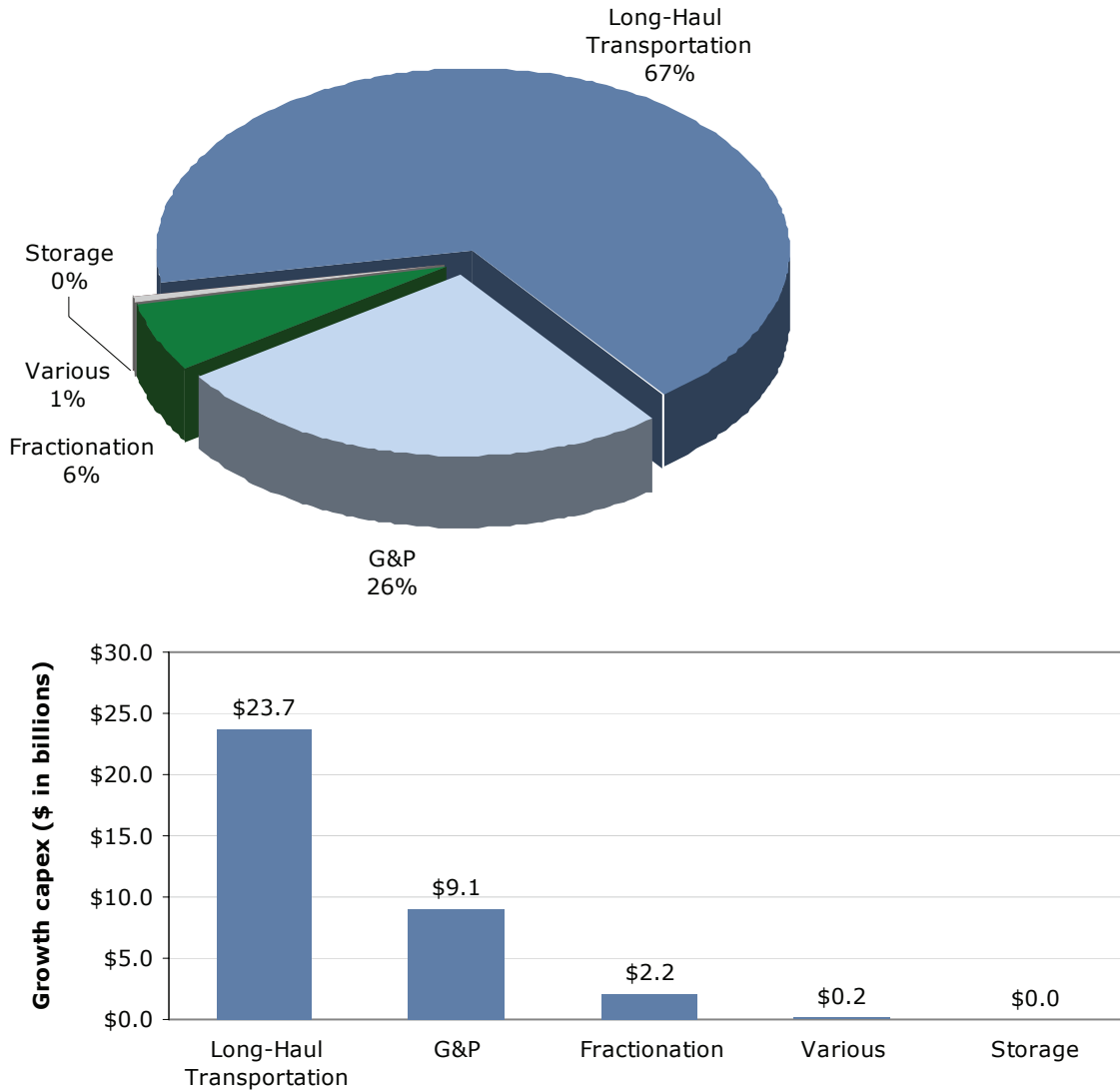
- KMP Rockies Express (\$3.4 billion)
- KMP and RGNC Mid-Continent Express (\$2.3 billion)
- BWP Gulf Crossing Expansion (\$1.6 billion)
- EPD's Acadian Haynesville System (\$1.5 billion)
- EPD and ETP Cushing-To-Gulf Coast Project (\$1.35 billion)
- ETP's Tiger Pipeline (\$1.2 billion)
- ETP and KMP Fayetteville Express (\$1.0 billion)
- BWP Fayetteville and Greenville Laterals (\$1.0 billion)
- EPD's Eagle Ford Crude Oil Pipeline Projects (\$0.8 billion)

The second-largest growth capex estimate by asset type is gathering and processing (G&P), which makes up 26% of total capex, or \$9.1 billion. This amount includes \$2.8 billion of EPD Eagle Ford, Haynesville, and Rockies investments, which includes not only G&P capex, but also y-grade pipeline projects. Other large G&P capex includes WPZ, Marcellus (\$1,082 million); OKS, Bakken (\$993 million); ETP, Eagle Ford (\$750 million); MWE, Marcellus (\$734 million); and RGNC, Eagle Ford and Haynesville (\$534 million).

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The third-largest category of investment is fractionation, which accounts for 6%, or \$2.2 billion of total capex. Notably, 67% of the fractionation capex is related to the Eagle Ford Shale. The largest fractionation investments include EPD (\$755 million), NGLS (\$513 million), OKS (\$470 million), and ETP and RGNC, that is, the Lone Star joint venture (JV), \$363 million.

Figure 6. MLP Growth Capex By Asset Type (2007-14E)

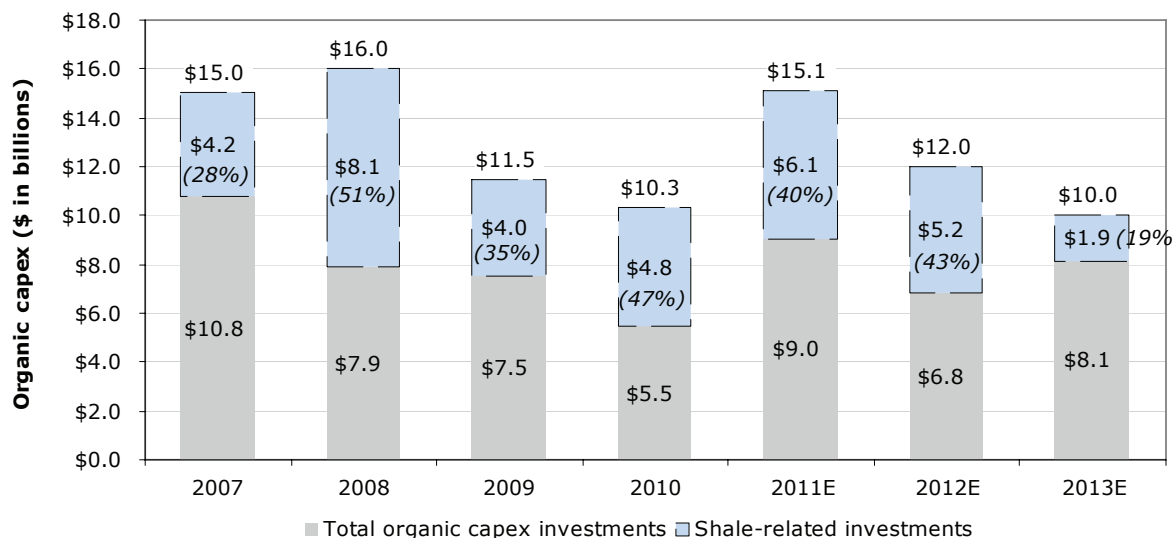


Source: Partnership reports and Wells Fargo Securities, LLC

Shale Investments Should Continue To Make Up A Notable Portion Of Our Growth Forecast

Based on our organic growth capex forecast for the next several years, we anticipate that shale-related investments could constitute a meaningful portion of our 2011 and 2012 organic growth forecast. Specifically, we estimate that shale-related investments could account for 40% and 43% of our current 2011 and 2012 organic growth capex forecast, respectively (and versus an average of 40% from 2007 to 2010). Although shale-related investments as a percentage of our total organic capex budget decrease in 2013 (i.e., to 19%), we suspect our forecast for shale-related activity will increase in 2013 and beyond as more specific projects are identified. For the purposes of this exercise, we assume the pace of the shale investments occur ratably over the quarters preceding the targeted in-service date (e.g., for projects \$500 million or less, we assume the investment occurs over a four-quarter period and investments for projects more than \$500 million occur over a six-quarter period).

Figure 7. Shale Capex Investments As A Percent Of Our Total Organic Growth Capex Forecast

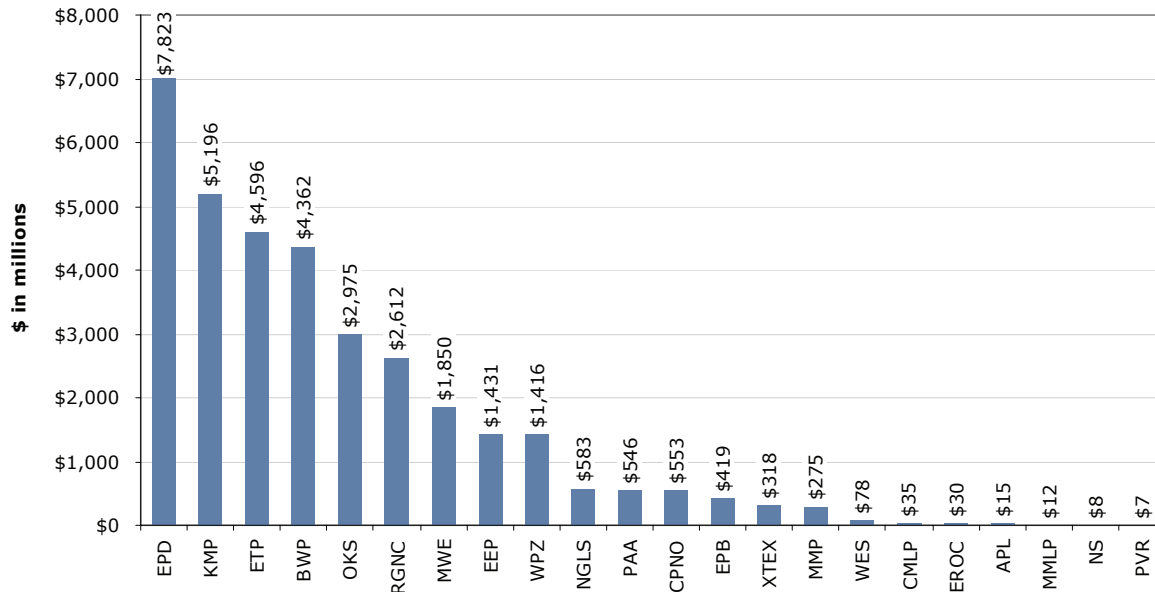


Note: Percentages represent shale-related investments as a percent of total organic capex investments for our companies under coverage

Source: Partnership reports and Wells Fargo Securities, LLC estimates

The five MLPs with the largest investments in shale development include EPD (\$7.8 billion), KMP (\$5.2 billion), ETP (\$4.6 billion), BWP (\$4.4 billion), and OKS (\$3.0 billion), which represents approximately 71% (or \$25.0 billion) of total capex investments of \$35.1 billion (i.e., investments announced or completed since 2007).

Figure 8. Growth Capex By MLP (2007-14E)



Source: Partnership reports and Wells Fargo Securities, LLC

## Overview Of NGL Infrastructure Projects In The Eagle Ford Shale

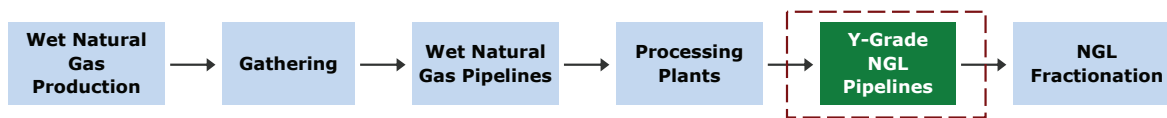
### Production Constraints Likely Near Term--Takeaway Capacity Sufficient Longer Term

The development of NGL logistics infrastructure in the Eagle Ford Shale requires the construction of gathering lines, processing plants, wet natural gas pipelines, y-grade NGL pipelines, and downstream NGL fractionation capacity. A bottleneck at any point in this value chain could slow the drilling efforts of E&P producers, but alternatively provide midstream MLPs with potential new growth opportunities. While midstream companies have announced plans to construct more than 1,400 miles of natural gas pipelines in the Eagle Ford Shale, 1.9 Bcfe/d of natural gas processing capacity, and 340 Mbbbls/d of NGL takeaway capacity, we calculate that production in the Eagle Ford Shale will likely be constrained by limited takeaway capacity through the end of 2012 (i.e., when the majority of the aforementioned projects are placed into service). However, following the completion of these projects (and potential expansions), we believe NGL takeaway capacity should be sufficient to support production growth in the region through 2015 under our base case scenario.

To calculate unconstrained NGL production growth in the Eagle Ford Shale we used our E&P team's (David Tameron and Michael Hall) rig-by-rig build-up of estimated natural gas production growth in the NGL-rich window of the Eagle Ford Shale. Based on this forecast, we arrived at our NGL production estimates by assuming a processing plant recovery factor of 70% and gallons of NGLs per Mcf of natural gas production (GPM) of 6 in our low case scenario, 7 GPM in our base case scenario, and 8 GPM in our high case scenario. As noted, the need for additional NGL infrastructure spending in the Eagle Ford Shale depends on the rate of production growth and the richness of natural gas produced from the play. Under our high case scenario, we forecast that NGL production growth could support the construction of additional NGL takeaway capacity above and beyond what has already been announced.

To note, we have focused our analysis on NGL production and NGL takeaway capacity given that the majority of gathering and wet natural gas pipelines deliver product from one point to another in the play. Alternatively, NGL fractionation is typically constructed to service y-grade NGL supply from multiple producing regions.

**Figure 9. Schematic Of Midstream Services For The NGL-Rich Window Of The Eagle Ford Shale**

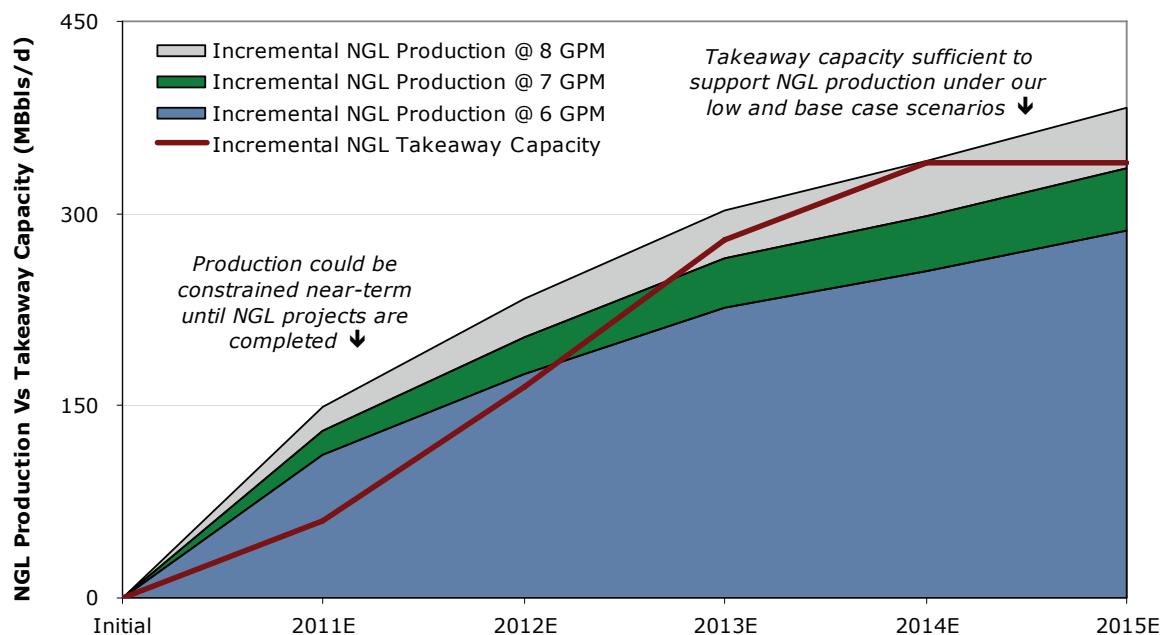


Source: Wells Fargo Securities, LLC

- **Low case (6 GPM gas).** Assuming natural gas in the wet portion of the Eagle Ford Shale contains 6 GPM of NGLs and a 70% processing plant recovery factor, we believe announced expansion projects should be sufficient to handle the expected ramp-up in NGL production into the foreseeable future. However, we anticipate that production could be constrained near term (i.e., through 2012) as new NGL projects are being constructed.
- **Mid case (7 GPM gas).** Assuming natural gas in the wet portion of the Eagle Ford Shale contains 7 GPM of NGLs and a 70% processing plant recovery factor, we believe announced expansion projects should be sufficient to handle the expected ramp-up in NGL production through 2015. However, we anticipate that production could be constrained near term (i.e., through 2013) as new NGL projects are being constructed.
- **High case (8 GPM gas).** Assuming natural gas in the wet portion of the Eagle Ford Shale contains 8 GPM of NGLs and a 70% processing plant recovery factor, we believe announced expansion projects are insufficient to handle the expected ramp-up in NGL production. Under this scenario, we anticipate that NGL production could support the construction of an additional NGL pipeline with a capacity of roughly 40-50 Mbbbls/d. This, in turn, could support the construction of a 150-200 MMcfe/d incremental processing plant capacity and 40-50 Mbbbls/d of NGL fractionation capacity.

The following figure shows our projections for incremental NGL production in the Eagle Ford Shale. Assuming a GPM of 6-8, we forecast that an incremental 290-385 Mbbls/d of y-grade NGLs could be produced in the Eagle Ford Shale over the next five years. This, in turn, implies that a similar amount of NGL transportation and fractionation capacity needs to be constructed. Midstream companies have announced projects to construct 340 Mbbls/d of incremental NGL takeaway capacity (including expansions) out of the Eagle Ford Shale and more than 600 Mbbls/d of additional fractionation capacity at Mont Belvieu and Conway over the next five years.

**Figure 10. Projected NGL Production From The Eagle Ford Shale**



Note: We have assumed an NGL recovery rate of 80%.

Source: Wells Fargo Securities, LLC estimates

The following figure outlines the assumptions behind our NGL production and takeaway capacity estimates for the Eagle Ford Shale. As noted, under our base case scenario, new NGL pipeline projects should be sufficient to handle the expected ramp-up of NGL production growth in the play through 2015. To note, based on our NGL production growth expectations, we have assumed that EPD expands its 90 Mbbls/d y-grade NGL pipeline to 210 Mbbls/d approximately 18 months after the initial pipeline is constructed. In addition, we have assumed that 50% of the capacity on the DCP Sandhills pipeline is used to transport NGLs from West Texas.

We have focused primarily on incremental production and infrastructure as data pertaining to utilization rates for existing infrastructure in the region is difficult to locate. Accordingly, the one caveat to our analysis is that our projections assume that existing infrastructure is effectively 100% utilized, which may or may not be an accurate assessment. However, given the number of recent announcements to expand takeaway capacity out of the region, we believe there is a strong likelihood that existing infrastructure serving the Eagle Ford Shale is likely at or near capacity.

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Figure 11. Projected NGL Production Versus Takeaway Capacity (Base Case Scenario)

(MMbbls/d unless otherwise noted)	Est. Capacity	Expected In-Service	2011E	2012E	2013E	2014E	2015E
<b>Build-Up Of NGL Production:</b>							
Residue dry gas after processing (MMcf/d)	-	-	1,117	1,750	2,269	2,554	2,869
(x) Assumed GPM value of 7	-	-	186	292	378	426	478
(x) Processing plant recovery factor of 70%	-	-	130	204	265	298	335
<b>Incremental NGL Production @ 7 GPM</b>			<b>130</b>	<b>204</b>	<b>265</b>	<b>298</b>	<b>335</b>
<b>Build-Up Of NGL Takeaway Capacity:</b>							
<b>Y-Grade NGL Pipelines:</b>							
Liberty NGL Pipeline (CPNO/ETP)	75	Q3'11	38	75	75	75	75
EPD Y-Grade NGL Pipeline (EPD)	90	Q4'11	23	90	90	90	90
EPD Y-Grade NGL Pipeline Expansion (EPD)	120	Q3'13	0	0	60	120	120
Sandhills Pipeline (DCP-M) <sup>1</sup>	110 x 50%	Q1'13	0	0	55	55	55
<b>Incremental NGL Takeaway Capacity</b>			<b>60</b>	<b>165</b>	<b>280</b>	<b>340</b>	<b>340</b>

Note: We have assumed that the TEAK Midstream JV does not pursue its proposed NGL project.

Note 1: We have assumed that 50% of the 110 Mbbls/d capacity on the Sandhills Pipeline is allocated to West Texas NGL production.

Source: Company data and Wells Fargo Securities, LLC estimates

Review Of Existing And Announced Wet Natural Gas Pipelines In The Eagle Shale

In the sections that follow, we have aggregated processing plant, wet natural gas pipeline, and y-grade NGL pipeline expansion announcements by midstream companies in the Eagle Ford Shale in order to gauge the potential for additional NGL infrastructure opportunities in the region.

There are currently three wet gas pipelines with 1,200 MMcf/d of takeaway capacity from the Eagle Ford Shale. These pipelines are owned by Kinder Morgan, Energy Transfer, and Enterprise Products, which have takeaway capacity of 600 MMcf/d, 400 MMcf/d, and 200 MMcf/d, respectively. We estimate that nine projects representing at least 2.4 Bcf/d (the capacities for some projects were not disclosed) of additional takeaway capacity could come on-line by Q1 2013. In contrast, we forecast that wet natural gas production in the play could increase by 2.8 Bcfe/d over the next five years under our base case scenario.

Figure 12. Existing And Proposed Wet Gas Pipelines In The Eagle Ford Shale

Ticker	Pipeline	Capacity (MMcfe/d)	Miles	Destination	In-Service Date
<b>Existing Wet Gas Pipelines</b>					
KMP	30" Index 50 Pipeline	600	-	Houston Central Processing Plant	In-Service
ETP	Dos Hermanas Pipeline	400	50	ETC HPL Gathering System	In-Service
EPD	White Kitchen Lateral	200	62	Shilling Processing Plant	In-Service
<b>Total</b>		<b>1,200</b>	<b>112</b>		
<b>Proposed Wet Gas Pipeline Projects</b>					
ETP	Rich Eagle Ford Mainline	600	230	Chisholm Pipeline To ETC Plants	Q4'11 - Q1'13
EPD	Main Line	600	300	Eagle Ford Gas Processing Plant	Q4'11
CPNO / KMP	EFH JV Pipeline	375	111	Houston Central Processing Plant	Q3'11
CPNO / KMP	Crossover Pipeline	400	74	Formosa Point Comfort Complex	Q4'11
CPNO	DK Pipeline Extension	350	58	Houston Central Processing Plant	Q4'11
ETP	Chisholm Pipeline	100	83	La Grange Processing Plant	Q2'11
EPD	Marshall & Milton Area Pipeline	-	69	Eagle Ford Gas Processing Plant	Q2-Q3'11
EPD	Shilling to Shoup	-	86	Shoup Processing Plant	Q3'11
SUG	Trunkline Gas - S. TX System	-	165	DCP E. TX Processing Plants	Q3'11
<b>Total</b>		<b>2,425</b>	<b>1,176</b>		

Source: Partnership reports

### Review Of Existing And Announced Processing Plants In The Eagle Ford Shale

We estimate that there is currently 2,315 MMcf/d of natural gas processing capacity in the Eagle Ford Shale region. Notably, EPD has approximately 1,500 MMcf/d of processing capacity in the Eagle Ford, which represents almost two-thirds of current capacity. The remaining processing capacity is owned by DCP Midstream LLC, a 50-50 joint venture between Spectra Energy and ConocoPhillips. To meet producers' needs in the region, several MLPs and one private company with assets in the region announced plans to build additional processing capacity. We have identified five proposed projects with total additional capacity of 1.9 Bcf/d. In contrast, we forecast incremental wet natural gas production of 2.8 Bcf/d under our base case. Accordingly, we anticipate that additional processing plants and/or expansions of existing plants could be announced to support production growth in the region.

**Figure 13. Existing And Proposed Processing Facilities In The Eagle Ford Shale**

Company	Ticker	Processing Plants	Capacity (MMcf/d)	In-Service Date
<b>Existing Processing Plants</b>				
Enterprise Products Partners L.P.	EPD	Armstrong	250	In-Service
Enterprise Products Partners L.P.	EPD	San Martin	-	In-Service
Enterprise Products Partners L.P.	EPD	Shilling	110	In-Service
Enterprise Products Partners L.P.	EPD	Shoup	290	In-Service
Enterprise Products Partners L.P.	EPD	Thompsonville	330	In-Service
Enterprise Products Partners L.P.	EPD	Other EPD Eagle Ford plants	520	In-Service
DCP Midstream LLC Total	Private	Various	815	In-Service
<b>Total</b>			<b>2,315</b>	
<b>Proposed Processing Plants</b>				
Energy Transfer Partners L.P.	ETP	New Jackson County Plant	600	Q1'13
Enterprise Products Partners L.P.	EPD	New Yoakum Cryo Plant	600	Q2'12
Copano Energy L.L.C.	CPNO	Houston Central Expansion	400	H1'14
DCP Midstream LLC	Private	New Eagle Ford Plant	200	Q3'12
Energy Transfer Partners L.P.	ETP	New Chisolm Plant	120	Q1'12
<b>Total</b>			<b>1,920</b>	

Source: Partnership reports

### Review Of Existing And Announced NGL Pipelines In The Eagle Ford Shale

We estimate that there is currently 293 Mbbls/d of existing NGL takeaway capacity in the Eagle Ford Shale. Midstream companies have announced potential NGL pipeline projects totaling 390 Mbbls/d in capacity, by our calculations. The proposed NGL pipeline projects would transport raw NGL mix to fractionation and storage facilities located along the Gulf Coast and Mont Belvieu. Assuming all currently proposed Eagle Ford NGL pipelines are built, takeaway capacity in the region could increase by 270 Mbbls/d, assuming no expansions or 390 Mbbls/d with expansions. We have included Targa's TEAK Midstream JV project in the following figure. However, we have excluded this pipeline from our calculation of future NGL takeaway capacity out of the region based on our assumption that this project is unlikely to be constructed at this juncture.

Figure 14. Existing And Announced NGL Pipelines In The Eagle Ford Shale

Ticker	Pipeline	Capacity (MBbls/d)	Miles	In-Service Date
<b>Existing NGL Pipelines</b>				
DEP	South Texas NGL System	>123	1,482	In-Service
COP	EZ NGL Pipeline System	101	-	In-Service
CPNO	Sheridan	31	107	In-Service
CPNO	Brenham	>20	47	In-Service
CPNO	Markham	18	50	In-Service
<b>Total</b>		<b>293</b>	<b>1,589</b>	
<b>Proposed NGL Pipeline Projects</b>				
CPNO / ETP	Liberty NGL Pipeline	75	-	Q3'11
NGLS	TEAK Midstream JV <sup>1</sup>	50 (E)	-	Q3-Q4'11
EPD	Eagle Ford Y-Grade NGL Pipeline	90-210	-	Q4'11
Private	Sandhills Pipeline <sup>2</sup>	110 x 50%	-	2013
<b>Total</b>		<b>390</b>	<b>-</b>	

Note 1: Unlikely to be constructed at this juncture, in our view

Note 2: We have assumed that 50% of the 110 Mbbls/d capacity on the Sandhills Pipeline is allocated to West Texas NGL production.

Source: Partnership reports and Wells Fargo Securities, LLC

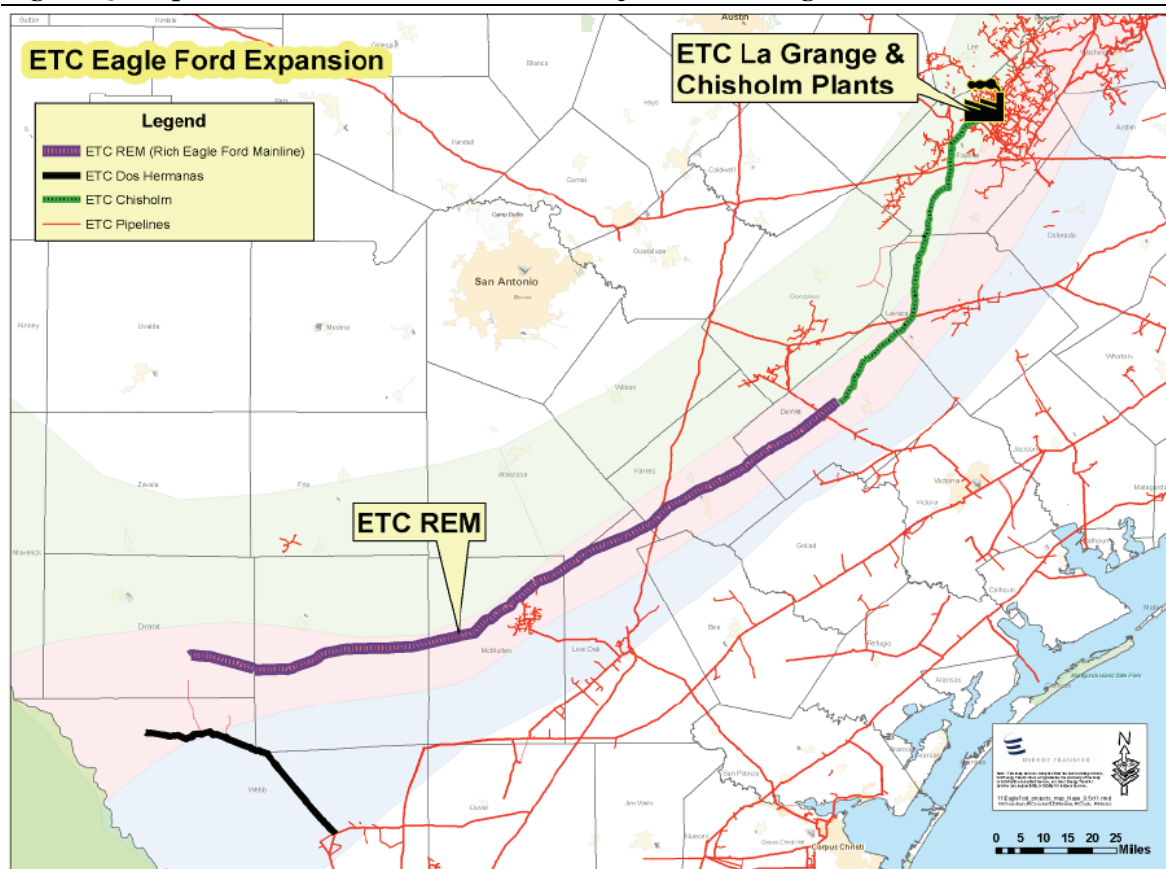
### Announced Eagle Ford Growth Projects By MLP

#### Energy Transfer Partners (ETP)

- Description of first wave of announced Eagle Ford projects.** On February 17, 2011, ETP announced plans to construct a new 160-mile, 30-inch Rich Eagle Ford Mainline (REM) natural gas pipeline with an initial capacity of 400 MMcf/d (expandable to 800 MMcf/d). The pipeline is to originate in Dimmit County, Texas and extend into ETP's Chisholm pipeline. As part of REM, ETP plans to construct a 200 MMcf/d gathering system. The gathering system will also tie into the partnership's Chisholm pipeline. Finally, ETP plans to construct a 120 MMcf/d natural gas processing plant, which, together with existing capacity at ETP's LaGrange processing plant, is expected to provide the partnership with sufficient processing capacity to handle wet natural gas production in the region. The Chisholm processing plant is expected to be operational by Q4 2011.
- Description of second wave of announced Eagle Ford projects.** On April 21, 2011, ETP announced plans to construct a natural gas processing plant in Jackson County, which is to have approximately 600 MMcf/d of capacity and can be expanded to 800 MMcf/d. The processing plant is supported by long-term, fee-based agreements with Rosetta Resources Operating, SM Energy Company, and a subsidiary of Anadarko Petroleum Corporation to provide natural gas gathering, processing, and liquids services. Notably, these arrangements include commitments in excess of 540,000 MMBtu/d of natural gas.



Figure 15. Map Of ETP's Natural Gas And NGL Projects In The Eagle Ford Shale



Source: Partnership reports

### Enterprise Products Partners (EPD)

- Description of announced Eagle Ford projects.** EPD intends to construct a rich natural gas mainline in the Eagle Ford Shale that is to consist of approximately 300 miles of pipelines and add more than 600 MMcf/d of transportation capacity. The Eagle Ford mainline is to originate at the partnership's White Kitchen Lateral and transport rich gas northeast to EPD's planned 600 MMcf/d Yoakum cryogenic processing plant. The Yoakum cryogenic processing plant in South Texas has a capacity of 600 MMcf/d and is expected to be full when it is placed into service in Q2 2012. The Yoakum processing plant would be able to transport NGLs to EPD's Mont Belvieu complex via the Eagle Ford NGL pipeline, which is scheduled to be placed into service by Q4 2011. EPD's Eagle Ford NGL pipeline is a 127-mile y-grade pipeline that is to deliver NGLs from EPD's Eagle Ford Shale processing facilities to the partnership's Mont Belvieu facilities. Upon completion, which is expected by December 2011, the pipeline should have a capacity of 90,000 bbls/d (and could be readily expandable to 210,000 bbls/d).

Figure 16. Map Of EPD's Natural Gas And NGL Projects In The Eagle Ford Shale

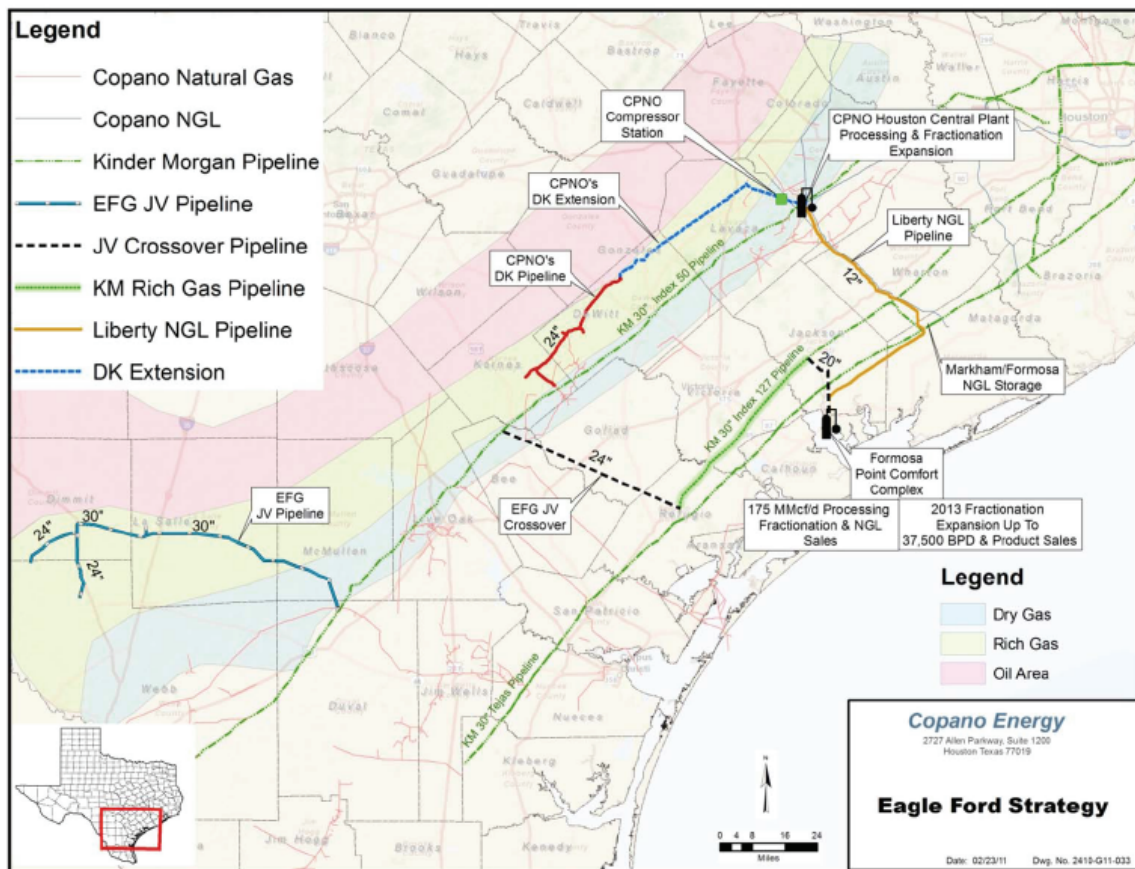


Source: Partnership reports

**Joint Venture Of Copano Energy LLC (CPNO) And Kinder Morgan Partners (KMP)**

- Description of first wave of announced Eagle Ford projects.** On January 6, 2011, Eagle Ford Gathering JV announced plans to construct 111 miles of 30- and 24-inch pipelines (EFG JV Pipeline) originating from SM Energy and Chesapeake's Eagle Ford acreage in Webb, Dimmit, and LaSalle counties, and interconnecting with KMP's 600 BBTu/d, 30-inch Laredo-to-Katy wet natural gas pipeline (Index 50) that runs parallel to the play and is currently underutilized. KMP's pipeline plans to continue to use CPNO's Houston Central plant for processing and fractionation services. The 375 BBTu/d EFG JV pipeline is fully contracted under long-term commitments from SM Energy and Chesapeake. The pipeline is expected to be placed into service in September 2011.
- Description of second wave of announced Eagle Ford projects.** CPNO and KMP intend to construct 74 miles of pipeline (i.e., the Crossover Pipeline) connecting KMP's Index 50 and Index 127 pipelines to Formosa's Point Comfort petrochemical facility. Upon completion (which is expected by Q4 2011), the pipeline would have nominal capacity of 400,000 MMBtu/d. The JV has entered into a long-term processing and fractionation agreement at Formosa's complex. The JV would have access to 210,000 MMBtu/d of processing capacity and 17,000 bbls/d of fractionation capacity at Formosa's facility. The JV expects to begin utilizing this capacity by early 2012 (i.e., shortly after the completion of the Crossover Pipeline project).

Figure 17. Map Of CPNO’s And KMP’s Pipeline Assets

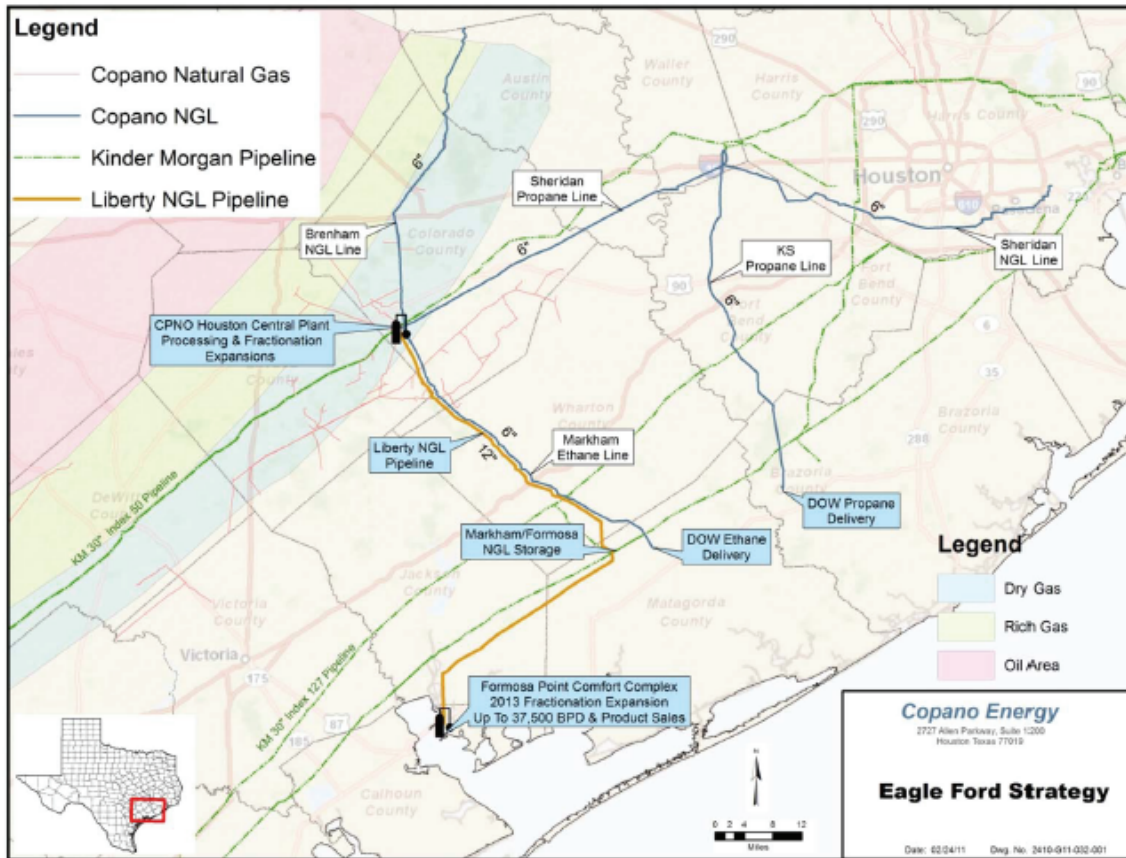


Source: Partnership reports

**Copano Energy, LLC (CPNO) / Energy Transfer Partners, L.P. (ETP) Joint Venture**

- Description of announced Eagle Ford projects.** On January 18, 2011, CPNO and ETP announced plants to construct an 83-mile NGL pipeline from CPNO’s Houston Central plant to Formosa Hydrocarbons Company’s NGL storage facility and petrochemical plant (i.e., Liberty NGL Pipeline). The pipeline is expected to be completed by Q3 2011 and to have a capacity of 75,000 bbls/d. The partnerships plan to invest \$26 million each for this project. The JV has secured a 15-year fractionation and product services agreement with Formosa Hydrocarbons Company, which provides the partnership with 37,500 bbls/d of Formosa fractionation capacity. In addition, Formosa has agreed to purchase the resulting NGL products and provide NGL storage capacity to Copano.

Figure 18. Map Of CPNO's NGL Pipeline Assets



Source: Partnership reports

**Copano Energy LLC (CPNO)--Stand-Alone Eagle Ford Projects**

- Description of announced Eagle Ford projects.** On February 9, 2011, CPNO announced plans to extend its 38-mile DK Pipeline by 58 miles. The extension would directly connect the DK Pipeline system with the partnership's Houston Central plant. Upon the project's completion, which is expected by Q4 2011, the capacity of the DK Pipeline system increases to 350,000 MMBtu/d from 225,000 MMBtu/d. CPNO also intends to expand the capabilities of its Houston Central facility. The partnership plans to expand fractionation capacity to 44 Mbbls/d from 22 Mbbls/d by early Q4 2011. In addition, CPNO intends to construct a new 400 MMcf/d cryogenic processing plant, which should bring the facility's total processing capacity to 1.1 Bcf/d. The project is expected to cost \$145 million and be placed into service as early as 2013.

**DCP Midstream, LLC (Private)**

- Description of announced Eagle Ford projects.** In November 2010, DCP Midstream LLC announced a proposed project called the Sandhills NGL Pipeline. The 700-mile Sandhills pipeline would provide 100,000-120,000 bbls/d of capacity for NGLs produced in the Avalon (West Texas) and Eagle Ford (South Texas) Shales. Assuming the project receives the necessary approvals and commitments, the company anticipates an in-service date of 2013. On May 9, 2011, NGLS announced that the partnership will provide fractionation services for DCP's Sandhills NGL Pipeline. Notably, the Sandhills Pipeline is to provide anchor commitments for the NGLS' new 100 Mbbls/d fractionation expansion at Mont Belvieu.



**Targa Resources Partners, L.P. (NGLS)**

- **Description of announced Eagle Ford projects.** In late 2010, NGLS signed a non-binding memorandum of understanding (MOU) with TexStar Midstream Services and TEAK Midstream to build a new NGL pipeline to transport y-grade NGLs from processing plants in the Eagle Ford Shale to Mont Belvieu, Texas. The NGL pipeline would be designed to not only provide NGL takeaway capacity from a TexStar and TEAK processing plant in the Eagle Ford Shale, but also, other plants in the play. In order to accommodate the production growth, NGLS would also construct a new 100 Mbbls/d fractionation train at its Cedar Bayou Fractionator (CBF) facility (NGLS owns an 88% interest in CBF), with a target in-service date of late 2012. The expansion is in addition to the current 78 Mbbls/d CBF expansion that is expected to be in-service in Q2 2011. In aggregate, these two fractionation expansions would increase CBF's total capacity to 353 Mbbls/d.

As part of the MOU, TEAK and TexStar would be expected to build two new cryogenic processing facilities with capacity of 200 MMcf/d and 300 MMcf/d, respectively, in play. It is estimated that these two processing facilities would be able to produce approximately 50,000 bbls/d of NGLs. The two companies would also expand their existing gas gathering systems in order to support the new natural gas processing plants.

We believe it is unlikely that this project will be constructed, at this juncture. As noted, NGLS recently signed a long-term fractionation services agreement with DCP Midstream, LLC (the private company)'s Sandhills Pipeline. While the amount of capacity contracted to Sandhills was not disclosed, the Sandhills pipeline is roughly the same size as NGLS' 100 Mbbls/d Cedar Bayou Fractionator expansion (i.e., approximately 100 Mbbls/d).

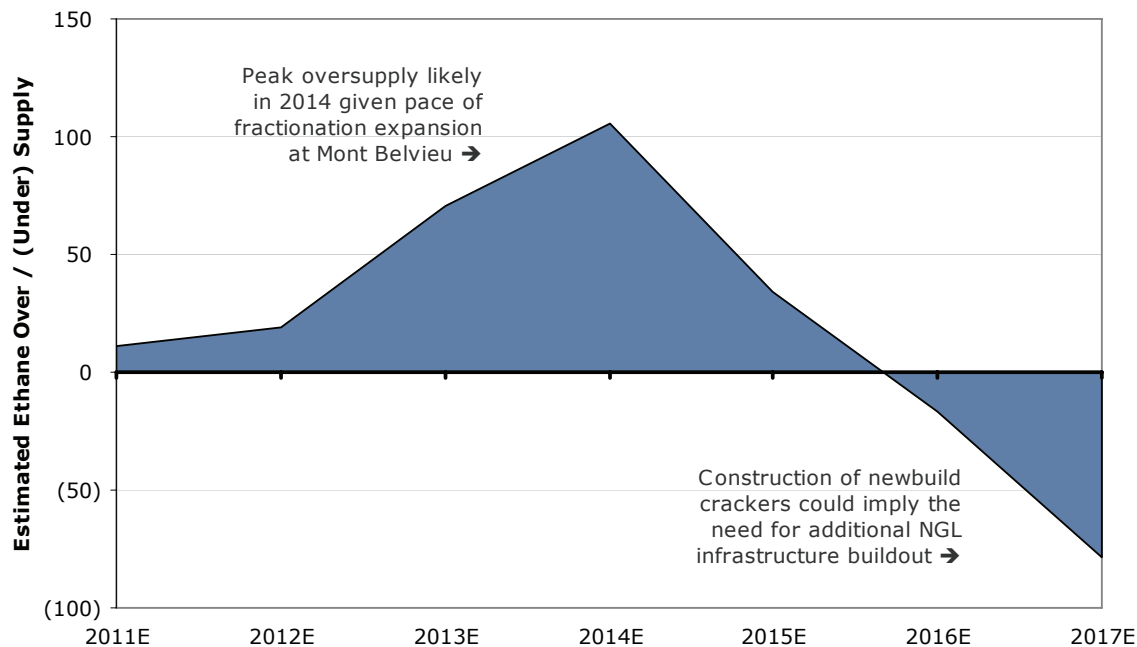
**Takeaways And Tidbits From The NAPTP Investor Conference**

The Annual NAPTP Conference was held in Greenwich, Connecticut on May 25 and May 26. After another year of stellar performance, (the sector is up 38% over the past 12 months on a total return basis, versus 23% for the S&P 500), the mood for both investors and management teams was very positive and upbeat. Growing attendance this year reflected MLPs' greater acceptance as an asset class. There were more than 700 participants at the conference, which compares with approximately 550-600 participants over the past two years. In particular, we noticed more high net worth individual investors and brokers at the event than in prior years. What follows are our "big picture" thematic takeaways, as well as individual MLP tidbits.

**NGLs And Crude Still Driving Growth**

The vast majority of organic growth projects are being driven by growing supply and demand for natural gas liquids (NGLs) and crude oil. For NGLs, investors' questions regarding a potential oversupply have subsided given announcements by three petrochemical companies to potentially build new world-scale steam crackers on the U.S. Gulf Coast. The following figure outlines our ethane supply and demand expectations over the next seven years. We forecast ethane markets to be essentially balanced in 2011-12. Starting in 2013, we believe the buildout of new fractionation capacity will temporarily overwhelm ethane consumption. However, assuming two new world-scale ethylene plants are constructed in 2016-17, we forecast that ethane markets could return to balance in 2016 and become undersupplied in 2017.

Figure 19. Estimated Ethane Over And (Under) Supply



Note: Analysis assumes (1) ethane comprises 45% of new NGL fractionation capacity and (2) an operating rate of 90% on new ethylene capacity

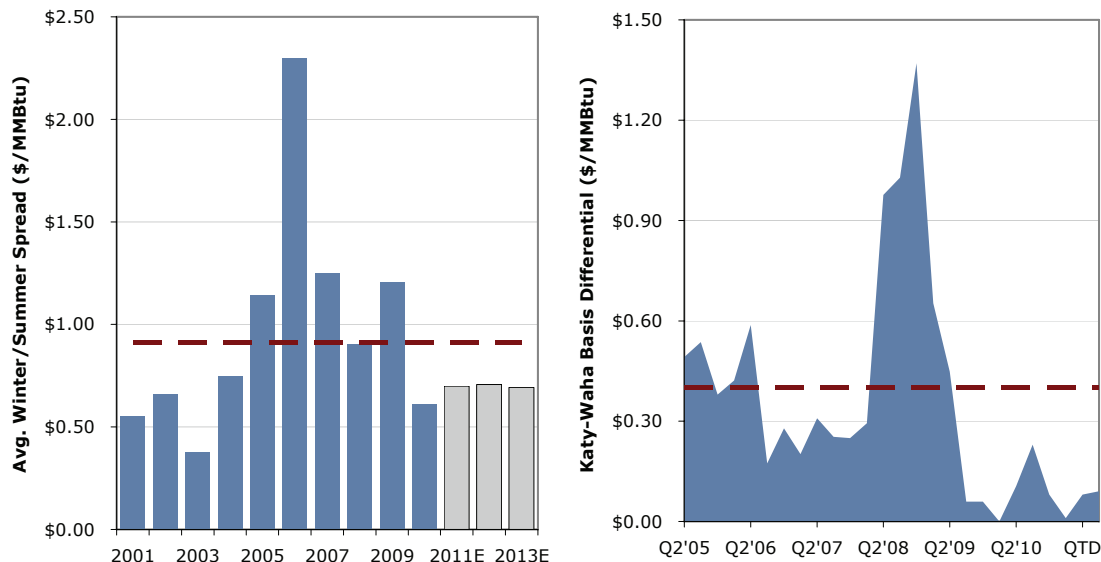
Source: Company data, EIA, Hodson Report, and Wells Fargo Securities, LLC estimates

For crude, MLPs are racing to build the infrastructure to transport growing supplies from oil shales in the Bakken, Eagle Ford, and Permian Basin. In addition, the discount between WTI and Gulf Coast crude oil prices is spurring several potential pipelines projects designed to alleviate the bottlenecks in Cushing and West Texas, and arbitrage the spread in regional prices.

**Searching For A Natural Gas Bull, But Hard To Find**

The consensus view from management teams is that the wide differential between crude oil and natural gas prices is unlikely to narrow meaningfully for several years. Most expect natural gas prices to remain in the \$4-5 per MMBtu range for the next few years as production from shales and rich gas drilling should keep the market oversupplied for some time. Management teams expect U.S. natural gas markets to find equilibrium in 3-4 years as demand increases, primarily driven by the buildout of incremental gas-fired electric generation. In the meantime, natural gas storage (seasonal) spreads, volatility, and basis differentials are likely to remain weak, putting pressure on storage margin and pipeline revenue.

Figure 20. Natural Gas Fundamentals Remain Weak (e.g., W/S Spreads And Basis Differentials)

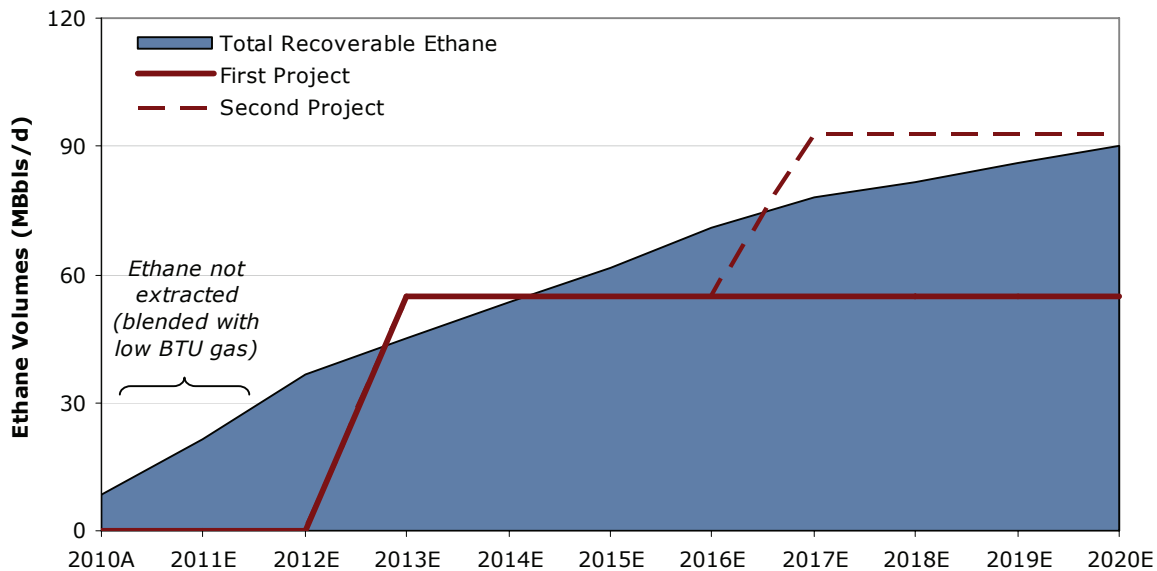


Source: Bloomberg

**Marcellus Ethane Update--Looks Like A Two-Horse Race**

Based on our discussions with management, it appears the two Marcellus ethane projects most likely to reach the finish line include MWE's and SXL's Mariner West to Sarnia and EPD's proposed pipeline from the Marcellus to Mont Belvieu. With the Sarnia market likely limited to approximately 40,000 bbl/d of ethane (via Nova), the Buckeye project, which involves a new build pipeline, is unlikely to be competitive with the Mariner project, which mostly uses existing pipeline. Based on our near-term projections for ethane production out of the region, we believe only one pipeline is likely to be built in the near term. A pipeline to the Gulf Coast would likely require at least 50,000 bbl/d of ethane to justify the project. Hence, we could envision both projects to Sarnia and the Gulf Coast to be built over the long run if Marcellus production continues to ramp up. Notably, Range Resources (one of the largest rich gas producers in the Marcellus, has announced memorandums of understanding (MOU) with both Dow Hydrocarbon (Gulf Coast) and Nova Chemicals (Sarnia).

Figure 21. Marcellus Ethane Forecast



Source: Wells Fargo Securities, LLC estimates

Master Limited Partnerships

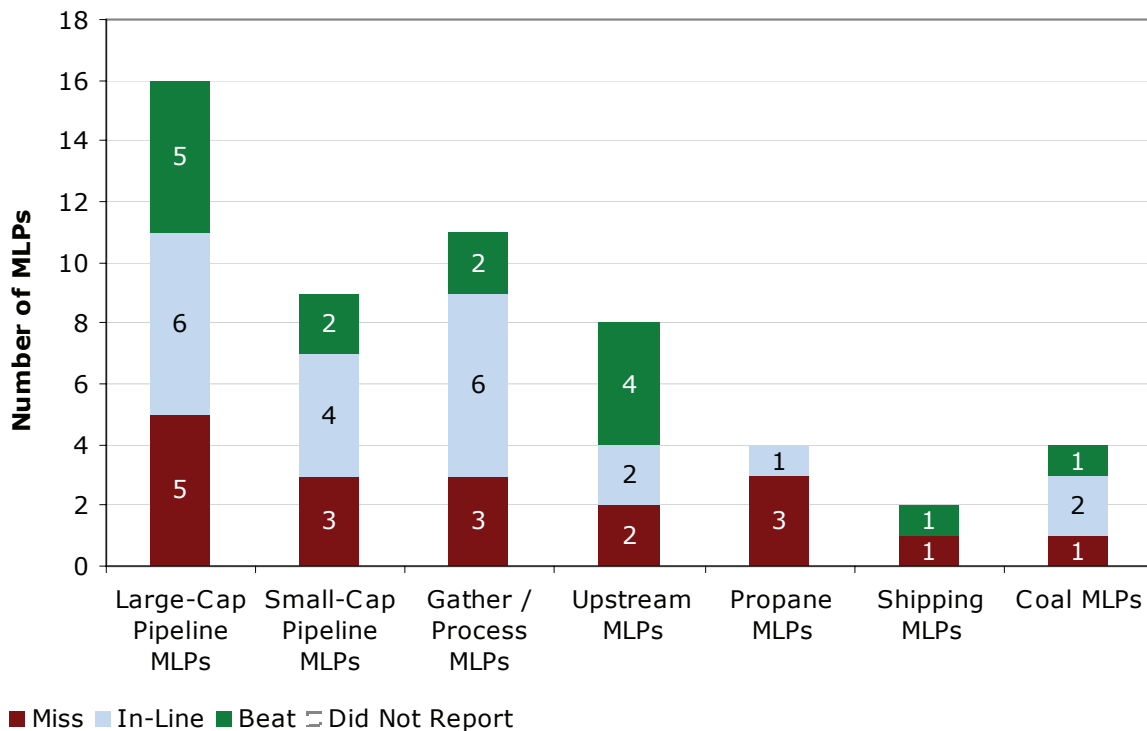
Upstream Acquisition Market Is Active, But Pricey

At the recent Annual NAPTP Conference, upstream MLP management teams indicated that the third-party market for mature reserves (i.e., MLP appropriate) has been less robust year to date due to a divergence in bid/ask spreads. There was acknowledgement by management teams across the MLP sector that acquisition multiples have increased substantially and are likely to remain high. Partnerships noted that the A&D market has mostly seen shale properties change hands, with little conventional production for sale. Permian deals, historically a prime area for MLPs, have become too expensive to participate in due to competition around emerging crude oil resource plays (e.g., Wolfberry). On the gas side, sellers are less willing to monetize properties given current market prices for natural gas. This, in turn, results in a wide disconnect between bid/ask spreads even for less sought after gas properties. The increase in acquisition multiples has been driven by MLPs' low cost of capital given healthy access to debt and equity markets (which reduces hurdle rates for accretion), and management's constant drive to increase distributions. Notwithstanding, management teams expect activity to pick up as independents, having already exhausted other sources of funding (debt and equity), begin to monetize mature reserves to fund organic development of shale plays.

Q1 2011 Earnings Review

The Q1 2011 earnings period finally concluded on May 23, 2011, as QRE reported its Q1 earnings. In Q1 2011, results for 36 out of 54 partnerships in our coverage universe were in line with or beat expectations, or 67% of the total. The large-cap pipeline and upstream MLPs had the most beats (results above expectations), largely driven by stronger commodity price realizations. Notably, refined product pipeline MLPs experienced lower yr/yr volume as demand decreased due to rising fuel prices. In addition, gathering and processing MLPs realized lower-than-expected volume due to weather-related disruptions throughout the country, which was largely offset by higher NGL equity volume.

Figure 22. Earnings By Sub-Sector



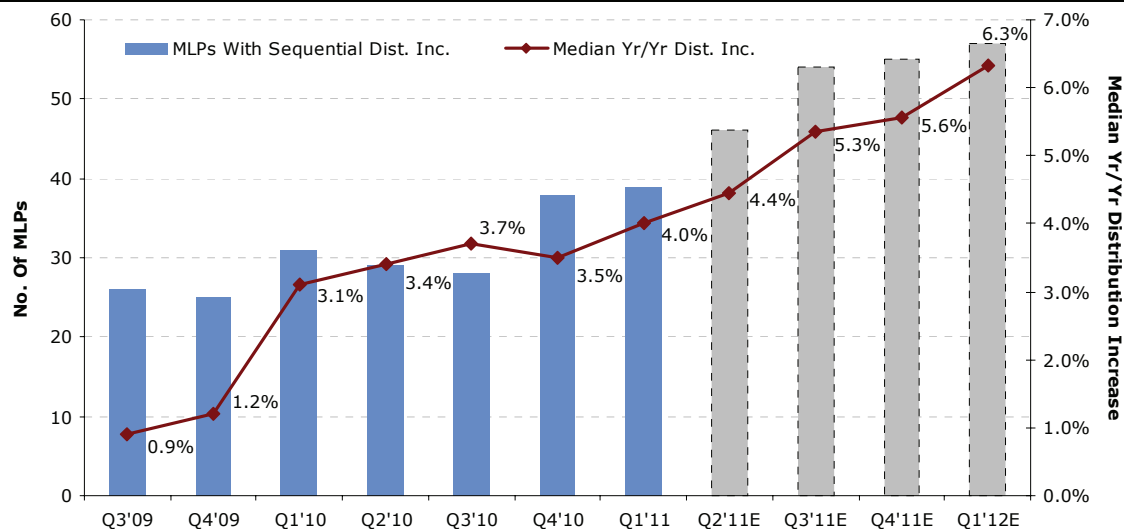
Source: Partnership reports and Wells Fargo Securities, LLC



**Distributions Up 4.0% Year Over Year To Date**

For the MLPs in our coverage universe, 39 out of 61 have increased distributions sequentially, and the median year-over-year increase was 4.0%. This compares with 38 out of 57 in Q4 2010 and 31 out of 56 in Q1 2010. As seen in Figure 23, the number of MLPs increasing distributions (on a sequential basis) has been accelerating. For the next four quarters, we forecast an average of 53 out of 62 MLPs in our coverage universe to increase distributions sequentially, extending this trend further.

**Figure 23. Historical And Forecasted MLP Distribution Trends <sup>(1)</sup>**

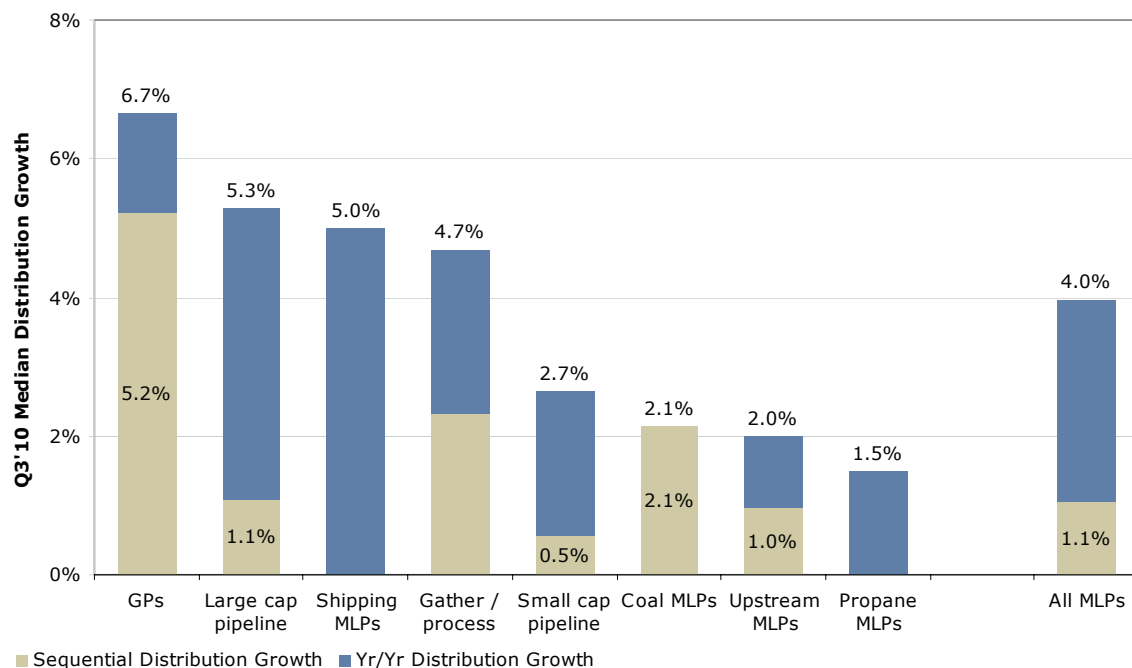


Note 1: Estimated periods include only MLPs currently under coverage.  
Source: Partnership reports and Wells Fargo Securities, LLC estimates

In Q1 2011, general partner (GP), large-cap pipeline, and shipping MLPs were the fastest-growing sub-groups (excluding distressed MLPs), posting year-over-year median distribution increases of 6.7%, 5.3%, and 5.0%, respectively. On a year-over-year basis (i.e., Q1 2011 declared distribution over Q1 2010 declared distribution), the five fastest-growing MLPs in Q1 2011 were EPB (up 21.1%), AHGP (up 19.4%), WES (up 14.7%), CMLP (up 12.8%), and ARLP (up 12.7%). On a sequential basis (i.e., Q1 2011 declared distribution over Q4 2010 declared distribution), the five fastest-growing MLPs in Q1 2011 were AHD (up 57.1%), XTXI (up 12.5%), XTEX (up 11.5%), APL (up 8.1%), and TOO (up 5.3%).

*Note: Please refer to the back of this report for distribution announcements by individual MLP.*

Figure 24. Summary Of Q1 2011 Distribution Growth By Subsector



Source: Partnership reports and Wells Fargo Securities, LLC

### Earnings Review By Commodity

**Crude oil pipeline and storage.** MLPs with crude oil assets reported results generally in line with expectations. Crude oil volume increased 7.6% year over year, driven by incremental supplies from new emerging oil plays and strong demand from refineries, given favorable crack spreads during the quarter. Demand for crude storage continues to remain firm, particularly at Cushing, Oklahoma, where incremental supplies from Canada, West Texas, and the Bakken Shale are creating an oversupply situation relative to other market outlets away from the hub. In an effort to alleviate the dislocation between WTI and Gulf Coast crude prices, EPD and ETP announced plans to build a pipeline from Cushing to access the Gulf Coast refinery market. In addition to the EPD and ETP announced pipeline, there are two proposed projects to transport crude from Cushing to the Gulf Coast, including TransCanada Corp.'s (TRP) Keystone XL project and Enbridge Inc.'s Monarch pipeline. Notably, Keystone XL has already secured 445 Mbbls/d of shipper commitments for its 500 Mbbls/d project. Assuming regulatory approval, TRP's Keystone XL pipeline will likely still proceed even if EPD and ETP pursue their pipeline project, in our view.<sup>26</sup>

**Refined products pipeline and storage.** Overall, MLPs under coverage with refined products pipelines saw a median decrease of 4.7% in volume year over year. This is in contrast to the past two quarters, in which refined products demand appeared to be improving. We believe the recent quarterly decrease is attributable to a number of industry dynamics, including refinery turnarounds and the WTI/Brent spread, which reduces the incentive for shippers to move product inland from the Gulf Coast and East Coast. Notably, volume flow varied by product during the quarter, with gasoline down 1.9% (on average), but diesel and jet fuel volume were up 6.4% and 1.3%, respectively.

The downward trend in gasoline volume is worth noting given the high price of crude oil. Year to date, the average price of U.S. retail gasoline has increased 24%, to \$3.74 per gallon in May, and compares with the 2010 and five-year averages of \$2.78 and \$2.75 per gallon, respectively. A further increase in crude oil prices could drive gasoline prices even higher, resulting in demand destruction and potentially, a slowdown in economic growth. This could potentially have a negative affect on refined product MLPs and likely result in reduced refined product pipeline volume, particularly for gasoline, in our view.

**Natural gas pipelines and storage.** Natural gas pipeline volume increased slightly year over year for most MLPs with natural gas pipeline assets, with an average increase of 1.3%. Natural gas storage results were in line with expectations, as storage fundamentals remain weak. For Q1 2011, only 12% of natural gas trading days provided storage operators with sufficient spreads to conduct park and loan activities. Overall, natural gas pipeline and storage MLPs will likely continue to be negatively affected by the combination of (1) lower natural

gas prices (affects fuel retention margin), (2) narrower basis differentials (price between locations), (3) lower seasonal storage margin, and (4) reduced natural gas price volatility, in our view. In addition, MLPs are likely to be exposed to re-contracting risks on a recurring basis as firm transportation contracts come up for renewal each year. While basis differentials have increased during Q2, spreads remain historically low (i.e., \$0.14 per MMBtu currently, versus the five-year average of \$0.40 per MMBtu). Absent a meaningful pickup in natural gas demand, we expect basis differentials across the country to remain relatively low for the remainder of 2011, which could imply lower transportation rates in the near term as contracts roll over at lower levels.

**NGL logistics.** All three primary NGL logistics providers in the MLP sector (i.e., EPD, NGLS, and OKS) reported Q1 results that were in line with or above expectations. The partnerships continue to benefit from growing supply and demand for NGLs by the U.S. petrochemical industry. NGL pipeline volume, storage margin, and fractionation fees continue to increase, generating strong cash flow and margin. The strong fundamental environment has generated significant expansion opportunities for the NGL logistics MLPs. Within the past year, we estimate that Enterprise, ONEOK, and Targa have announced NGL-related projects totaling approximately \$5.5 billion, which is tied to the expected increase in NGL production from areas that include West Texas, Eagle Ford Shale, Rockies, the Mid-Continent, and Bakken Shale in North Dakota. (For more information regarding the NGL markets including our analysis of future supply and demand dynamics for ethane, please refer to our monthly NGL Snapshot report.)

**Gathering and processing.** In Q1 2011, G&P MLP earnings results were largely in line with expectations, with 12 out of 15 partnerships meeting or exceeding our forecast. In general, results were supported by higher commodity prices and margin, which offset slightly lower-than-expected volume. Higher NGL equity volume was partially offset by lower-than-expected gathering volume, due to weather-related disruptions throughout the country. Higher NGL volume is primarily a function of producers shifting drilling to NGL-rich areas and de-emphasizing activities in dry gas regions. G&P MLPs with more exposure to natural gas shale plays and/or liquids-rich plays saw better volume relative to those with exposure to conventional dry gas production. Overall, NGL equity volume increased an average of 4.5% compared to Q4 2010, while gathering volume was relatively flat. In general, G&P MLPs also benefitted from higher NGL prices and robust processing margins, which were driven by the disparity between crude oil and natural gas prices.

**Upstream.** Six of eight upstream MLPs under coverage reported Q1 results in line with or above expectations. In general, production came in slightly below forecast, primarily due to the cold Q1 weather. In addition, operating expenses have also increased (LOE) due to higher oil prices and increased demand for well services. However, this was generally offset by higher realized commodity prices. Notably, several upstream MLPs are allocating additional capital to drilling activities given the attractive economics for oil and liquids production. On the acquisition front, the market for mature reserves has been relatively less robust in H1 2011 compared to 2010. However, management teams expect A&D activity to pick up in H2.

**Propane.** Overall, results for propane MLPs during FQ2 2011 (CQ1 2011) were below expectations, with three out of the four MLPs missing our estimates. This was mainly due to lower propane sales volume as weather in February and March was roughly 20-25% warmer than normal in the Southeastern United States. Propane prices increased 11% sequentially in Q1 2011 and 13% versus the year-ago period, which resulted in increased customer conservation. Furthermore, the level of economic activity continues to weigh on commercial and industrial propane volume. Margin per gallon sold for propane MLPs was generally at or above our estimates. This was despite the fact that sharply higher propane prices tend to weigh on margin per gallon sold due to the lag between the increase in wholesale propane costs and the MLP's ability to raise the price it charges its customers.

**Coal.** Coal MLP results for Q1 2011 were roughly in line with expectations. Overall, the group reported better-than-expected revenue and royalty per ton as long-term contracts continued to roll over into a strong pricing environment. This was offset by lower than expected total tons sold and an increase in cost per ton sold for the coal producers, which was related to higher fuel cost, among other items. Coal prices (Central App NYMEX) averaged \$73 per ton during Q1 2011, up from \$70 per ton in Q4 2010 and \$55 per ton during the year ago quarter. Export coal volume continues to remain strong, especially for met coal, which helped to support domestic pricing and mining activity.

**Shipping.** Q1 2011 results for the MLP shipping group were mixed. TGP reported solid results as the partnership continues to benefit from long-term, fixed-rate contracts. In Q1, the partnership also experienced an increase in spot LNG vessel activity, which was partially driven by the tsunami and earthquake in Japan and an expected pickup in point-to-point LNG transportation tender activity for 2013/2014 projects. During the quarter, the partnership announced that it agreed to acquire TK's 22% interest in the four Angola LNG newbuilds. TOO's results for the quarter were below expectations. The partnership's results were negatively impacted by fewer revenue days from the partnership's contract of affreightment shuttle tanker vessels,

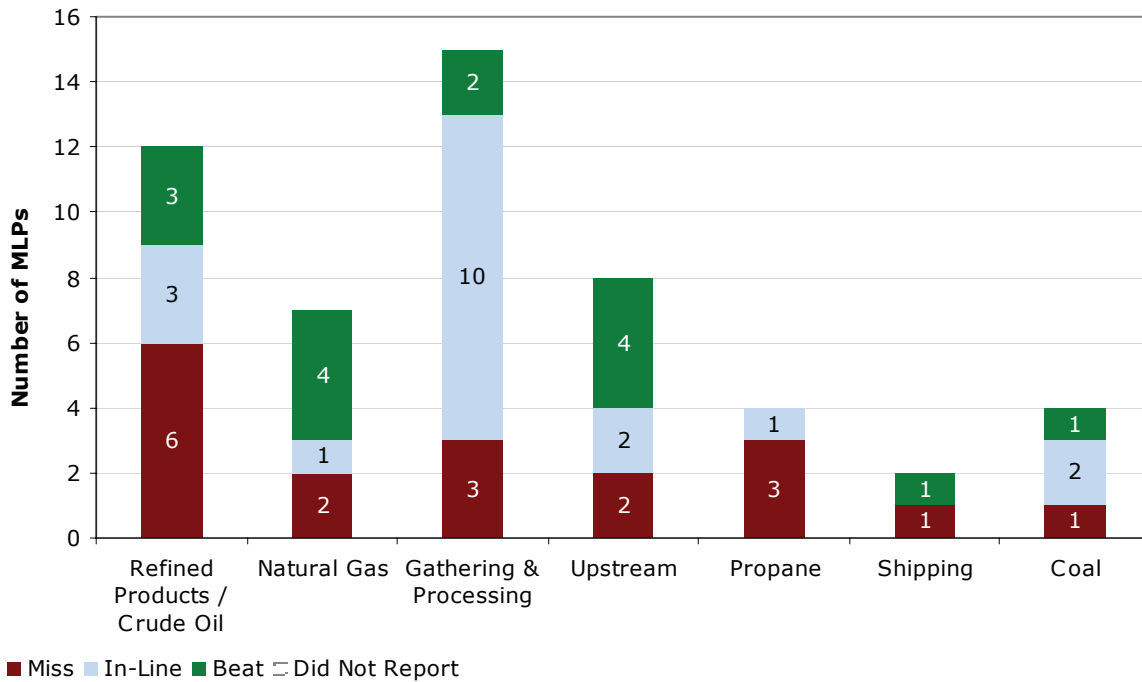
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restructuring charges related to the sale of a FSO unit, and the termination of a shuttle tanker contract. Management discussed its expectations for continued growth in the FPSO market, with roughly 100 projects currently in various phases of development, versus 78 in 2009. Further, shuttle tanker demand is also expected to increase, as Petrobras is anticipated to need an additional 30 shuttle tankers by 2020.

**Dry bulk.** Dry bulk fundamentals remain weak, driven by a significant and growing oversupply of tonnage, which is (with an orderbook of more than 42% of the global fleet) compounded by the risk of potentially slowing Chinese commodity growth (on the back of tighter monetary policy) and elevated counterparty risk following the bankruptcy of Korea Line Corp (a large dry bulk participant) in January. While counterparty risk will likely remain a major risk within the sector, several dry bulk companies, including Navios Maritime Partners (NMM), the sector’s only MLP, have taken steps to isolate that risk. NMM has specifically maintained state-backed revenue insurance, which has limited any losses. Vessel supply concerns remain greatest for the largest vessel classes, with the Capesize and Panamax orderbooks standing at 46% and 51% of the global fleet, respectively. Flooding in Australia also drove significant weakness in cargo volume throughout Q1, with Australian iron ore and coal output levels only recently reaching normalized levels. While we believe the recent weather-related cargo distributions are behind us, we note that summer restrictions on Chinese energy consumption could act as a renewed short-term dry bulk headwind, potentially slowing demand growth over the near term (Note: Contributed by Michael Webber, Wells Fargo Securities, LLC Ocean Shipping Analyst).

**Tankers.** Tanker fundamentals remain weak, with spot rates for the major crude tanker asset classes falling well below cash-breakeven levels, which has been driven primarily by an oversupply of tonnage. Q1 tanker rates were more than 50% below historical averages, and with late Q2 and Q3 acting as seasonal troughs for the sector, we do not expect a meaningful rate improvement until mid-Q4 at the earliest. With that stated, we believe limited new tanker orders could push the tanker orderbook to a ten-year low by year-end, which may put long-term tanker fundamentals on better footing, despite the current oversupply of tonnage. Mergers and acquisitions (M&A) activity within the tanker space has picked up in 2011, on the back of softer valuations, with the recent round of activity capped by the recent merger of Capital Product Partners (CPLP), the sector’s only product tanker MLP, and Crude Carriers Inc. Recent demand for tankers has yet to absorb the sector’s excess capacity, and while an increase in OPEC production (the bi-annual meeting is June 8, 2011) could be a modest positive, we continue to expect the crude tanker rate environment to remain weak or volatile over the near to intermediate term. The rate environment is modestly better in the product tanker market (tankers that carry refined product, as opposed to crude), where the supply picture is much less daunting, pushing one-year time charter rates up by approximately 10% year to date (Note: Contributed by Michael Webber, Wells Fargo Securities, LLC Ocean Shipping Analyst).

Figure 25. Earnings By Commodity

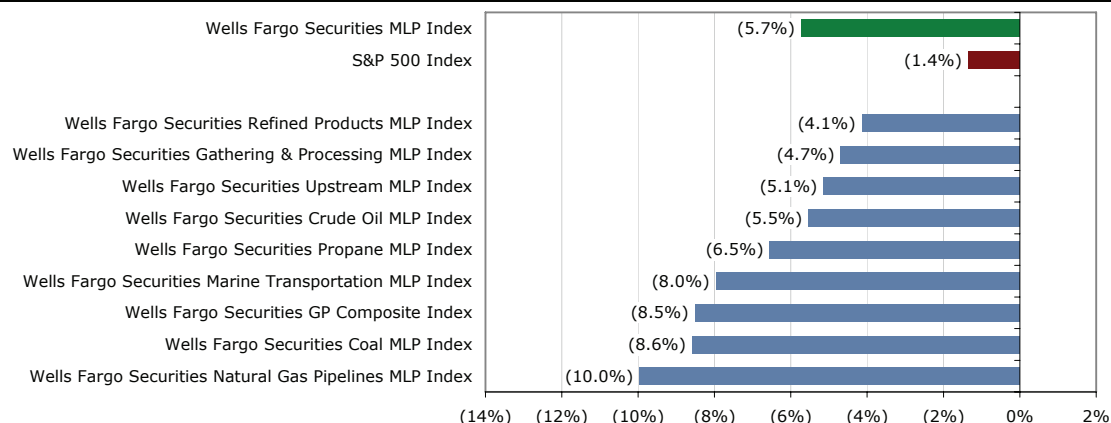


Source: Partnership reports and Wells Fargo Securities, LLC

**May Price Performance**

In May 2011, the Wells Fargo Securities MLP Index decreased 5.7% (price performance), compared to a decrease of 1.4% for the S&P 500. The best-performing MLP subsectors (market-cap weighted) in May were refined product, and gathering and processing MLPs, which declined 4.1% and 4.7%, respectively. The worst-performing MLP subsectors in May were natural gas pipelines and coal, which declined 10.0% and 8.6%, respectively.

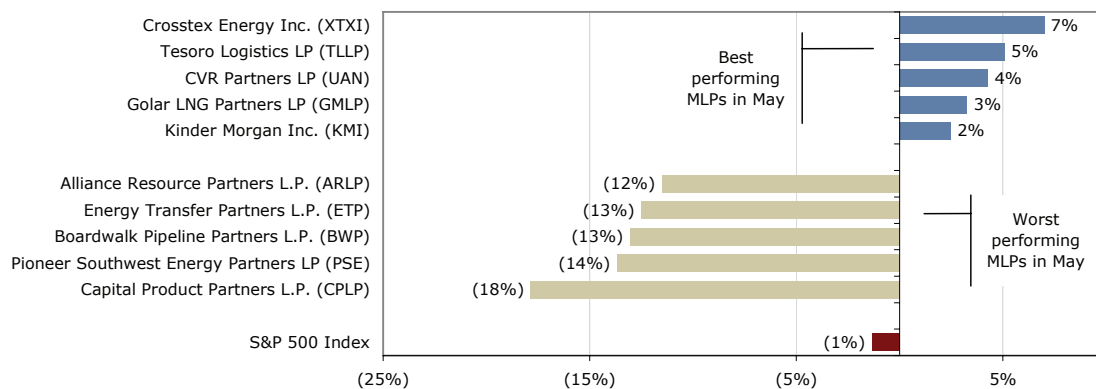
**Figure 26. May 2011 Performance By Subsector (Market-Cap Weighted)**



Source: Standard & Poor's, FactSet, and Wells Fargo Securities, LLC

The best-performing MLPs in May were XTXI, TLLP, UAN, GMLP, and KMI, while the worst-performing MLPs were CPLP, PSE, BWP, ETP, and ARLP. To note, XTXI and KMI are structured as C-corps.

**Figure 27. Best And Worst Performers (May 2011 Price Performance)**



Source: FactSet

**The Wells Fargo Securities, LLC MLP Index**

Real time price quotes for the Wells Fargo Securities, LLC MLP Index are available on Bloomberg and Reuters under the symbol WMLP (and WMLPT for total return) and on FactSet Marquee under the symbol WML-CME. For further information and to find historical performance data from 1990 (downloadable), as well as MLP performance by subsector, please visit [www.wellsfargo.com/research](http://www.wellsfargo.com/research).

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Figure 28. Monthly Wells Fargo Securities, LLC MLP Price Performance

	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Yr/yr
2000	8.5%	(2.4%)	(1.7%)	1.0%	0.5%	5.2%	2.0%	1.8%	9.1%	(4.4%)	(3.1%)	11.2%	29.9%
2001	9.7%	0.9%	1.8%	8.1%	1.4%	(2.0%)	4.1%	3.4%	(2.5%)	5.0%	(2.9%)	2.0%	32.0%
2002	(1.1%)	(9.8%)	9.4%	1.9%	(3.7%)	(5.1%)	(1.7%)	6.0%	(3.8%)	(0.9%)	0.6%	2.2%	(7.3%)
2003	3.2%	0.8%	1.3%	6.1%	2.9%	4.0%	0.9%	0.4%	1.6%	1.2%	3.5%	4.8%	35.4%
2004	(2.6%)	0.9%	2.7%	(9.2%)	(0.8%)	2.0%	3.5%	2.2%	5.4%	(0.6%)	4.4%	1.7%	9.2%
2005	4.1%	1.1%	(3.9%)	2.7%	(0.5%)	4.0%	4.3%	(3.2%)	0.4%	(2.5%)	(4.6%)	(2.6%)	(1.2%)
2006	5.0%	(1.4%)	0.7%	0.9%	1.1%	(1.7%)	3.6%	1.6%	(1.3%)	4.3%	3.5%	1.5%	19.0%
2007	4.1%	2.1%	4.4%	5.7%	(0.9%)	0.7%	(1.3%)	(6.5%)	(2.8%)	5.4%	(5.1%)	0.4%	5.6%
2008	(2.0%)	(1.2%)	(6.5%)	6.2%	0.2%	(4.9%)	(2.6%)	0.4%	(17.0%)	(2.0%)	(18.4%)	(3.7%)	(42.7%)
2009	14.0%	(5.7%)	0.2%	9.4%	8.1%	(1.1%)	10.9%	(3.9%)	5.0%	1.8%	5.3%	6.7%	61.3%
2010	0.1%	3.8%	2.9%	2.7%	(6.6%)	5.5%	7.1%	(3.2%)	6.1%	4.5%	1.5%	2.0%	28.7%
2011	2.5%	2.7%	(0.2%)	2.9%	(5.7%)								
<b>Median</b>	<b>3.6%</b>	<b>0.9%</b>	<b>1.0%</b>	<b>2.8%</b>	<b>(0.1%)</b>	<b>0.7%</b>	<b>3.5%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>1.2%</b>	<b>0.6%</b>	<b>2.0%</b>	<b>19.0%</b>
<b>Average</b>	<b>3.8%</b>	<b>(0.7%)</b>	<b>0.9%</b>	<b>3.2%</b>	<b>(0.3%)</b>	<b>0.6%</b>	<b>2.8%</b>	<b>(0.1%)</b>	<b>0.0%</b>	<b>1.1%</b>	<b>(1.4%)</b>	<b>2.4%</b>	<b>15.4%</b>

Source: Standard & Poor's and Wells Fargo Securities, LLC

Short Interest Was Up In May

In May, short interest volume increased by a median of 11.3%. The five MLPs with the largest month-over-month increases were TLP (up 456.1%), UAN (up 406.4%), GMLP (up 256.0%), CPLP (up 161.9%), and RGNC (up 132.7%), and the five MLPs with the largest month-over-month decreases were AHGP (down 61.1%), ENP (down 47.7%), MWE (down 46.7%), AHGP (down 40.9%), and CMLP (down 34.4%). For May, the short interest ratio for MLPs decreased to 1.6 days from the prior month of 2.1 days (average). The ten MLPs with the highest days-to-cover ratio include XTXI, 6.7; KMI, 5.1; KMP, 4.7; TGP, 4.3; OKS, 4.3; PNG, 4.2; KMR, 3.8; WPZ, 3.7; ARLP, 3.7; and EEQ, 3.2. Although a higher short interest ratio is usually a bearish sign, a positive catalyst could cause a more pronounced increase in the stock price of an MLP with a higher short-interest ratio than an MLP with a lower short-interest ratio, all else being equal. Namely, a positive event typically causes short sellers of a stock to cover or close out their positions (i.e., buy back the stock), creating additional buying pressure, which could further drive up the stock price.

Figure 29. Short Interest Summary By MLP Subsector

	Percent $\Delta$ In Short Interest Volumes From Prior Month	Days To Cover
Large-Cap Pipeline MLP Median	20.4%	2.0
Small-Cap Pipeline MLP Median	32.2%	0.5
Other MLP Median	(3.9%)	1.3
Gathering & Processing MLP Median	(7.7%)	1.5
Upstream MLP Median	(13.6%)	0.5
Propane MLP Median	38.7%	1.3
Shipping MLP Median	26.4%	1.5
Coal MLP Median	1.1%	0.3
General Partnership MLP Median	2.8%	2.1
<b>All MLPs Average</b>	<b>30.1%</b>	<b>1.6</b>
<b>All MLPs Median</b>	<b>11.3%</b>	<b>1.2</b>

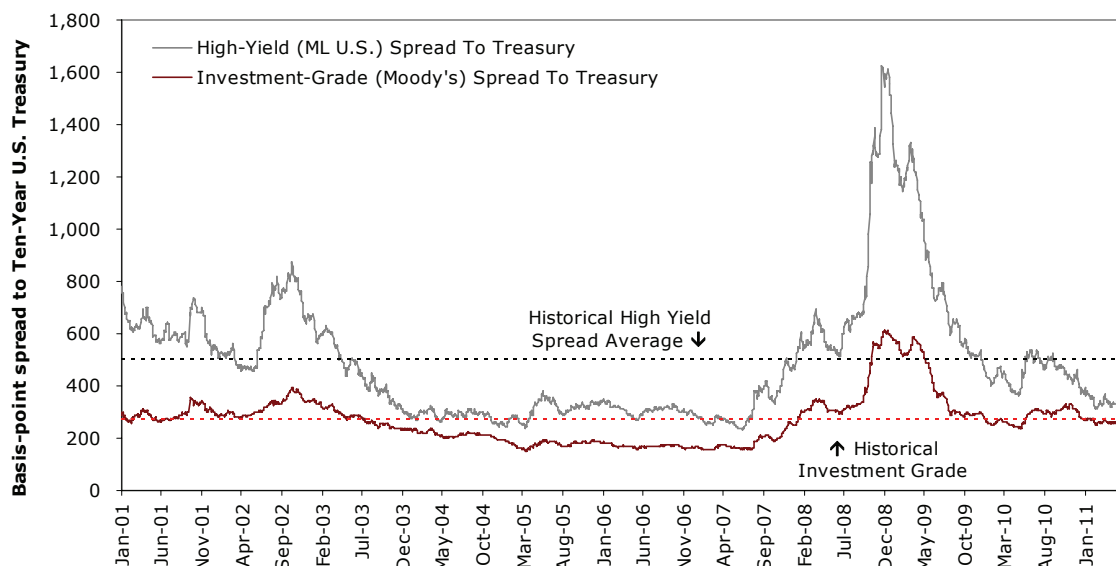
Note: Please see the back of this report for an overview of short interest positions by MLP  
Source: FactSet

## Update On Factors Driving MLP Performance

### High Yield And Investment Grade Spreads Widened In May

High yield and investment grade credit spreads expanded by approximately 42 and 5 bps, respectively, in May. The spread for the high yield index was 374 bps above the 10-year U.S. Treasury at the end of May, versus 332 bps at the end of April (and versus a ten-year historical average spread from 2001 to 2010 of 502 bps). The investment grade spread to the Treasury was 265 bps above the 10-year Treasury at the end of May, versus 260 bps at the end of April (and versus a ten-year historical average spread of 271 bps). During May, the 10-year U.S. Treasury yield declined by 25 bps to finish at 3.05% compared to 3.30% at the end of April. For the month, non-investment grade bond yields increased 17 bps, to 6.79%, and investment grade bond yields decreased by 20 bps, to 5.70% at the end of May.

**Figure 30. High Yield And Investment Grade Credit Spreads To The 10-Year Treasury**



Source: Bloomberg and FactSet

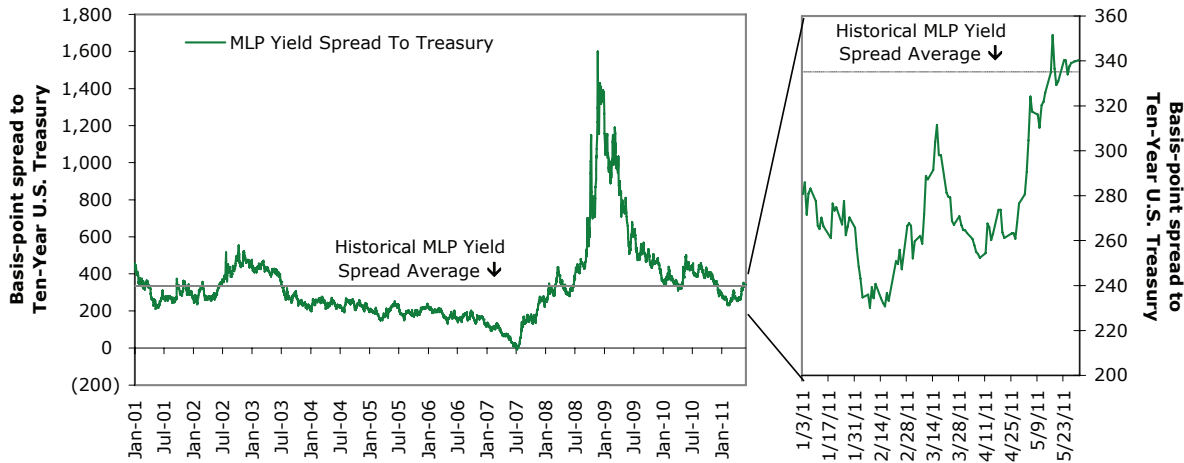
### MLP Yield Spread To Treasuries Continued To Widen In May

MLPs were trading at 340-basis-point spread above the 10-year Treasury yield as of May 31, 2011. The current spread compares with an historical average spread of 335 bps (the ten-year historical average). In May, the median MLP yield (for partnerships under coverage) was 6.45%, compared to 6.06% in April, while the yield on the 10-year Treasury decreased to 3.05% from 3.30% (at the end of April), resulting in a 64-basis-point widening in the spread. Notably, the historical spread between MLP yields and Treasuries has ranged from 12 bps to 1,703 bps since 2000.



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Figure 31. Historical MLP Spread To The 10-Year Treasury

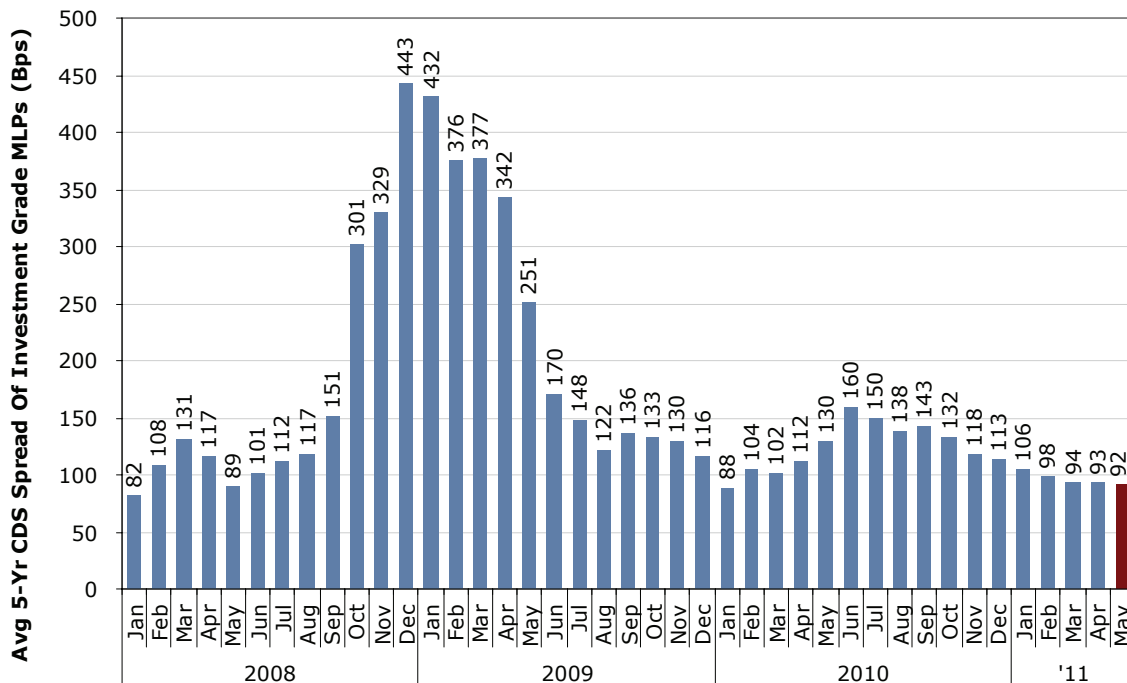


Source: FactSet

MLP CDS Spreads Remain Essentially Unchanged

In May, credit default swap (CDS) spreads for large-cap pipeline MLPs with publicly traded debt remained essentially unchanged at 92 bps, versus 93 bps in April. Since 2008, MLP CDS spreads have averaged approximately 165 bps (through May 2011). Typically, a CDS represents a bilateral contract between a buyer of bonds and a seller of protection on these bonds. The spread represents the cost (or premium) of insuring bonds against a potential default. A wider CDS spread implies that bond investors are more concerned about an underlying company’s financial position. Conversely, a narrower CDS spread implies that bond holders are confident in a company’s ability to meet its bond payment obligations.

Figure 32. Average MLP CDS Spreads



Note: Large-cap pipeline MLP group consists of EEP, EPD, ETP, KMP, MMP, OKS, and PAA.

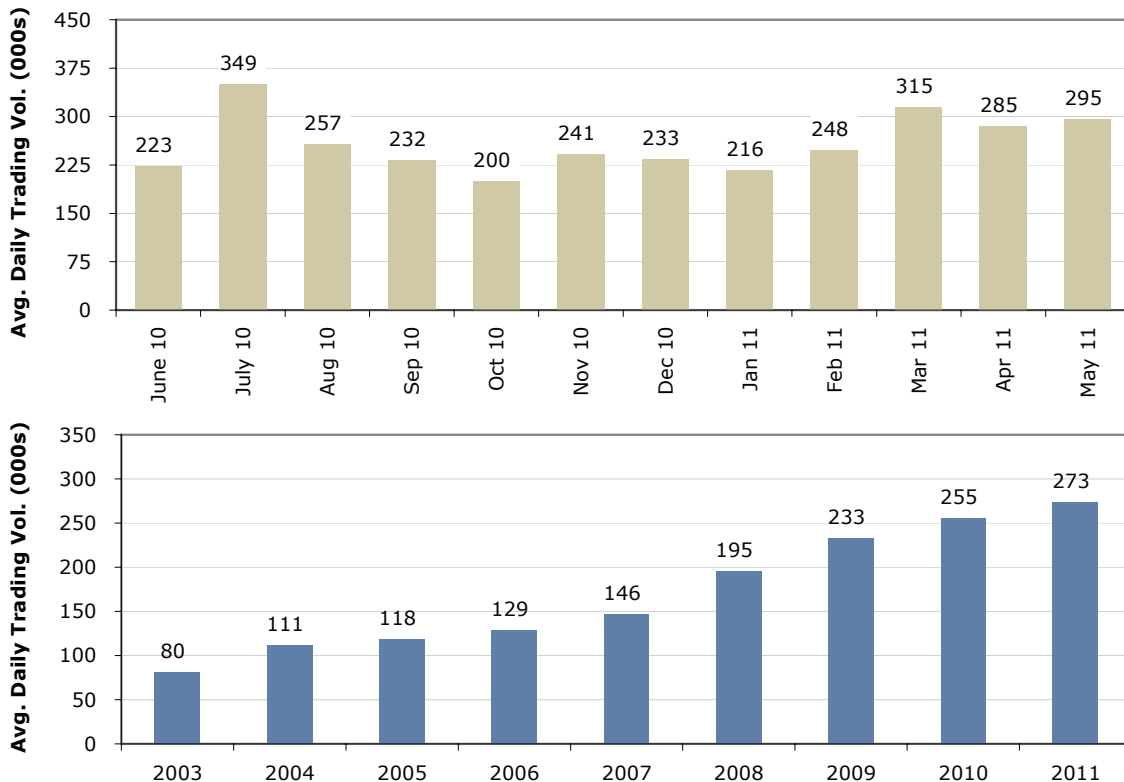
Source: FactSet and Bloomberg



**Trading Volume Was Up Slightly In May**

The average daily trading volume for the MLP sector increased to 295,000 in May, versus 285,000 in April. The sequential increase is partially attributable to the increased volatility given the weakness in the sector, in our view.

**Figure 33. Median MLP Daily Trading Volume**

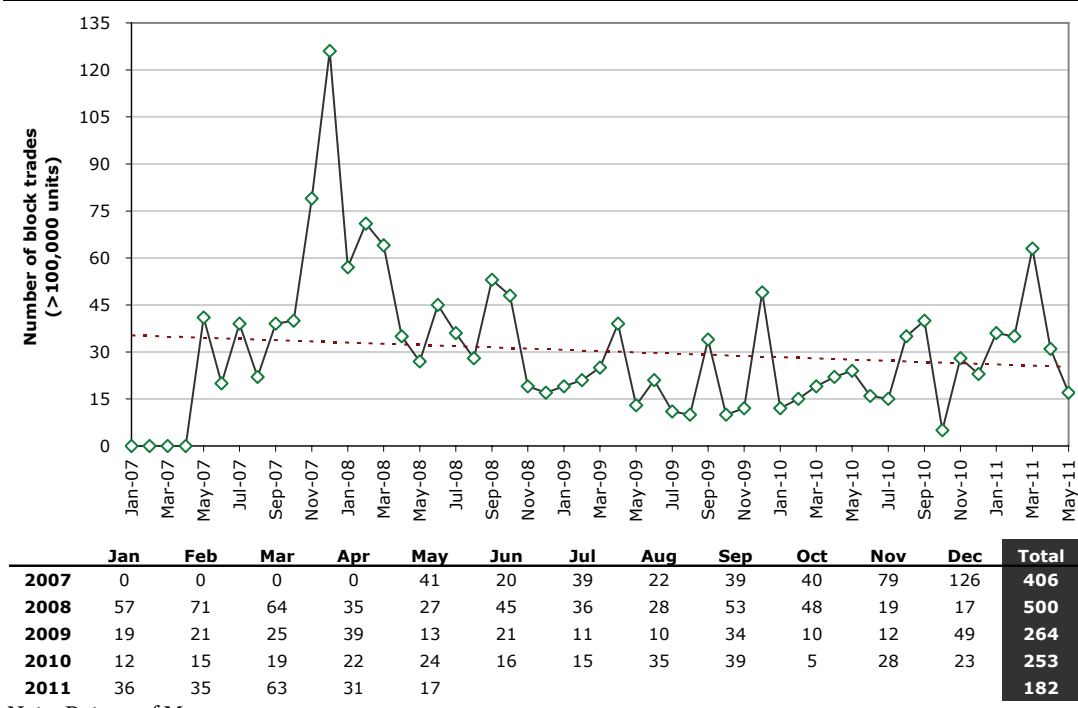


Source: FactSet

The number of large block trades (greater than 100,000 units) decreased to 17 in May from 31 in April (and versus 24 trades in the comparable year ago period). We suspect the decline in the number of block trades was related to the relatively low amount of MLP equity raised during the month (i.e., \$1.2 billion, compared to the 2011 monthly average of \$2.7 billion).

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Figure 34. Total Number Of MLP Block Trades

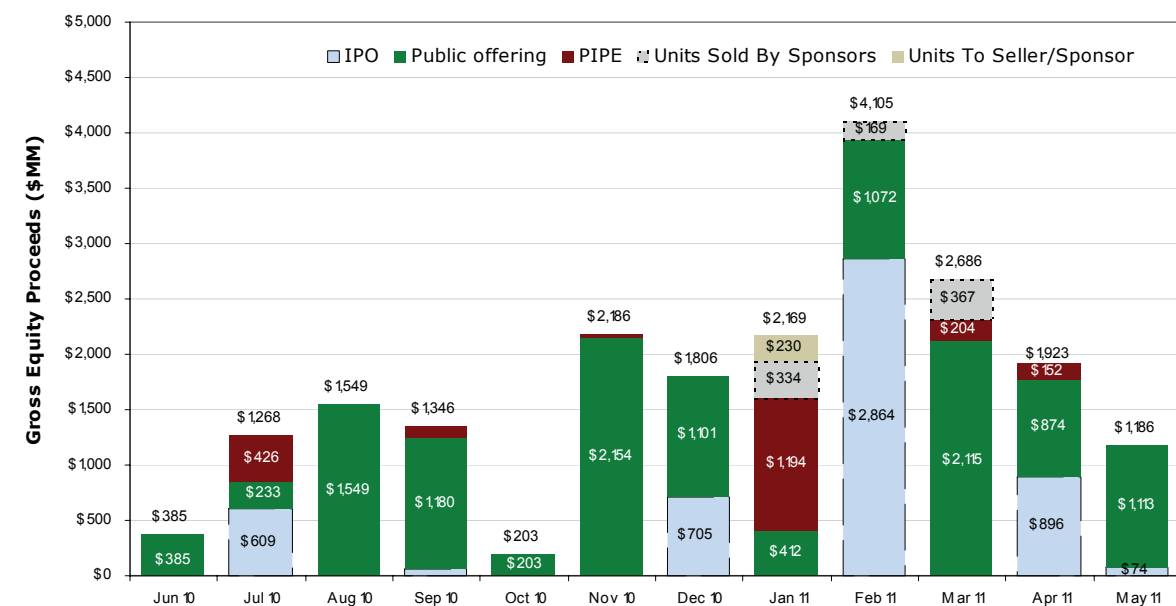


Note: Data as of May 31, 2011  
Source: Bloomberg

MLPs Priced \$1.2 Billion Of Equity In May, Including One IPO

MLPs priced one initial public offering (IPO) and four secondary offerings for \$1.2 billion in May. A propane and midstream MLP (i.e., \$74 million) successfully launched an IPO, which represents the fourth MLP IPO of 2011 (excluding IPOs of GP sponsors). In 34 addition, four MLPs raised \$1.1 billion through public offerings. El Paso Pipeline Partners, Exterran Partners, Boardwalk Pipeline Partners, and Inergy conducted secondary equity issuances of \$483 million, \$130 million, \$176 million, and \$324 million, respectively.

Figure 35. MLP Equity Offerings Over The Trailing 12 Months <sup>(1)</sup>



Note 1: Data includes IPOs of c-corp. GP sponsor of MLP  
Source: Partnership reports

MLP Monthly: June 2011

Year to date, there has been \$12.1 billion of equity offerings, of which 46% came from public secondary offerings, 32% from IPOs, 13% from private placements, 7% from units sold by sponsors, and 2% from units sold to sponsors.

Figure 36. 2011 MLP Equity Offerings <sup>1</sup>

Date	Issuer	Offering Type	No. Of Units (MM)	Offer Price	Gross Equity Proceeds (\$MM)	Perf. Since Offering		Perf. + 5 Days	
						MLP	S&P 500	MLP	S&P 500
1/10/11	MWE	Public Offering	3.0	\$41.20	\$142.1	11.3%	5.9%	3.8%	2.0%
1/18/11	NGLS	Public Offering	8.0	\$33.67	\$269.4	(0.7%)	3.9%	(1.5%)	(0.3%)
1/18/11	BPL	Private Placement	14.0	\$58.73	\$824.0	(7.2%)	3.9%	15.4%	(0.3%)
1/19/11	PNG	Private Placement	17.0	\$21.75	\$370.0	(8.9%)	4.9%	13.3%	1.1%
1/19/11	PNG	Units To Seller	10.6	\$21.75	\$230.0	(8.9%)	4.9%	13.3%	1.1%
1/28/11	BPL	Units Sold By Sponsors	4.5	\$64.48	\$333.7	(1.9%)	5.4%	1.4%	2.7%
2/3/11	GLP	Public Offering	2.3	\$27.60	\$63.5	(6.0%)	2.9%	(0.8%)	1.1%
2/4/11	MMLP	Public Offering	1.6	\$39.35	\$64.1	(3.2%)	2.6%	0.4%	1.4%
2/8/11	BBEP	Public Offering	4.3	\$21.25	\$91.4	(4.0%)	1.6%	4.7%	0.3%
2/10/11	KMI	IPO	95.5	\$30.00	\$2,864.0	(2.4%)	1.8%	1.8%	1.4%
2/24/11	CLMT	Public Offering	4.5	\$21.45	\$96.5	4.8%	3.0%	(1.6%)	1.9%
2/28/11	LINE	Public Offering	16.0	\$38.80	\$620.8	0.1%	1.4%	(0.5%)	(1.3%)
2/28/11	EXLP	Units Sold By Sponsors	5.3	\$28.65	\$169.4	(13.4%)	1.4%	(1.4%)	(1.3%)
2/28/11	WES	Public Offering	3.6	\$35.15	\$135.4	(3.6%)	1.4%	(2.2%)	(1.3%)
3/4/11	DPM	Public Offering	3.2	\$40.55	\$130	0.6%	1.8%	(2.3%)	(1.3%)
3/4/11	EVEP	Public Offering	3.0	\$44.42	\$153	23.3%	1.8%	(2.4%)	(1.3%)
3/7/11	PAA	Public Offering	6.9	\$64.00	\$508	(4.8%)	2.7%	(2.8%)	(1.0%)
3/8/11	EPB	Public Offering	12.0	\$34.30	\$473	(3.0%)	1.8%	0.8%	(3.0%)
3/15/11	FGP	Public Offering	4.4	\$26.27	\$133	4.5%	4.9%	(1.0%)	0.9%
3/16/11	NRP	Units Sold By Sponsors	6.0	\$36.36	\$218	(13.8%)	7.0%	(3.0%)	3.2%
3/23/11	RGNC	Private Placement	8.5	\$24.00	\$204	(4.0%)	3.7%	12.5%	2.4%
3/23/11	ETP	Public Offering	12.4	\$50.52	\$718	(8.5%)	3.7%	2.0%	2.4%
3/29/11	AHGP	Units Sold By Sponsors	2.8	\$54.21	\$149	(10.9%)	2.0%	(4.0%)	1.0%
4/1/11	CMLP	Private Placement	6.2	\$24.50	\$152	(8.9%)	1.0%	28.3%	(0.3%)
4/4/11	TGP	Public Offering	3.7	\$38.88	\$144	(12.0%)	0.9%	(2.3%)	(0.6%)
4/7/11	NMM	Public Offering	4.0	\$19.68	\$91	(7.6%)	0.9%	2.9%	(1.4%)
4/7/11	GMLP	IPO	12.0	\$22.50	\$270	23.0%	0.9%	8.9%	(1.4%)
4/7/11	UAN	IPO	19.2	\$16.00	\$353	24.8%	0.9%	6.3%	(1.4%)
4/13/11	BPL	Public Offering	4.8	\$59.41	\$285	3.3%	2.3%	7.1%	1.2%
4/20/11	TLLP	IPO	13.0	\$21.00	\$273	18.3%	1.1%	13.9%	2.3%
4/28/11	TCPL	Public Offering	6.3	\$47.58	\$300	(5.1%)	(1.1%)	(1.6%)	(1.9%)
4/29/11	CMLP	Public Offering	1.8	\$30.65	\$55	(7.0%)	(1.4%)	(5.9%)	(1.7%)
5/11/11	-	IPO	3.5	\$21.00	\$74	(0.3%)	0.2%	1.4%	(0.1%)
5/12/11	EPB	Public Offering	14.0	\$34.51	\$483	(3.6%)	(0.3%)	(0.5%)	(0.4%)
5/25/11	EXLP	Public Offering	5.0	\$25.95	\$130	(1.0%)	1.9%	(0.9%)	1.9%
5/27/11	BWP	Public Offering	6.0	\$29.33	\$176	(0.3%)	1.1%	(0.8%)	1.1%
5/31/11	NRGY	Public Offering	9.0	\$36.00	\$324	NA	NA	NA	NA
<b>Total / Median</b>					<b>\$12,069</b>	<b>(3.6%)</b>	<b>1.8%</b>	<b>(0.5%)</b>	<b>(0.1%)</b>

Offering Type	% Of Total
IPO	31.8%
Public Offering	46.3%
Private Placement	12.8%
Units To Seller / Sponsor	1.9%
Units Sold By Sponsors	7.2%

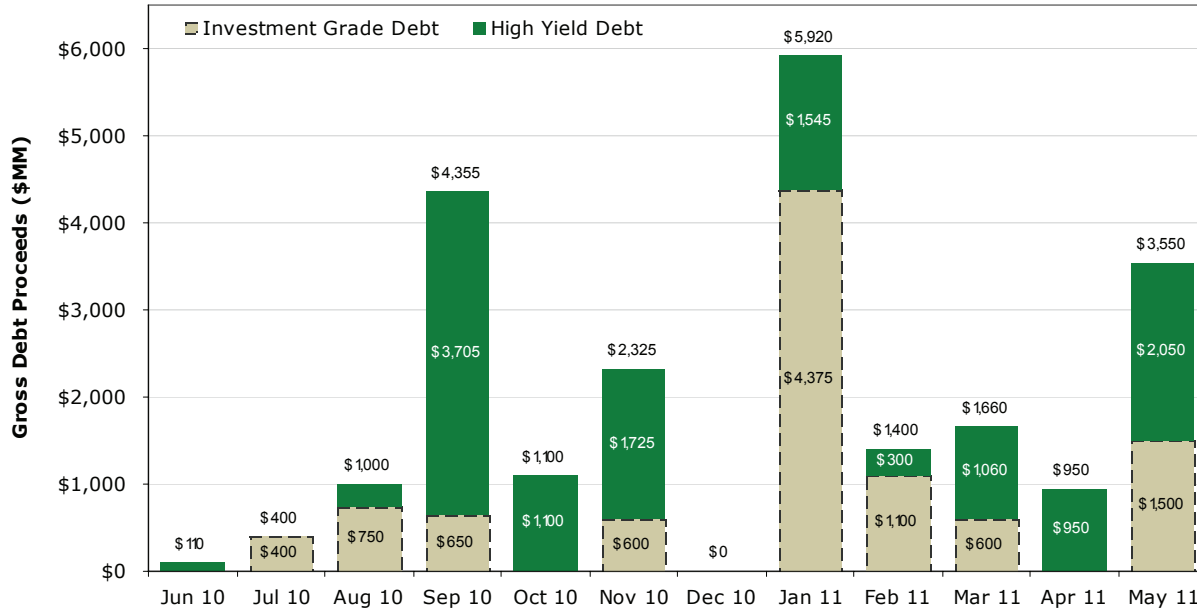
Note 1: Data include IPOs of C-corp. general partner (GP) sponsor of MLP  
Source: Partnership reports and FactSet

Master Limited Partnerships

MLPs Issued \$3.6 Billion Of Debt In May

During May, five MLPs priced six debt offerings, raising approximately \$3.6 billion. Energy Transfer Partners, LINN Energy, Western Gas Partners, Eagle Rock Energy Partners, and Regency Energy Partners issued notes raising \$1,500 million, \$750 million, \$500 million, \$300 million, and \$500 million, respectively. Notably, Energy Transfer Partners issued two tranches of debt worth \$800 million and \$700 million, respectively. This represents the fourth debt offering in 2011, which has raised gross proceeds in excess of \$1.0 billion.

Figure 37. MLP Debt Offerings Over The Trailing 12 Months



Source: Partnership reports

Year to date, MLPs have raised \$12.9 billion of debt, of which 54% has been issued by MLPs with an investment grade credit rating and 46% by MLPs with a non-investment grade (or high yield) credit rating.

Figure 38. 2011 MLP Debt Offerings

Date	Issuer	Investment	Credit Rating		Coupon Rate	Price-To-Yield	Term (Years)	Gross Proceeds (\$MM)
		Grade?	S&P	Moody's				
1/4/11	EPD	Yes	BBB-	Baa3	3.20%	3.20%	5	\$750
1/4/11	EPD	Yes	BBB-	Baa3	5.95%	5.95%	30	\$750
1/4/11	BPL	Yes	BBB	Baa3	4.88%	4.88%	10	\$650
1/5/11	APU	No	NA	Ba3	6.50%	6.50%	10	\$470
1/14/11	PAA	Yes	BBB-	Baa3	5.00%	5.06%	10	\$600
1/13/11	BWP	Yes	BBB	Baa1	4.50%	4.50%	10	\$325
1/19/11	NRGY	No	B+	Ba3	6.88%	6.88%	10	\$750
1/19/11	NGLS	No	BB	B1	6.88%	6.88%	10	\$325
1/21/11	OKS	Yes	BBB	Baa2	3.25%	3.25%	5	\$650
1/21/11	OKS	Yes	BBB	Baa2	6.13%	6.13%	30	\$650
2/9/11	MWE	No	BB	B1	6.50%	6.50%	10	\$300
2/24/11	KMP	Yes	BBB	Baa2	3.50%	3.50%	5	\$500
2/24/11	KMP	Yes	BBB	Baa2	6.38%	6.38%	30	\$600
3/10/11	MWE	No	BB	B1	6.50%	6.57%	10	\$200
3/17/11	EVEP	No	B-	B3	8.00%	8.00%	8	\$300
3/22/11	CPNO	No	B+	B1	7.13%	7.13%	10	\$360
3/25/11	CMLP	No	NA	B3	7.75%	7.75%	8	\$200
4/11/11	CHKM	No	NA	NA	5.88%	5.88%	10	\$350
4/15/11	CLMT	No	B	B3	9.38%	9.38%	8	\$400
4/20/11	NRP	No	NA	NA	4.73%	4.73%	12	\$75
4/20/11	NRP	No	NA	NA	5.03%	5.03%	15	\$125
5/9/11	ETP	Yes	BBB-	Baa3	4.65%	4.65%	10	\$800
5/9/11	ETP	Yes	BBB-	Baa3	6.05%	6.05%	30	\$700
5/9/11	WES	No	BB+	NA	5.38%	5.39%	10	\$500
5/10/11	LINE	No	B	B2	6.50%	6.55%	8	\$750
5/23/11	RGNC	No	BB-	B1	6.50%	6.50%	10	\$500
5/24/11	EROC	No	NA	B3	8.38%	8.50%	8	\$300
<b>Weighted Average / Total</b>					<b>5.78%</b>	<b>5.79%</b>		<b>\$12,880</b>

Offering Type	% Of Total
Investment Grade Debt Offering	54.2%
High Yield Debt Offering	45.8%

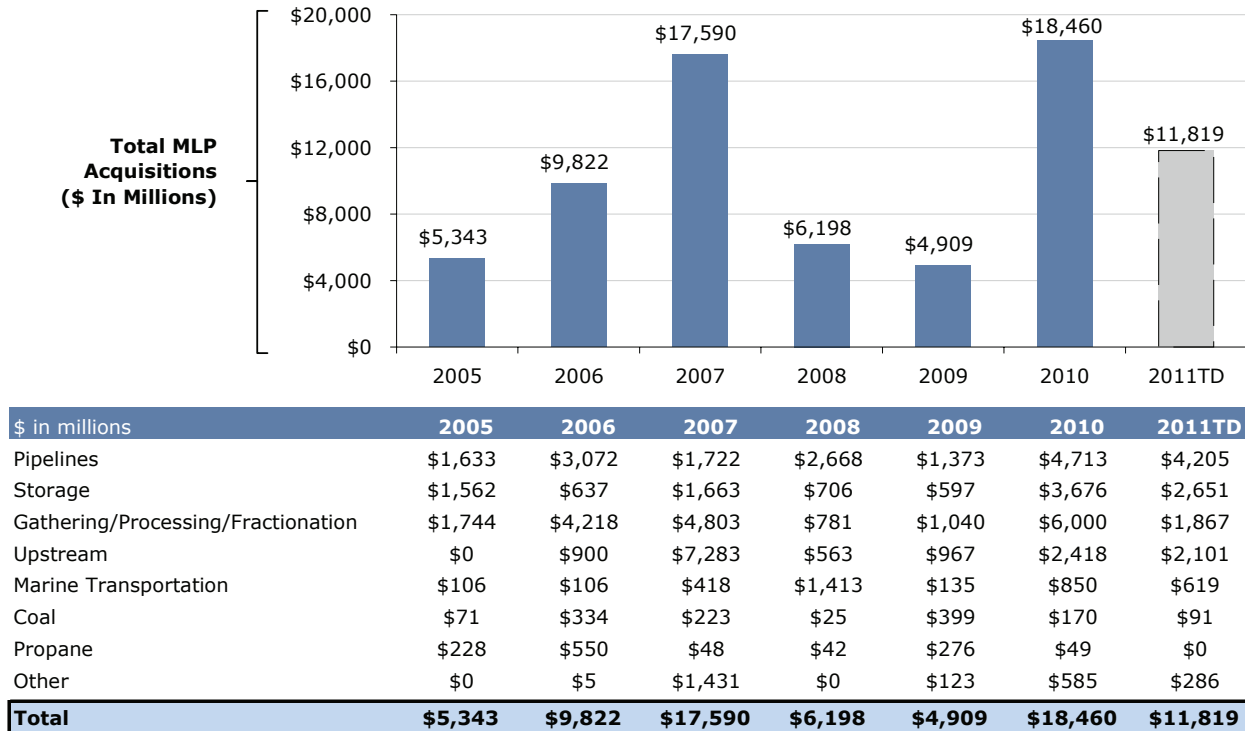
Source: Partnership reports and FactSet

**Master Limited Partnerships**

**Nine Acquisitions Were Announced In May**

Nine MLPs announced acquisitions in May, totaling approximately \$2.2 billion. The transactions relate to gathering (KMP, \$920 million), fractionation (DPM, \$30 million), upstream (LINE, \$220 million), marine (CPLP, \$99 million and NMM, \$130 million), pipelines (SEP, \$390 million and SXL, \$100 million), natural gas storage (MMLP, \$59 million), and compression (EXLP, \$228 million) assets.

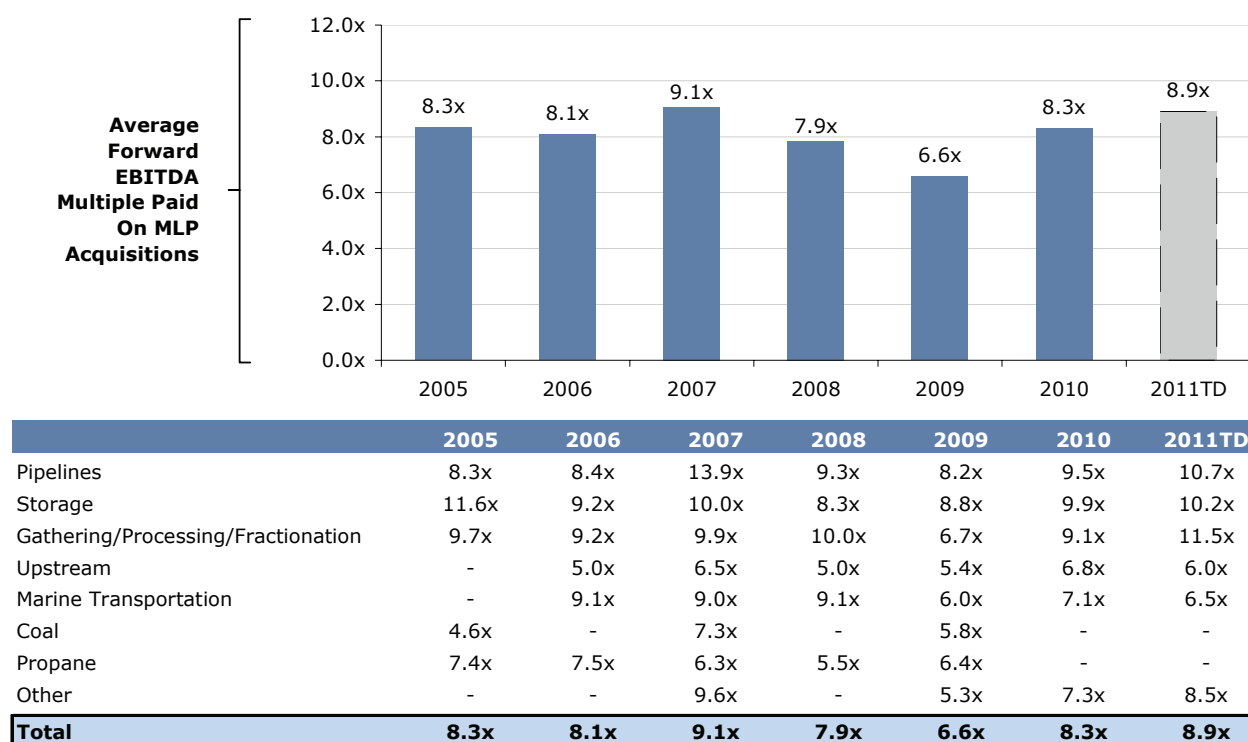
**Figure 39. Historical MLP Acquisition Spending**



Source: Partnership reports and Wells Fargo Securities, LLC

Year to date, the average acquisition multiple has averaged 8.9x, compared to 8.3x in 2010. The higher acquisition multiples reflect the healthier capital markets and more competitive acquisition landscape, in our view. Further, MLPs' lower cost of capital has positioned the partnerships to pay more for acquisitions, all else equal. Excluding upstream acquisitions, the 2011 average acquisition multiple is 9.5x EBITDA.

Figure 40. Estimated Acquisition Multiples Paid



Source: Partnership reports and Wells Fargo Securities, LLC estimates

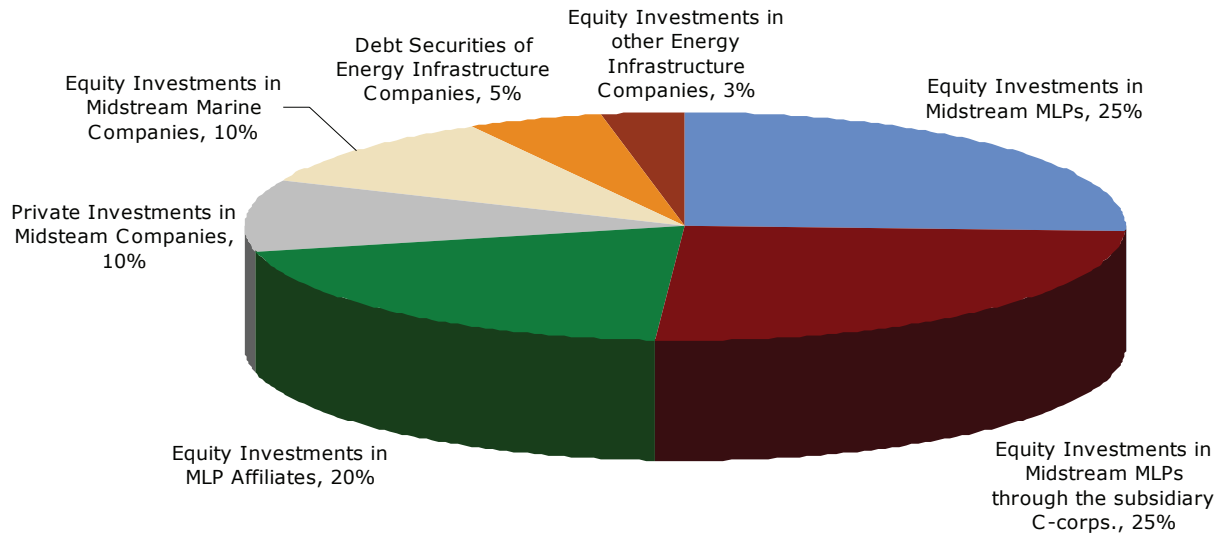
### MLP Closed-End Funds Raised \$240 Million In Gross Proceeds During May

**Salient MLP and energy infrastructure fund prices closed-end fund IPO.** On May 27, the Salient MLP and Energy Infrastructure Fund (SMF) priced 5.6 million shares, raising net proceeds of approximately \$133 million. Notably, SMF elected to be treated as a regulated investment company (RIC) for tax purposes and will generally not be required to pay federal income tax on ordinary income or capital gains. Consequently, the portion of the fund structured as a RIC can invest only 25% of its total net assets in MLPs. In an effort to increase the fund's MLP investments, SMF plans to invest an additional 25% of the fund's total assets in a C-corp. subsidiary, which can also invest in MLPs. Notably, SMF's C-corp. subsidiary will be subject to federal corporate income tax. As seen in Figure 41, according to the prospectus, SMF intends to invest approximately 50% of its total net assets in equity and debt securities of MLPs through its RIC and C-corp. subsidiary. In addition, the fund can invest in GP sponsors structured as C-corps. (i.e., KMI, TRGP, and XTXI) and certain shipping MLPs (i.e., TOO, GMLP, etc.), which issue 1099s instead of K-1s.

Salient Capital is a Houston-based investment advisor and has been investing in MLPs and midstream companies since 1995. As of April 28, 2011, Salient managed \$17.5 billion in assets, including \$250 million in MLPs and energy infrastructure companies. Since 2010, five MLP closed-end funds have priced initial public offerings, raising more than \$3.4 billion.

Master Limited Partnerships

Figure 41. SMF Target Portfolio



Note: Percentages do not add to 100% due to rounding  
Source: SMF Prospectus (filed May, 27, 2011)

**ClearBridge Energy MLP Opportunity Fund filed for initial public offering.** ClearBridge Advisors, which manages \$160 billion, including \$9.7 billion in energy-related assets, filed a preliminary prospectus to launch an MLP-focused CEF, ClearBridge Energy MLP Opportunity Fund (EMP). The fund seeks to provide returns to long-term investors by investing at least 80% of its assets in energy MLPs. The fund is to invest in energy MLP securities, including public and private MLPs, general partners, i-shares, and MLP debt. Notably, this would represent ClearBridge's second MLP-focused CEF. On June 25, 2010, ClearBridge Energy MLP Fund (CEM) raised \$1,269 million in an IPO.

**Kayne Anderson MLP Investment Company (KYN) completed a public offering of mandatory redeemable preferred (MRP) Stock.** On May 10, 2011, KYN completed a public offering of preferred stock. KYN priced 4 million shares at \$25.00 per share, raising net proceeds of approximately \$98 million. The Series D MRP shares will yield approximately 4.95% per year and have a mandatory redemption date of June 1, 2018.

Figure 42. CEF Comp Table

MLP Closed-End Fund	Ticker	Price 5/31/11	3-Month Avg Vol	Market Value (mm)	Dividend Yield	NAV Per Share	Premium / (Discount) To NAV	YTD Return	IPO / Inception
ClearBridge Energy MLP Fund Inc.	CEM	\$21.97	207,421	\$1,406.5	6.5%	\$21.36	2.9%	3.2%	6/25/10
Cushing MLP Total Return Fund	SRV	10.54	225,037	347.0	8.5%	8.37	25.9%	4.5%	8/27/07
Energy Income & Growth Fund	FEN	29.20	38,466	328.3	6.4%	27.02	8.1%	12.2%	6/24/04
Fiduciary/Claymore MLP Opportunity Fund	FMO	21.48	92,438	521.4	6.5%	20.31	5.8%	2.4%	12/22/04
Kayne Anderson Energy Total Return Fund	KYE	29.10	80,033	1,007.4	6.6%	27.72	5.0%	1.5%	6/27/05
Kayne Anderson Midstream Energy	KMF	25.10	94,563	534.7	6.0%	26.33	(4.7%)	1.9%	11/23/10
Kayne Anderson MLP Investment Co.	KYN	29.43	296,148	2,190.0	6.7%	27.41	7.4%	(3.5%)	9/27/04
MLP & Strategic Equity Fund Inc	MTP	17.25	45,264	255.5	5.5%	17.88	(3.5%)	(0.4%)	6/29/07
Nuveen Energy MLP Total Return Fund	JMF	18.37	101,219	406.9	6.9%	18.01	2.0%	(8.1%)	2/24/11
Salient MLP & Energy Infrastructure Fund	SMF	25.34	47,499	141.9	NA	NA	NA	1.4%	5/26/11
Tortoise Energy Capital Corp.	TYE	26.72	49,296	516.9	6.0%	25.50	4.8%	(1.0%)	5/26/05
Tortoise Energy Infrastructure Corp.	TYG	37.66	62,652	1,024.3	5.8%	33.35	12.9%	1.3%	2/24/04
Tortoise MLP Fund, Inc.	NTG	25.70	221,155	1,166.9	6.3%	25.15	2.2%	9.5%	7/27/10
Tortoise North American Energy	TYN	\$24.41	16,589	\$153.7	6.1%	\$25.25	(3.3%)	0.6%	10/27/05
Tortoise Power and Energy Infrastructure	TPZ	\$25.22	20,593	\$175.1	5.9%	\$25.44	(0.9%)	5.6%	7/29/09
<b>All MLP Closed-End Funds Mean</b>			<b>106,558</b>	<b>\$678.4</b>	<b>6.4%</b>	<b>\$23.51</b>	<b>4.6%</b>	<b>2.1%</b>	<b>-</b>
<b>All MLP Closed-End Funds Median</b>			<b>80,033</b>	<b>\$516.9</b>	<b>6.4%</b>	<b>\$25.35</b>	<b>3.8%</b>	<b>1.5%</b>	<b>-</b>

Note: NAV per share calculated using the most recent NAV available  
Source: Fund reports, Bloomberg, FactSet, and Wells Fargo Securities, LLC estimates



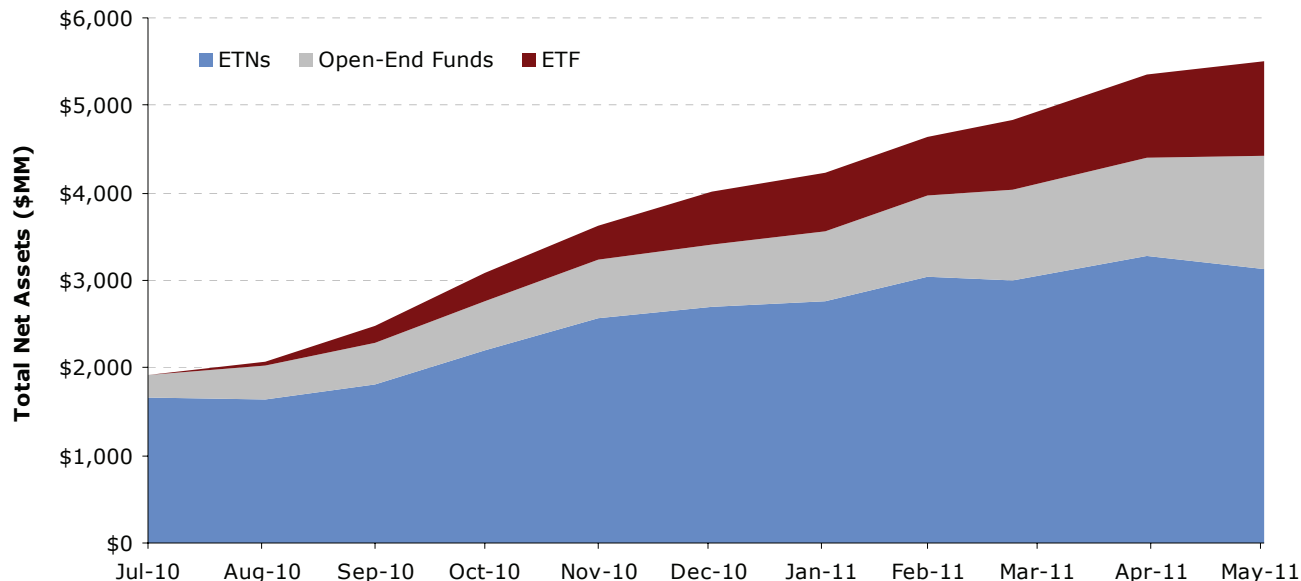
MLP Monthly: June 2011

Currently, the median CEF dividend yield is 6.4%, which compares with the median MLP yield of 6.3%. The median premium to NAV is 3.8%. The median year-to-date return (i.e., simple price performance) for the group is 1.5%, which compares with 1.9% for the Wells Fargo MLP Index.

**MLP Open-End Fund, ETN, And ETF Overview**

In May, the total net assets of MLP products (i.e., MLP open-end funds, exchange-traded notes (ETN), and one exchange-traded fund (ETF)) increased 3.0%, to \$5.5 billion from \$5.3 billion in April. Since January 2011, MLP products have increased total net assets by 37%, to \$5.5 billion from \$4.0 billion (as of December 31, 2010). During this period, five additional MLP products have launched IPOs (i.e., two CEFs, two open-end funds, and one ETN).

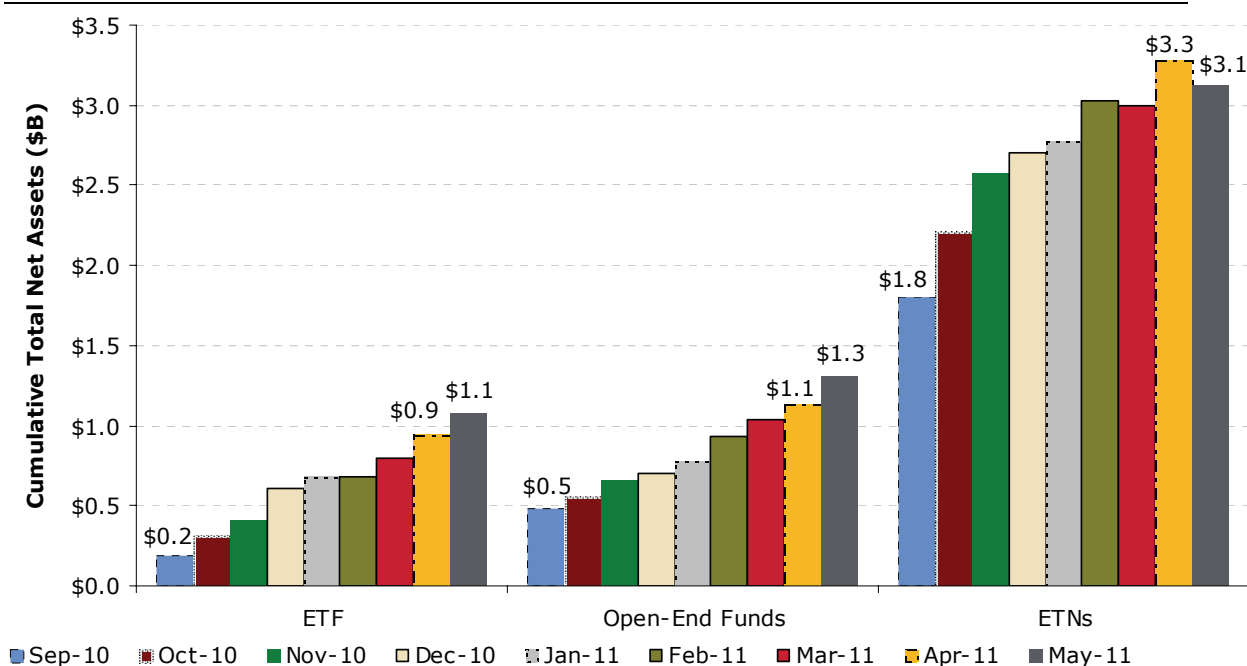
**Figure 43. MLP Products' Cumulative Total Net Assets**



Source: Bloomberg and FactSet

As shown in Figure 44, MLP ETNs' net assets decreased 4.7%, to \$3.1 billion, versus \$3.3 billion in April. This was primarily due to the JPMorgan Alerian MLP ETN, the net assets of which decreased by \$176 million in April. MLP open-end funds increased assets under management (AUM) by 15.7% during the month, or by \$177 million, to a total of \$1.3 billion. The Alerian MLP ETF (AMLP) increased its total net assets for the tenth consecutive month since its IPO in August 2010. During May, the AMLP's net assets increased 14.4%, to \$1,075 million, versus \$940 million previously. To note, asset data for closed-end funds are reported on a quarterly basis.

Figure 44. MLP Products Cumulative Total Net Assets



Source: Bloomberg and FactSet

### MLP Open-End Fund Update

As of May 31, the median implied yield for MLP open-end funds was 6.4%, which compares with the median MLP yield of 6.3%. The median year-to-date total return for open-end funds was 2.1%, which compares with the Wells Fargo MLP TR Index of 4.9%.

Figure 45. MLP Open-End Funds (Mutual Funds)

(\$ in millions except per unit data)									
MLP Open-End Fund	Ticker	NAV 5/31/11	Total Assets	Dividends YTD	Implied Yield	Minimum Investment	YTD Total Return	Front Load	Mgmt Fee
Center Coast MLP Focus Fund	CCCAX	\$10.08	\$50	\$0.20	6.0%	\$2,500	2.8%	5.75%	1.00%
SteelPath MLP Alpha Fund Class A	MLPAX	10.62	447	0.34	6.4%	3,000	1.3%	5.75%	1.10%
SteelPath MLP Select 40 Fund Class A	MLPFX	10.81	508	0.34	6.4%	3,000	2.1%	5.75%	0.70%
SteelPath MLP Income Fund Class A	MLPDX	10.85	230	0.32	7.1%	3,000	1.6%	5.75%	0.95%
The Cushing MLP Premier Fund	CSHAX	\$20.68	\$71	\$0.64	6.2%	\$2,000	3.0%	5.75%	1.10%
<b>MLP Open-End Fund Total / Median</b>			<b>\$1,307</b>	<b>\$0.34</b>	<b>6.4%</b>	<b>\$3,000</b>	<b>2.1%</b>	<b>5.75%</b>	<b>1.00%</b>

Source: Bloomberg and FactSet

### MLP ETN And ETF Update

MLP ETFs' and ETNs' total net assets remained essentially unchanged in May at \$4.2 billion. As of May 31, 2011, the median ETN and ETF yield was 5.3%, which compares with the median CEF and median MLP yield of 6.4% and 6.3%, respectively.

Figure 46. ETN And ETF Comp Table

MLP Exchange Traded Notes	Ticker	Price 5/31/11	Market Value (MM)	Dividend Yield	YTD Return	NAV Per Share	Total Net Assets (MM)	Issuer
Alerian MLP ETF	AMPL	\$15.94	\$1,115.9	6.2%	(0.8%)	\$16.53	\$1,075.0	N/A
Credit Suisse Cushing 30 MLP Index ETN	MLPN	24.35	133.1	5.3%	1.7%	\$25.21	132.6	CS
JPMorgan Alerian MLP ETN	AMJ	36.74	2,663.7	5.3%	1.1%	\$38.12	2,665.1	JPM
Morgan Stanley Cushing High Income Index ETN	MLPY	17.18	20.5	6.5%	2.4%	\$17.03	21.8	MS
UBS E-TRACS 1xMonthly Short Alerian MLP Index	MLPS	21.18	8.5	NA	(5.6%)	\$20.79	8.1	UBS
UBS E-TRACS 2x Leveraged Long Alerian	MLPL	34.80	89.0	11.0%	1.2%	\$38.09	91.1	UBS
E-TRACS Alerian Natural Gas MLP Index	MLPG	29.63	13.3	5.0%	2.7%	\$30.96	14.2	UBS
UBS E-TRACS Alerian MLP Infrastructure	MLPI	30.39	185.0	5.1%	1.0%	\$31.74	194.6	UBS
UBS E-TRACS Wells Fargo MLP Index	MLPW	\$26.14	\$18.3	4.9%	2.3%	\$26.98	\$19.3	UBS
<b>MLP ETN and ETF Mean / Total</b>			<b>\$471.9</b>	<b>6.2%</b>	<b>0.7%</b>	<b>\$27.27</b>	<b>\$4,221.8</b>	<b>-</b>
<b>MLP ETN and ETF Median</b>			<b>\$89.0</b>	<b>5.3%</b>	<b>1.2%</b>	<b>\$26.98</b>	<b>\$91.1</b>	<b>-</b>

Note 1: NAV per share calculated using the most recent NAV available

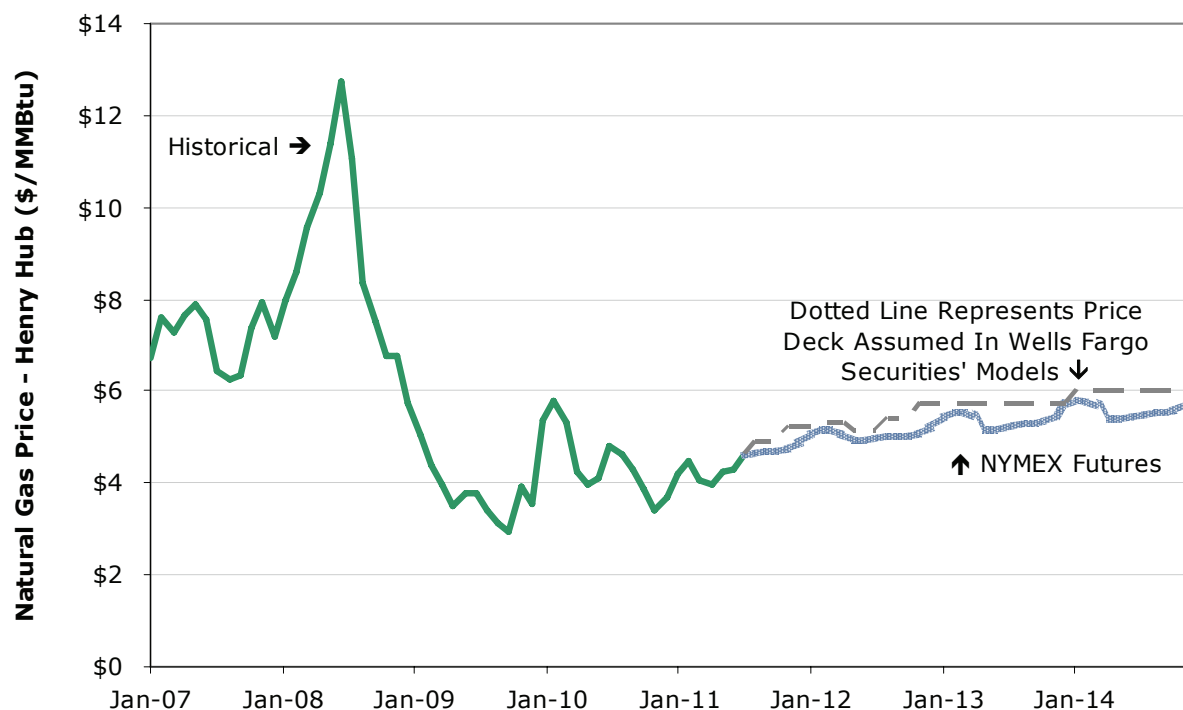
Source: Fund reports, Bloomberg, FactSet, and Wells Fargo Securities, LLC estimates

## Commodity Overview And Forecast

### Natural Gas Prices Increased 1% In May

The average price of natural gas (Henry Hub) increased approximately 1.0% in May, to \$4.29 per million British thermal unit (MMBtu) from \$4.25 per MMBtu in April. Natural gas futures are currently averaging \$4.89 per MMBtu for the next 12 months, \$5.10 per MMBtu in 2012, and \$5.38 per MMBtu in 2013.

Figure 47. Natural Gas Outlook



Source: Bloomberg, FactSet, and Wells Fargo Securities, LLC estimates

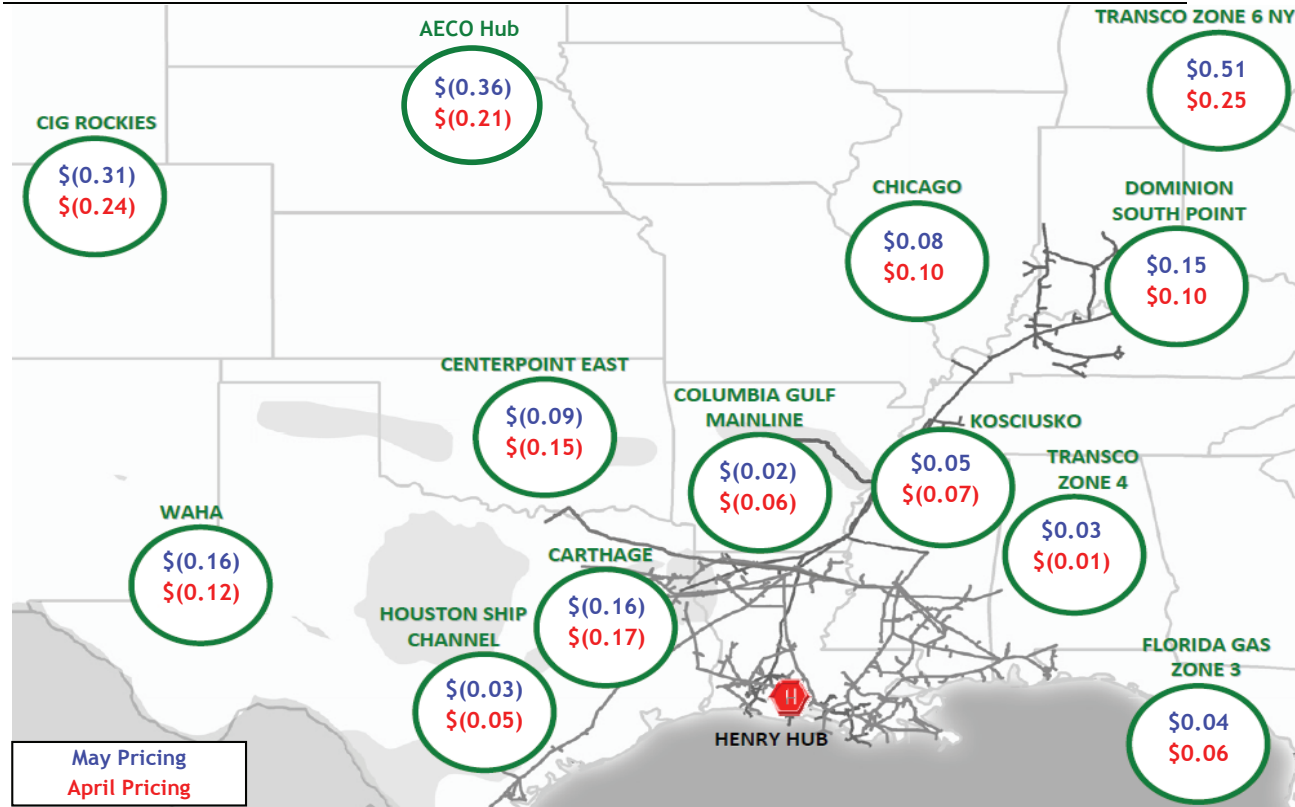
Master Limited Partnerships

Majority Of Basis Differentials Contracted In May

Basis differentials across the Texas/Gulf Coast contracted slightly during May. The Houston Ship Channel, Carthage, CenterPoint East, and Columbia Gulf Mainline’s basis differentials compared to Henry Hub decreased to \$(0.03), \$(0.16), \$(0.09), and \$(0.02) per million British thermal unit (MMBtu), respectively, from \$(0.05), \$(0.17), \$(0.15), and \$(0.06) per MMBtu, previously. Notably, the Waha natural gas hub increased to \$(0.16) per MMBtu, compared to \$(0.12) per MMBtu in April.

As a reminder, natural gas basis differentials are a key driver of intrastate natural gas transportation results (specifically in the Texas/Gulf Coast region) for a number of MLPs. Intrastate pipeline networks transport natural gas between many hubs and points within Texas; hence, basis differentials among multiple hubs in the region are a driver of segment revenue.

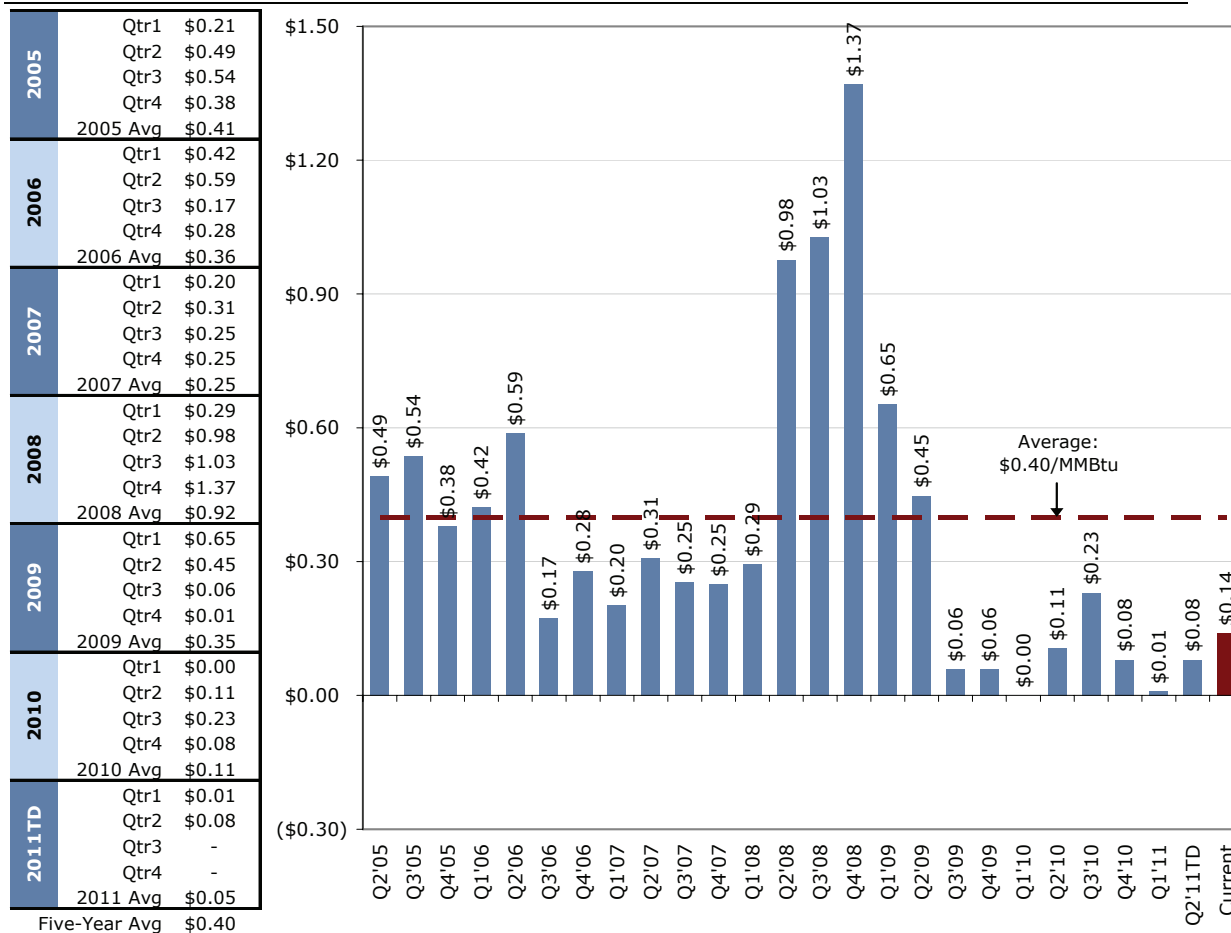
Figure 48. U.S. Basis Differentials Relative To Henry Hub



Source: Bloomberg

In Figure 49, we have highlighted the Katy-Waha basis spread (i.e., West to East) given its prominence within a number of MLP intrastate pipeline systems. Since decreasing to \$0.01 per MMBtu during Q1 2011, the differential between these two hubs has increased to average \$0.08 per MMBtu in Q2 2011 to date, and currently stands at \$0.14 per MMBtu. To note, several MLP management teams have indicated that the breakeven cost to move natural gas across Texas is approximately \$0.08-0.12 per MMBtu. Hence, the West-to-East basis differential will need to remain at current levels or increase for pipeline operators to utilize excess pipeline capacity to ship natural gas volume on a spot basis.

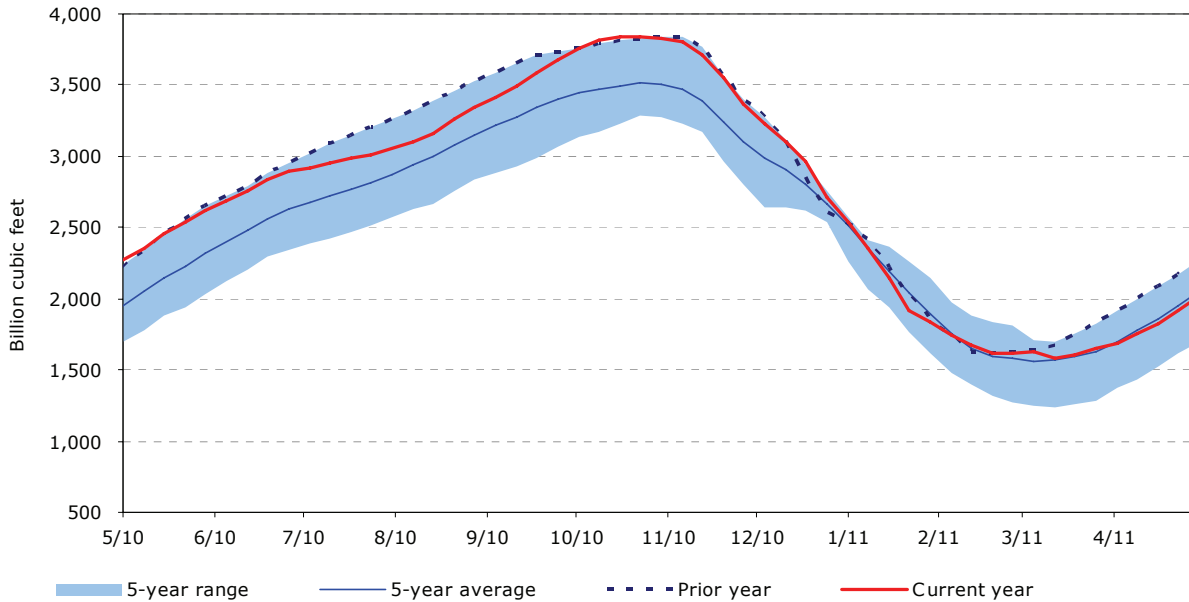
Figure 49. Historical Katy-To-Waha Differential



Source: Bloomberg

On May 26, 2011, the EIA reported a natural gas storage injection of 105 billion cubic feet (Bcf), which compared with Wells Fargo Securities E&P equity research team's 81 Bcf injection estimate and the consensus estimate of 95 Bcf. This compares to the five-year average injection of 96 Bcf and the 104 Bcf injected in 2010. Storage now stands at 2,024 Bcf, which is below 2010 levels by 11%.

Figure 50. Natural Gas Storage Inventory



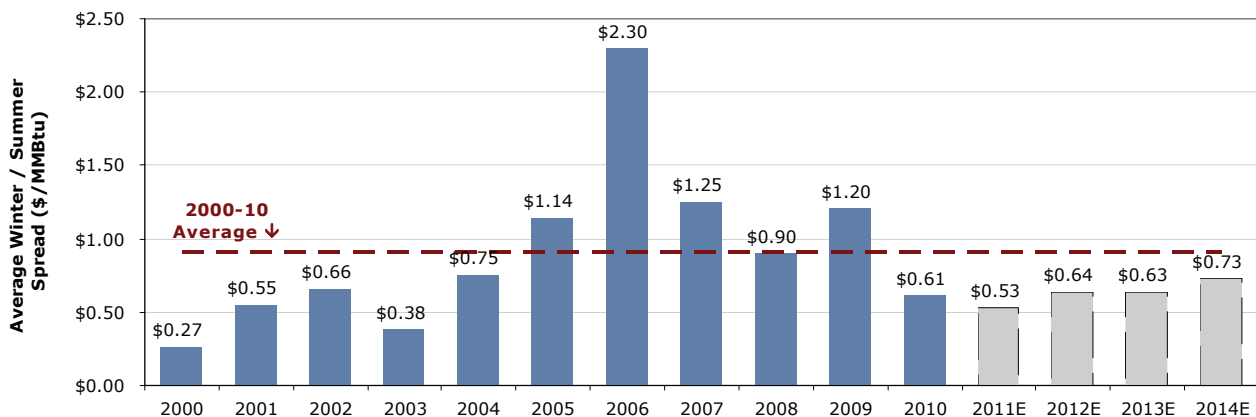
Source: EIA

**2011 Seasonal Storage Spreads Decreased In May**

At the end of May, the implied winter summer spreads for 2011, 2012, and 2013 approximated \$0.53 per MMBtu, \$0.64 per MMBtu, and \$0.63 per MMBtu, respectively, compared to \$0.61 per MMBtu, \$0.64 per MMBtu, and \$0.63 per MMBtu at the end of April. The aforementioned figures are based on the difference between average NYMEX futures pricing for winter (November to April) and summer (May to October) months in 2011, 2012, and 2013. Future seasonal spread expectations remain below the five-year historical average (i.e., 2006-2010) of \$1.25 per MMBtu.

As a reminder, the winter to summer spread represents effectively the value of storage in any given year because a user of storage can buy natural gas in the summer (when prices are seasonally low due to less demand), inject it into storage, and sell forward on the NYMEX at the higher winter price, locking in a margin.

Figure 51. Historical And Forecasted Winter Summer Spread Based On NYMEX Futures



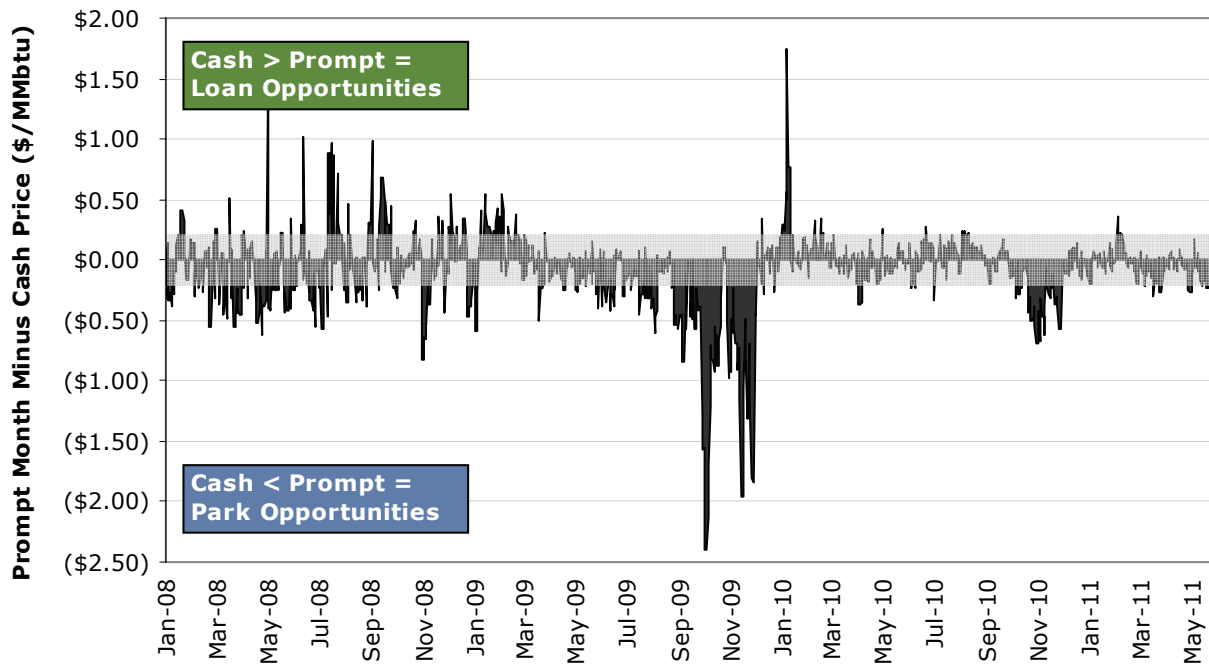
Note: Figures are based on natural gas storage seasons.  
Source: Bloomberg and FactSet

**May Park And Loan Opportunities Remained Weak**

While intra-month storage spreads (i.e., the basis for hub services revenue and park and loan opportunities) widened slightly in May, overall spreads remain mostly uneconomic to conduct park and loan activities. Intra-month storage spreads (i.e., short-term firm or cash-prompt) are likely to remain weak in 2011, in our view.

As shown in Figure 52, when the difference between cash Henry Hub pricing and prompt month futures pricing exceeds \$0.20 per MMBtu (i.e., represents variable costs), storage operators can take advantage of park (cash is less than prompt) and loan (cash is greater than prompt) opportunities.

**Figure 52. Prompt Month Versus Spot Gas Prices**

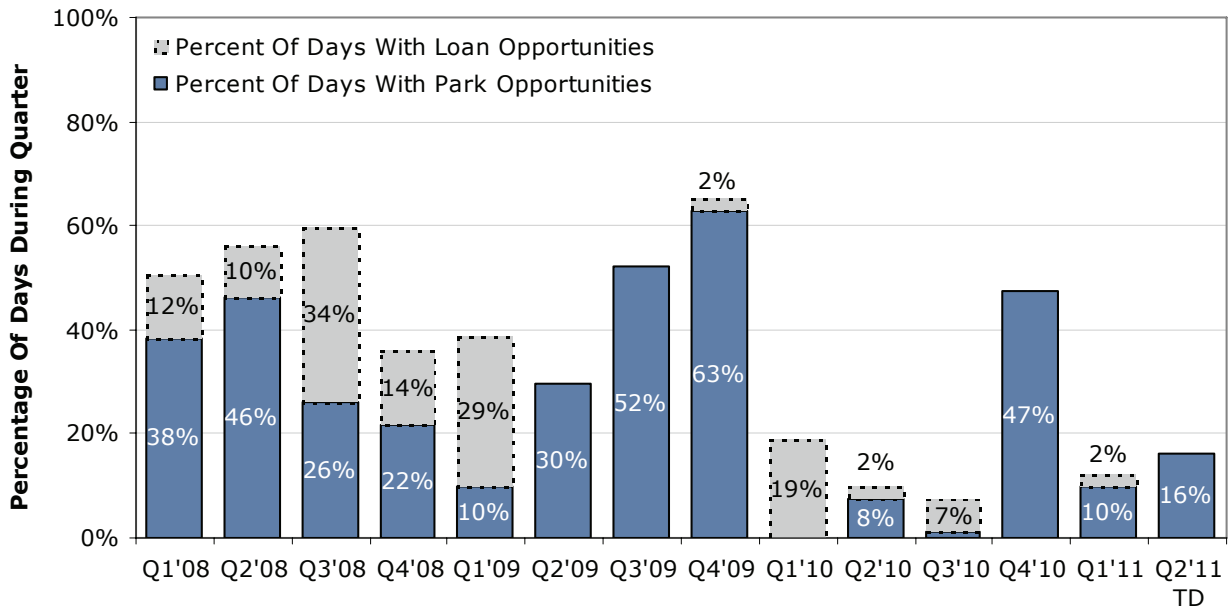


Source: Bloomberg, FactSet, and Wells Fargo Securities, LLC estimates

For Q2 2011 to date, 16% of trading days provided storage operators with sufficient spreads to conduct park and loan activities. In comparison, 10% of trading days in the comparable year ago period had cash-to-prompt month spreads sufficient to support park and loan activities.



Figure 53. Percentage Of Days With Park And Loan Opportunities (By Quarter)

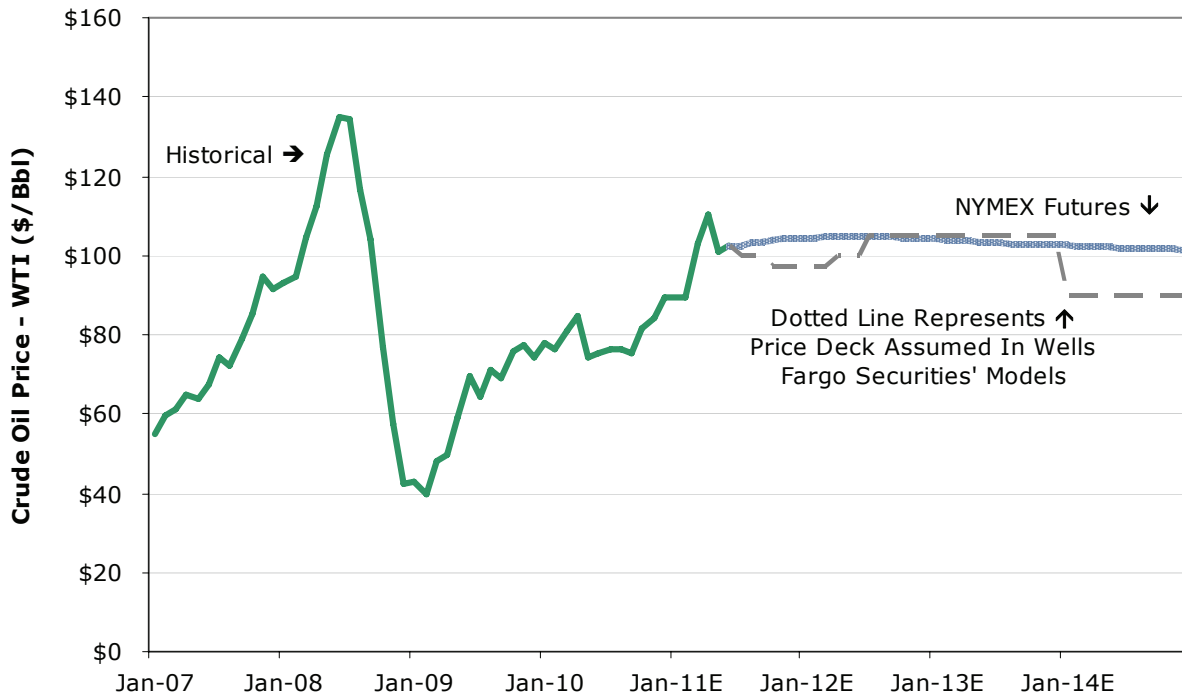


Source: Bloomberg, FactSet, and Wells Fargo Securities, LLC estimates

**Crude Oil Prices Decreased 8% In May**

The average price of crude oil (WTI) decreased 8.3% in May, to \$101.14 per bbl from \$110.30 per bbl in April. NYMEX (WTI) crude oil futures are currently averaging \$104.36 per bbl for the forward 12 months, \$104.91 per bbl in 2012, and \$103.55 per bbl in 2013.

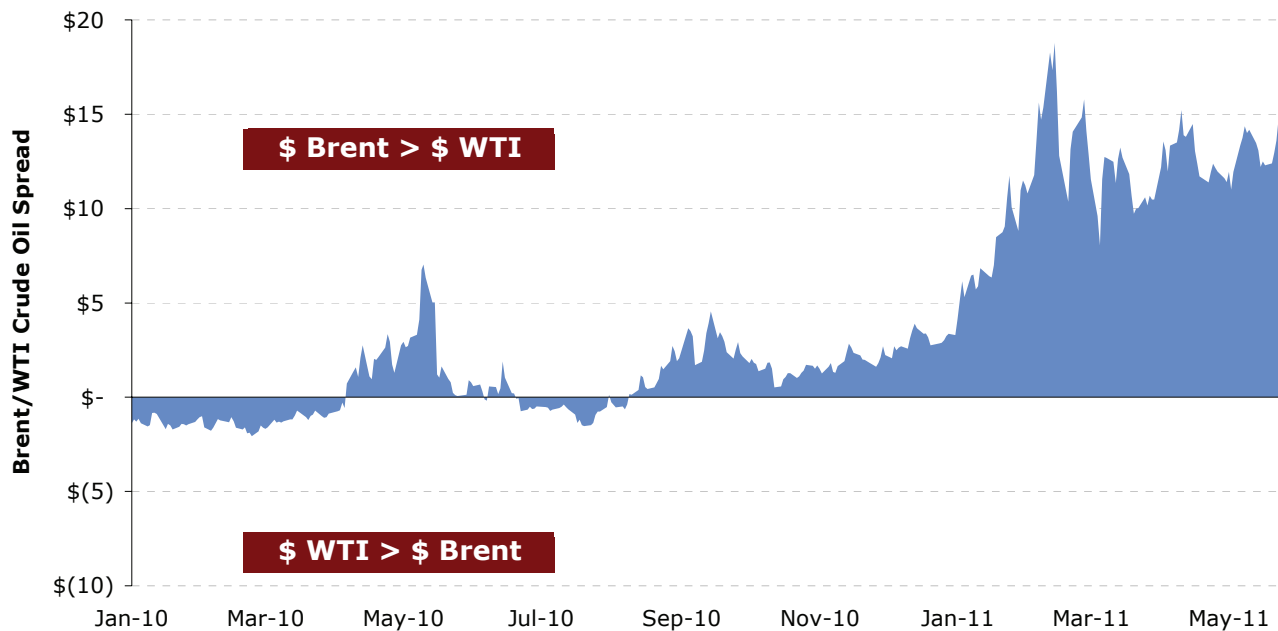
Figure 54. Crude Oil Outlook



Source: Bloomberg, FactSet, and Wells Fargo Securities, LLC estimates

**Brent/WTI Crude Differential Increased To \$13 In May**

Year to date, the average Brent-to-WTI spread has averaged \$11.69 per barrel, or an average 11% WTI discount relative to Brent (as of May 31). This is a shift from historical trading patterns as WTI has historically traded at a slight premium to the Brent crude oil price. From 2004 to 2010, WTI traded at an average premium of \$0.65 per barrel relative to Brent. In May, a barrel of Brent crude averaged \$114.42 per barrel, compared to \$101.14 (average) per barrel for WTI (\$114.42 - \$101.14 = \$13.28 spread).

**Figure 55. WTI-To-Brent Crude Differential**

Source: FactSet

**What Is Causing The Dislocation In WTI Crude Oil Pricing?**

The dislocation in WTI crude oil pricing is primarily due to an oversupply of crude oil at Cushing, Oklahoma (the delivery point for NYMEX WTI futures contracts). According to the latest weekly data released by the EIA, Cushing inventory increased by 56 Mbbls to 40,079 Mbbls as of May 20, 2011, which is 4.3% below the all-time high of 41,896 Mbbls set on April 8, 2011. Notably, the start-up of phase II of TransCanada's Keystone pipeline in February brought an incremental 500-600 Mbbls/d of heavy crude oil supply to Cushing from Steele City, Nebraska. In addition, active drilling by E&P companies in prolific unconventional oil plays in West Texas, the Rockies, and the Bakken play in North Dakota has also contributed to the buildup of crude oil supply at the hub (i.e., almost all of the crude oil produced in west Texas is transported to Cushing). Given that pipeline connectivity from Cushing to the Gulf Coast is limited, wide basis differentials have formed between Cushing and other domestic oil hubs.

Master Limited Partnerships

Figure 56. Weekly Crude Oil Supply At Cushing, Oklahoma (1) (2)

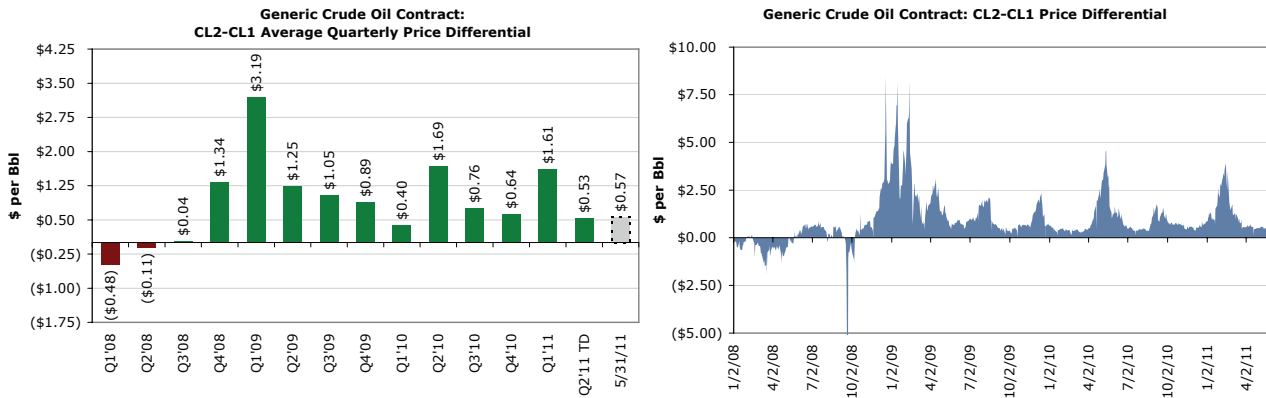


Note 1: Excludes Strategic Petroleum Reserves (SPR)  
Note 2: Data as of May 20, 2011 (latest data available)  
Source: EIA

Crude Oil Futures Contango Spread Remained Essentially Unchanged In May

In May, forward futures pricing for crude oil remained above spot pricing (i.e., a contango market). The spread remained essentially unchanged at \$0.53 per barrel in May, versus \$0.54 per barrel in April (and versus \$2.77 per barrel in the comparable prior-year period). Notably, current contango spreads of \$0.57 per barrel compared to the 2010 average of \$0.88.

Figure 57. Crude Oil Contango



Source: Bloomberg, FactSet, and Wells Fargo Securities, LLC estimates

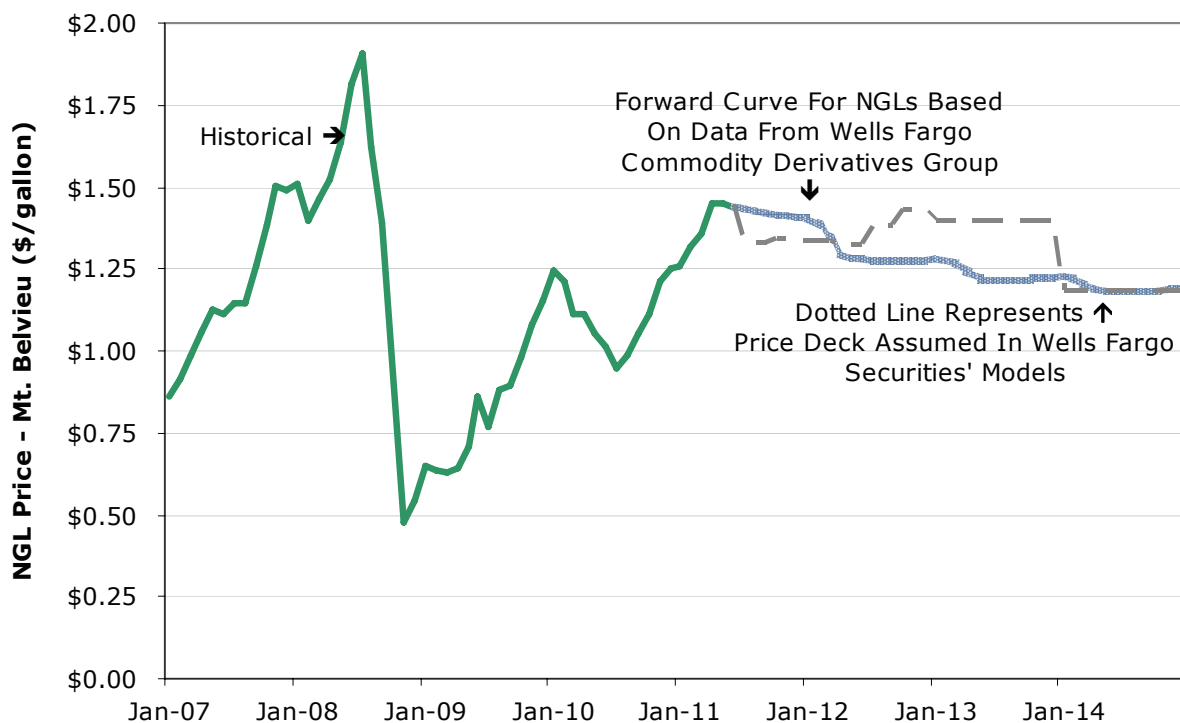
Natural Gas Liquids Outlook

Note: For more information on the NGL market please refer to our monthly NGL snapshot report.

NGL Composite Prices Remained Unchanged In May

NGL composite prices remained unchanged in May at \$1.45 per gallon. On the basis of data provided by Wells Fargo's Commodity Derivatives Group, the forward curve for NGLs is currently averaging \$1.39 per gallon for the next 12 months, \$1.31 per gallon in 2012, and \$1.23 per gallon in 2013.

Figure 58. Natural Gas Liquids Pricing

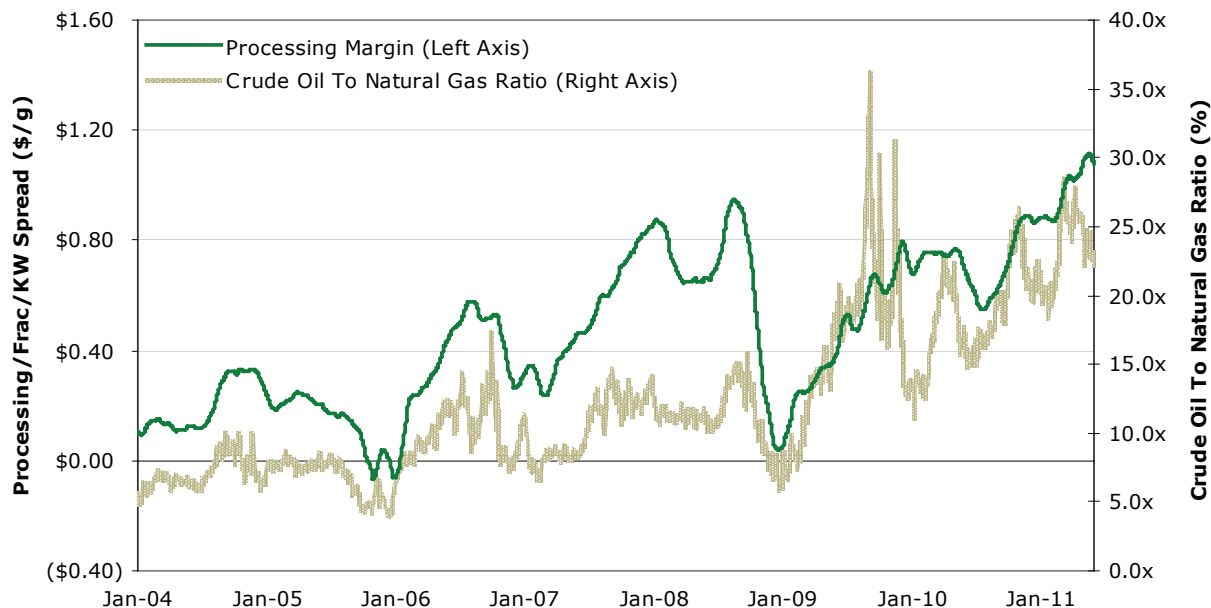


Source: Bloomberg and Wells Fargo Commodity Derivatives Group

**Frac Spreads Remained Unchanged In May**

The average processing margin remained unchanged at \$1.08 per gallon in May and compares to \$0.72 in 2010. The May average margin also compares with the five-year average of \$0.56 per gallon, the ten-year average of \$0.36 per gallon, and \$0.25 per gallon based on processing margin data since 1990.

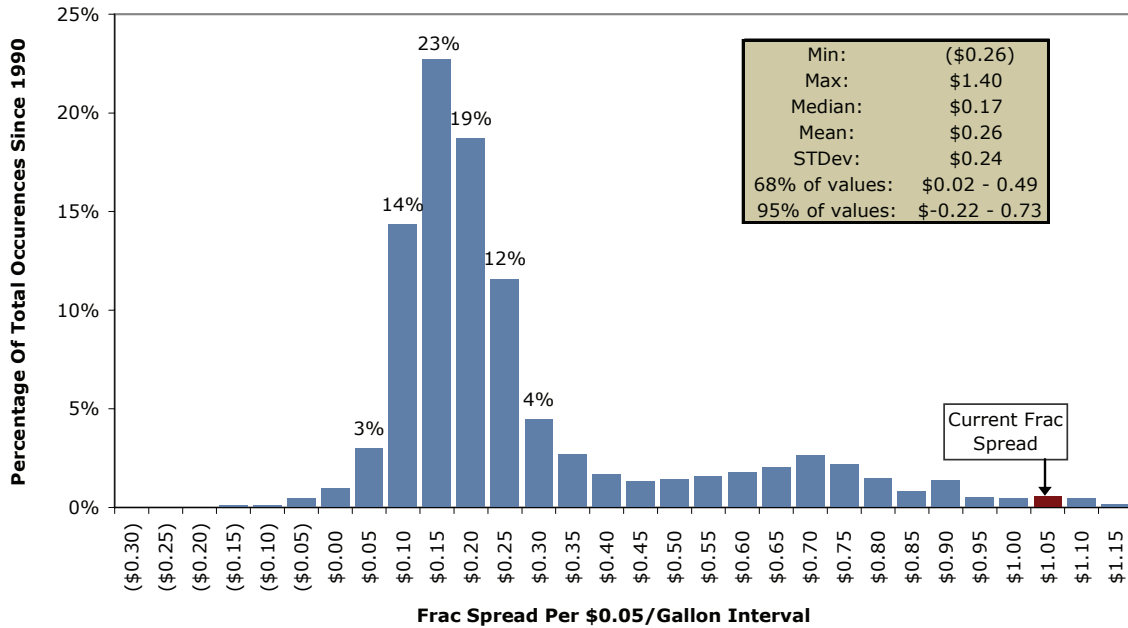
Figure 59. Historical Processing Margin



Source: Bloomberg

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Figure 60. Histogram Of Historical Frac Spread Since 1990

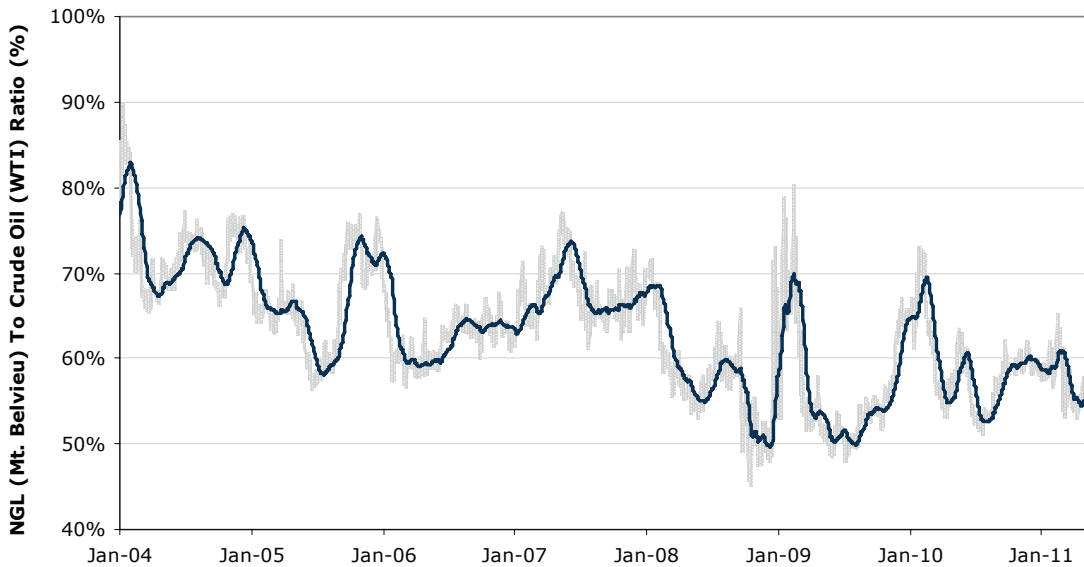


Source: Bloomberg

NGL-To-Crude Oil Ratio Increased In May

The ratio between NGLs and crude oil increased to approximately 60% in May, compared to 55% in April. In comparison, the NGL-to-crude oil ratio has averaged approximately 58% over the past three years. At May 31, 2011, the NGL-to-crude oil ratio was 59%.

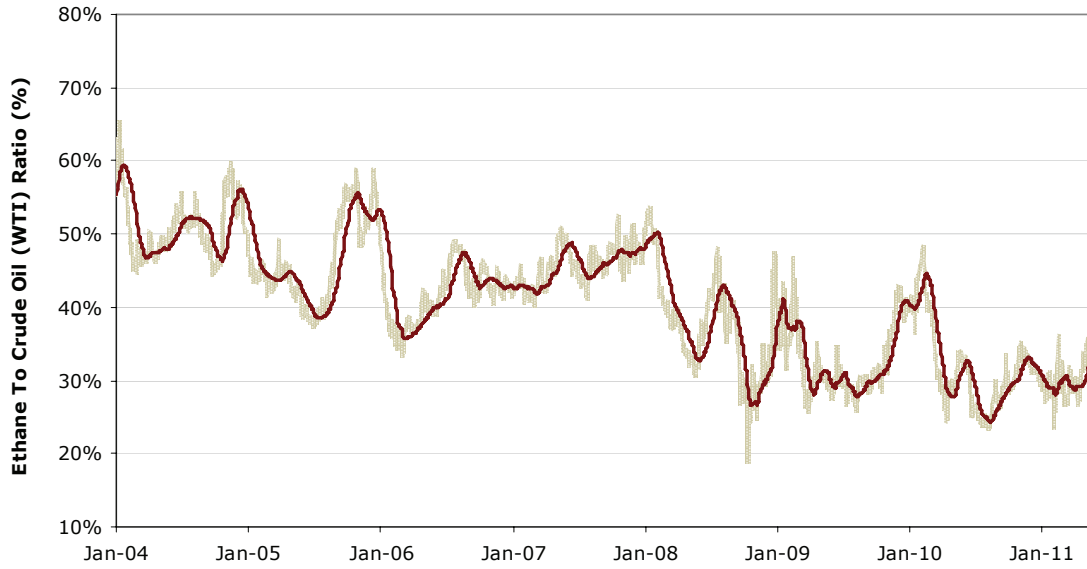
Figure 61. Historical NGL-To-Crude Oil Ratio



Source: Bloomberg

The ratio between ethane, the largest component of the NGL barrel, and crude oil averaged approximately 33% in May, versus 30% in April. At month-end, the ethane-to-crude ratio was 30.8%.

Figure 62. Historical Ethane-To-Crude Oil Ratio



Source: Bloomberg

## Overview Of Wells Fargo Commodity Price Forecasts

For 2011, we forecast crude oil, natural gas, and NGL prices (Mont Belvieu), and processing margin of \$98.04 per barrel, \$4.66 per MMBtu, \$1.33 per gallon, and \$0.93 per gallon, respectively. For 2012, we are forecasting a crude oil price, natural gas price, NGL price, and processing margin of \$101.90 per barrel, \$5.40 per MMBtu, \$1.37 per gallon, and \$0.90 per gallon, respectively. Finally, our long-term (2015+) crude oil price, natural gas price, NGL price, and processing margin forecasts are \$90.00 per barrel, \$6.00 per MMBtu, \$1.22 per gallon, and \$0.71 per gallon, respectively.

**Figure 63. Forecasted Commodity Prices**

	2010A	Q1'11A	Q2'11E	Q3'11E	Q4'11E	2011E	2012E	2013E	2014E	2015+
Crude oil - WTI (\$/Bbl)	\$79.60	\$94.60	\$100.00	\$100.00	\$97.50	\$98.04	\$101.90	\$105.00	\$90.00	\$90.00
Natural gas - HH (\$/MMBtu)	\$4.39	\$4.11	\$4.35	\$4.90	\$5.25	\$4.66	\$5.40	\$5.75	\$6.00	\$6.00
Oil / natural gas ratio	18.1x	23.0x	23.0x	20.4x	18.6x	21.1x	18.9x	18.3x	15.0x	15.0x
Natural gas liquids (\$/g)	\$1.11	\$1.31	\$1.34	\$1.33	\$1.34	\$1.33	\$1.37	\$1.40	\$1.17	\$1.22
Processing margins (\$/g)	\$0.73	\$0.96	\$0.97	\$0.91	\$0.89	\$0.93	\$0.90	\$0.90	\$0.65	\$0.71
NGL/crude oil ratio	59%	59%	56%	56%	58%	57%	56%	56%	55%	57%

Source: FactSet, Bloomberg, and Wells Fargo Securities, LLC estimates

## U.S. Economic Recovery Showing Signs Of Slowing

May economic data suggest that the U.S. economic recovery may be slowing. Nonfarm employment increased by only 54,000 in May, and gains posted in March and April were revised lower. The unemployment rate rose 0.1 percentage point to 9.1 percent, as an increase in the available labor force exceeded the rebound in household employment. Some of the slowdown in economic growth was expected due to the impact of the earthquake and Tsunami in Japan. The Japanese earthquake led to supply shortages at a number of vehicle assembly plants and may have also reduced output in parts of the technology sector. In addition, the series of tornados that hit the country in April and May, as well as the run in energy prices also likely reduced job growth.

The Institute for Supply Management's (ISM) Index declined to 53.5 from 60.4 points in April, which represents the third straight monthly decline. The decrease was worse than expected and reflects deeper cuts at motor vehicle assembly plants and parts suppliers. The ISM release follows poor manufacturing data around the globe signaling that future demand could begin to slow. The combination of weaker labor data, combined with declining home prices in May, has made consumers apprehensive about spending. The consumer confidence index fell 5.2 points in May. Altogether, this evidence suggests that the U.S. economy could be losing steam.

In addition, the second revision of gross domestic product (GDP) reaffirmed that the United States grew at a disappointing rate of 1.8% in Q1 2011, compared to 3.1% in Q4 2010. According to the Bureau of Economic Analysis, the increase in real GDP was primarily due to positive contributions from personal consumption expenditure and building investments, which were partially offset by lower government spending. Notably, the Wells Fargo Economics Group expects GDP growth to accelerate in H2 2011, growing at 2.5% and 2.7%, respectively, in Q3 2011 and Q4 2011.

In May, the yield on the 10-year Treasury decreased to 3.05% from 3.30% (at the end of April). The Wells Fargo's Economic Group expects the 10-year Treasury yield to average 3.27% in 2011, which is a downward revision from its previous forecast of 3.68%. For 2012, the 10-year Treasury rate is projected to average 3.83%, according to our economics team. For the Federal funds target rate, the yield is expected to average 0.25% in 2011 and 1.19% in 2012. These anticipated interest rate levels should be manageable for MLPs, in our view.

**Figure 64. Overview And Outlook For Key Economic Metrics**

	2009A	2010A	Q1A	Q2E	Q3E	Q4E	2011E	Q1E	Q2E	Q3E	Q4E	2012E
Real GDP	(2.6%)	2.9%	1.8%	1.6%	2.5%	2.7%	2.3%	2.5%	2.4%	2.7%	2.6%	2.5%
Consumer Price Index	(0.3%)	1.6%	2.2%	3.5%	3.8%	4.0%	3.4%	3.6%	3.3%	3.5%	3.4%	3.4%
Fed. Funds Rate	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	1.00%	1.50%	1.75%	1.19%
U.S. 10-Yr Treasury	3.85%	3.22%	3.47%	3.00%	3.20%	3.40%	3.27%	3.60%	3.80%	3.90%	4.00%	3.83%

Note: Estimates as of May 27, 2011

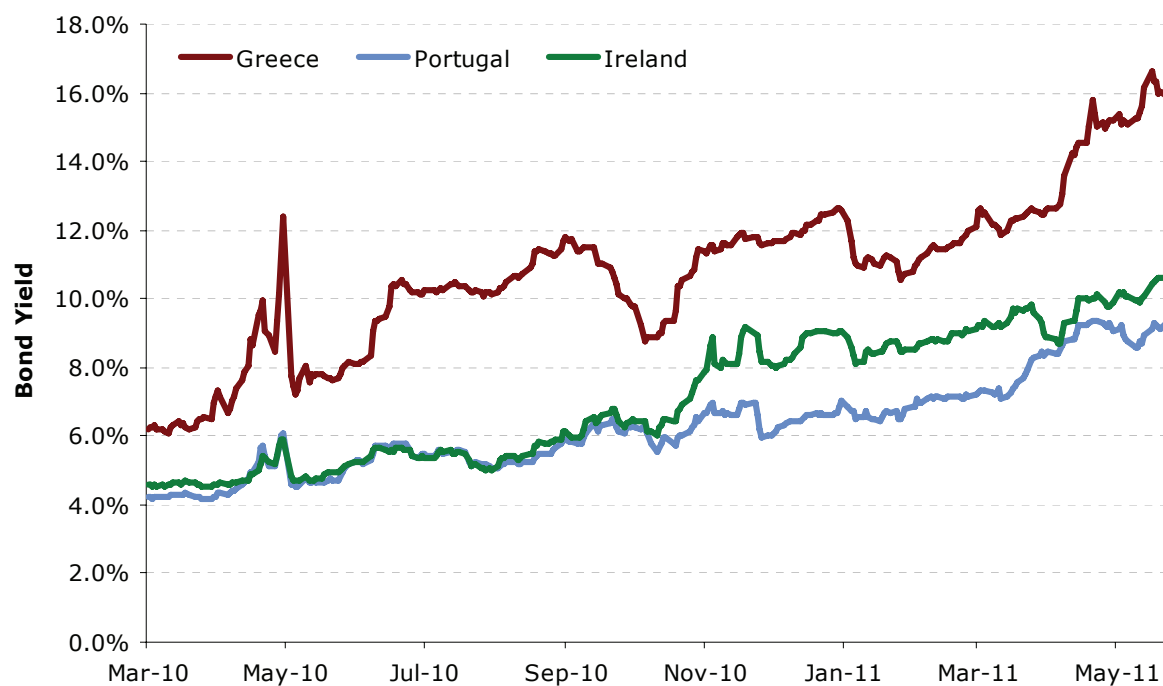
Source: Wells Fargo Securities Economics Group



## Global Review--Eurozone Growth Has Begun To Slow

While the Eurozone real GDP grew at a relatively strong annualized rate of 3.3% in Q1 2011, recent indicators suggest that economic growth in the Eurozone began to slow in Q2 2011. Both the Eurozone's manufacturing and service sector purchasing managers indices (PMIs) declined to 54.8 points and 55.4 points, respectively, in May versus 58.0 points and 56.7 points in April. Even though current PSI levels are consistent with periods of economic expansion, the sudden decline signalizes that growth could moderate in Q2 2011. May's decline is primarily attributable to supply disruptions in the European automotive industry caused by the Japanese tsunami and rising energy prices, which have eroded consumer confidence. In addition, the European sovereign debt crisis continues to linger over the European recovery, especially in countries like Greece, Italy, Ireland, Portugal, and Spain. As shown in Figure 65, the yield on the 10-year Greek bonds increased 60 bps in May and yielded 15.7% as of May 31. The Wells Fargo Economics Group believes that Greece will eventually need to restructure its debt. However, some European policymakers, including those inside the European Central Bank (ECB), fear that a Greek bailout will lead to similar bailouts for Portugal and Ireland. The Wells Fargo Securities Economics Group estimates that it would cost approximately €400 billion, €180 billion, and €120 billion, respectively, to restructure Greece, Portugal, and Ireland's government debt.

**Figure 65. 10-Year Government Bond Yields**



Source: Bloomberg

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## SUPPORTING TABLES

## MLP Growth Capex By Shale

	Ticker	Project Name	Commodity	Project Type	Capacity	Total Cost (\$MM)	In-Service Date
Bakken Shale	EEP	Bakken Pipeline expansion	Crude Oil	Long-Haul Transportation	120 MBPD	\$370	Q1'13
	EEP	North Dakota Expansion - Phase 5	Crude Oil	Long-Haul Transportation	30 MBPD	\$78	Q1'08
	EEP	North Dakota Expansion - Phase 6	Crude Oil	Long-Haul Transportation	51 MBPD	\$150	Q4'09
	PAA	Bakken North Project	Crude Oil	Long-Haul Transportation	50 MBPD	\$180	Q4'12
	CMLP	Various	Natural Gas	G&P	NA	\$35	Various
	OKS	Bakken Pipeline - 525-615-mile	NGLs	Long-Haul Transportation	60 MBPD	\$500	H1'13
	OKS	Bushton Fractionator expansion <sup>1</sup>	NGLs	Fractionation	60 MBPD	\$125	H1'13
	OKS	Garden Creek Plant and Other	NGLs	G&P	100 MMcf/d	\$383	Q4'11
	OKS	Stateline I Plant and Other	NGLs	G&P	100 MMcf/d	\$328	Q3'12
	OKS	Stateline II Plant and Other	NGLs	G&P	100 MMcf/d	\$283	H1'13
<b>Total Bakken Shale Capex</b>						<b>\$2,431</b>	
Barnett	BWP	Southeast Expansion	Natural Gas	Long-Haul Transportation	2.2 Bcf/d	\$754	Q2'09
	BWP	Gulf Crossing Expansion	Natural Gas	Long-Haul Transportation	1.7 Bcf/d	\$1,649	Q1'09
	XTEX	Benbrook	Natural Gas	Long-Haul Transportation	100,000 MMBtu/d	\$25	Q1'11
	EPD	Sherman Extension	Natural Gas	Long-Haul Transportation	1.1 Bcf/d	\$478	Q1'09
	EPD	Trinity River Lateral	Natural Gas	Long-Haul Transportation	1.0 Bcf/d	\$278	Q3'10
	ETP	Texas Independence Pipeline	Natural Gas	Long-Haul Transportation	1.1 Bcf/d	\$485	Q3'09
	ETP	Southeast Bossier Pipeline	Natural Gas	Long-Haul Transportation	900 MMcf/d	\$468	Q2'08
	ETP	Carthage Loop	Natural Gas	Long-Haul Transportation	500 MMcf/d	\$100	Q3'08
	ETP	Katy Expansion	Natural Gas	Long-Haul Transportation	400 MMcf/d	\$167	Q1'09
	ETP	36-inch Southern Shale	Natural Gas	Long-Haul Transportation	700 MMcf/d	\$120	Q1'09
	ETP	36-inch Cleburne to Tolar	Natural Gas	Long-Haul Transportation	400 MMcf/d	\$54	Q1'09
	ETP	36-inch Northside To Paris Loop	Natural Gas	Long-Haul Transportation	400 MMcf/d	\$392	Q3'08
	ETP	36-inch Maypearl to Malone	Natural Gas	Long-Haul Transportation	600 MMcf/d	\$70	Q3'08
	XTEX	Bear Creek Processing Facility	Natural Gas	G&P	200 MMcf/d	\$80	Q3'09
	XTEX	Barnett Shale Pipeline Expansion	Natural Gas	G&P	400 MMcf/d	\$80	Q2'08
	XTEX	Fossil Creek	Natural Gas	G&P	50 MMBtu/d	\$10	Q2'11
	XTEX	N. TX Gathering System Expansion	Natural Gas	G&P	100 MMcf/d	\$25	Q2'11
	XTEX	Eunice NGL Fractionator Restart	NGLs	Fractionation	15 MBPD	\$8	Q2'11
	CPNO	St. Jo processing plant	NGLs	G&P	50 MMcf/d	\$30	Q4'10
	NGLS	2011+ Barnett combo growth capex	NGLs	G&P	Various	\$40	H1'12
<b>Total Barnett Shale Capex</b>						<b>\$5,312</b>	

Note 1: Project handles product from multiple producing regions

Note 2: Capital investments include any Michigan-related capex

Note 3: Capital investments include the partnership's Southwest business segment

Source: Partnership reports and Wells Fargo Securities, LLC estimates

## MLP Growth Capex By Shale

	Ticker	Project Name	Commodity	Project Type	Capacity	Total Cost (\$MM)	In-Service Date
Eagle Ford Shale	CPNO/KMP	111-mile gathering pipeline	Natural Gas	G&P	600,000 MMBtu/d	\$175	Q4'11
	CPNO	DK Pipeline - 38-mile	Natural Gas	Long-Haul Transportation	225,000 MMBtu/d	\$48	Q4'10
	CPNO	DK Pipeline Extension	Natural Gas	Long-Haul Transportation	350,000 MMBtu/d	\$100	Q4'11
	CPNO/KMP	Crossover Pipeline	Natural Gas	Long-Haul Transportation	400,000 MMBtu/d	\$100	Q4'11
	CPNO	Houston Central expansion	NGLs	G&P	400 MMcf/d	\$145	H1'13
	CPNO/ETP	Liberty NGL Pipeline	NGLs	Long-Haul Transportation	75 MBPD	\$52	Q3'11
	CPNO	Houston Central expansion	NGLs	Fractionation	22 MBPD	\$66	Q4'11
	EPD	Mont Belveiu Fractionator #5 <sup>1</sup>	NGLs	Fractionation	75 MBPD	\$261	Q2'12
	NGLS	GCF fractionator - 38.8% interest	NGLs	Fractionation	43 MBPD	\$75	Q2'12
	NGLS	CBF fractionator - 88% interest	NGLs	Fractionation	78 MBPD	\$78	Q2'11
	NGLS	CBF fractionator - 88% interest	NGLs	Fractionation	100 MBPD	\$360	Q1'13
	EPD	Mont Belveiu Fractionator #4 <sup>1</sup>	NGLs	Fractionation	75 MBPD	\$261	Q1'11
	EPD	Marshall and Milton Pipeline	Natural Gas	Long-Haul Transportation	NA		Q2'11
	EPD	24" Petty Extension	Natural Gas	Long-Haul Transportation	NA		Q2'11
	EPD	24" Natural Gas North Extension	Natural Gas	Long-Haul Transportation	NA		Q4'11
	EPD	Eagle Ford Natural Gas Main Line	Natural Gas	Long-Haul Transportation	NA	\$397	Q4'11
	EPD	Eagle Ford Residue Natural Gas	Natural Gas	Long-Haul Transportation	NA		Q4'11
	EPD	Wilson Natural Gas Storage Exp.	Natural Gas	Storage	7.2 Bcf/d		Q2'11
	EPD	Eagle Ford Compressor Stations	Natural Gas	G&P	NA		Q2'12
	EPD	Yoakum Gas Processing Plant	NGLs	G&P	600 MMcf/d		Q2'12
	EPD	Shilling - Shoup NGL Pipeline	NGLs	Long-Haul Transportation	NA	\$1,192	Q2'11-Q3'11
	EPD	Eagle Ford Y-Grade NGL Pipeline	NGLs	Long-Haul Transportation	NA		Q4'11
	EPD	White Kitchen Lateral & Mainline	Natural Gas	Long-Haul Transportation	200 MMcf/d	\$63	Q3'10
	EPD	Eagle Ford Crude - Phase 1	Crude Oil	Long-Haul Transportation	360 MBPD		Q2'12
	EPD	Eagle Ford Crude - Houston Exp.	Crude Oil	Long-Haul Transportation	360 MBPD	\$800	Q3'12
	EPD	Eagle Ford Crude Gathering	Crude Oil	G&P	NA		Q3'12
	EPD	80-Mile Crude Pipeline Extension	Crude Oil	Long-Haul Transportation	350 MBPD	NA	Q2'12-Q3'13
	NS	NuStar/Koch	Crude Oil	Long-Haul Transportation	30 MBPD	\$8	H2'11
	NS	NuStar/TexStar Midstream	Crude Oil	Long-Haul Transportation	200 MBPD	NA	Q2'12
	ETP	Eagle Ford Processing	NGLs	G&P	120 MMcf/d	\$300	Q1'12
	ETP	Rich Eagle Ford Mainline	Natural Gas	G&P	600 MMcf/d		Q4'11
	ETP	Jackson County processing plant	NGLs	G&P	600 MMcf/d	\$450	Q1'13
	ETP	Rich Eagle Ford Mainline Expansion	Natural Gas	G&P	600 MMcf/d		Q1'13
ETP	Dos Hermanas Pipeline	Natural Gas	Long-Haul Transportation	400 MMcf/d	NA	Q4'10	
ETP	Chisholm Pipeline	Natural Gas	Long-Haul Transportation	200 MMcf/d	NA	Q2'11	
ETP/RGNC	Lone Star JV MB Fractionator	NGLs	Fractionation	100 MBPD	\$363	Q1'13	
PAA	Crude / condensate pipeline	Crude Oil	Long-Haul Transportation	300 MBPD	\$330	Q4'12	
PAA	Crude / condensate storage	Crude Oil	Storage	1.5MM Bbls		Q4'12	
RGNC	EF Expansion	Natural Gas	G&P	NA	\$450	Q3'14	
BWP	Southcross Energy Project	Natural Gas	Long-Haul Transportation	NA	NA	NA	
<b>Total Eagle Ford Shale Capex</b>						<b>\$6,073</b>	

Note 1: Project handles product from multiple producing regions

Note 2: Capital investments include any Michigan-related capex

Note 3: Capital investments include the partnership's Southwest business segment

Source: Partnership reports and Wells Fargo Securities, LLC estimates

## MLP Growth Capex By Shale

	Ticker	Project Name	Commodity	Project Type	Capacity	Total Cost (\$MM)	In-Service Date
Fayet	ETP/KMP	Fayetteville Express	Natural Gas	Long-Haul Transportation	2.0 Bcf/d	\$1,010	Q1'11
	BWP	Fayetteville/Greenville Laterals	Natural Gas	Long-Haul Transportation	800 MMcf/d	\$1,000	Q4'08
<b>Total Fayetteville Shale Capex</b>						<b>\$2,010</b>	
Haynesville Shale	EEP	Haynesville Infrastructure	Natural Gas	G&P	NA	\$175	NA
	EEP	East Texas Gas Gathering Sys Expansion	Natural Gas	G&P	NA	\$140	Q4'11
	EROC	ETML Expansion	Natural Gas	G&P	200-300 MMcf/d	\$12	Q3'10
	RGNC	Logansport I Expansion	Natural Gas	G&P	300 MMcf/d	\$44	Q1'10
	RGNC	Logansport II Expansion	Natural Gas	G&P	NA	\$40	Q2'10
	BWP	East Texas-To-Mississippi Expansion	Natural Gas	Long-Haul Transportation	1.7 Bcf/d	\$960	Q2'08
	EEP	Haynesville Expansion	Natural Gas	Long-Haul Transportation	900 MMcf/d	\$368	Q3'11-Q1'14
	EPD	Acadian Haynesville Extension	Natural Gas	Long-Haul Transportation	1.8 Bcf/d	\$1,500	Q4'11
	ETP	Tiger Pipeline	Natural Gas	Long-Haul Transportation	2.4 Bcf/d	\$1,205	Q1'11
	XTEX	Northern Louisiana Pipeline Expansion	Natural Gas	Long-Haul Transportation	200 MMcf/d	\$90	Q2'07
	RGNC	Haynesville Shale Expansion - Phase I	Natural Gas	Long-Haul Transportation	300 MMcf/d	\$342	Q1'10
	RGNC	Haynesville Shale Expansion - Phase II	Natural Gas	Long-Haul Transportation	1.15 Bcf/d	\$430	Q1'10
	RGNC	Haynesville Shale Red River Expansion	Natural Gas	Long-Haul Transportation	100,000 MMbtu/d	\$47	Q1'10
	EPD	Lou-Tex 12" NGL Pipeline Exp.	NGLs	Long-Haul Transportation	NA	\$26	Q2'10
	MMLP	Waskom expansion	NGLs	G&P	35 MMcf/d	\$12	Q4'11
	EPD	SE Mansfield Gathering System	Natural Gas	G&P	300 MMcf/d	\$500	Q4'11
EPD	State Line System Expansion	Natural Gas	Long-Haul Transportation	150 MMcf/d	\$500	Q4'11	
EPD	SE Stanley Gathering System	Natural Gas	G&P	300 MMcf/d	\$500	Q1'12	
<b>Total Haynesville Shale Capex</b>						<b>\$5,891</b>	
Marcellus Shale	MWE	2007 Northeast growth capex <sup>2</sup>	NGLs	G&P	Various	\$3	Various
	MWE	2008 Northeast growth capex <sup>2</sup>	NGLs	G&P	Various	\$40	Various
	MWE	2009 Northeast growth capex <sup>2</sup>	NGLs	G&P	Various	\$22	Various
	MWE	2008 Marcellus growth capex	NGLs	G&P	Various	\$109	Various
	MWE	2010 Marcellus growth capex	NGLs	G&P	Various	\$200	Various
	MWE	2011 Marcellus growth capex	NGLs	G&P	Various	\$315	Various
	MWE	2011 Appalachia growth capex	NGLs	G&P	Various	\$45	Various
	PVR	Marcellus Gathering	Natural Gas	G&P	25 MMcf/d	\$7	Q2'10
	WPZ	Marcellus -2011/2012	Natural Gas	G&P	NA	\$975	2012/2013
	WPZ	Springville Gathering System	Natural Gas	G&P	NA	\$100	Q4'11
WPZ	Northeast Supply Link	Natural Gas	Long-Haul Transportation	250 Mdth/d	\$341	Q4'13	
<b>Total Marcellus Shale Capex</b>						<b>\$2,157</b>	

Note 1: Project handles product from multiple producing regions

Note 2: Capital investments include any Michigan-related capex

Note 3: Capital investments include the partnership's Southwest business segment

Source: Partnership reports and Wells Fargo Securities, LLC estimates

MLP Growth Capex By Shale

	Ticker	Project Name	Commodity	Project Type	Capacity	Total Cost (\$MM)	In-Service Date
Permian	MMP	Texas pipeline conversion	Crude Oil	Long-Haul Transportation	200 MBPD	\$275	Q1'13
	PAA	Basin Pipeline Expansion	Crude Oil	Long-Haul Transportation	50 MBPD	\$11	Q1'12
	SXL	West Texas Gulf Expansion	Crude Oil	Long-Haul Transportation	100 MBPD	NA	Q3'12
	APL	Re-install Midkiff train	NGLs	G&P	60 MMcf/d	\$15	Q2'11
	NGLS	Conger Plant re-start and others	NGLs	G&P	Various	\$30	H1'11
<b>Total Permian Basin Capex</b>						<b>\$331</b>	
Rockies	EPB	CIG Raton 2010 Exp.	Natural Gas	Long-Haul Transportation	130 MMcf/d	\$85	Q4'10
	EPB	WIC System Exp.	Natural Gas	Long-Haul Transportation	320 MMcf/d	\$71	Q4'10
	EPB	Medicine Bow	Natural Gas	Long-Haul Transportation	330 MMcf/d	\$37	Q4'08
	EPB	Kanda Lateral	Natural Gas	Long-Haul Transportation	400 MMcf/d	\$164	Q1'08
	EPB	Piceance Basin Expansion	Natural Gas	Long-Haul Transportation	220 MMcf/d	\$62	Q4'09
	KMP	Rockies Express - Phase I	Natural Gas	Long-Haul Transportation	500 MMcf/d	\$373	Q2'07
	KMP	Rockies Express - West	Natural Gas	Long-Haul Transportation	1.5 Bcf/d	\$993	Q1'08
	KMP	Rockies Express - East	Natural Gas	Long-Haul Transportation	1.8 Bcf/d	\$2,038	Q3'09
	EPD	Hobbs Fractionator	NGLs	Fractionation	75 MBPD	\$233	Q4'07
	EPD	MAPL Expansion	NGLs	Long-Haul Transportation	50 MBPD	\$203	Q4'07
	EPD	MAPL Expansion	NGLs	Long-Haul Transportation	38.5-85.0 MBPD	\$550	Q3'14
	OKS	Overland Pass expansion	NGLs	Long-Haul Transportation	NA	\$38	H1'13
	EPD	Meeker Processing Facility - Phase I	NGLs	G&P	750 MMcf/d	\$321	Q4'07
	EPD	Meeker Processing Facility - Phase II	NGLs	G&P	750 MMcf/d	\$400	Q1'09
	EPD	Pioneer Processing Facility	NGLs	G&P	750 MMcf/d	\$360	Q1'08
	WES	Chipeta Plant	NGLs	G&P	300 MMcf/d	\$55	Q3'12
	WES	Fort Lupton	NGLs	G&P	NA	\$23	NA
<b>Total Rockies Capex</b>						<b>\$6,003</b>	
Mid-Continent	PAA	Mid-Continent Expansion	Crude Oil	Long-Haul Transportation	38 MBPD	\$25	Q3'11
	EEP	Allison Processing Plant - Granite Wash	NGLs	G&P	150 MMcf/d	\$150	Q1'12
	KMP/RGNC	Mid-Continent Expresss	Natural Gas	Long-Haul Transportation	1.8 Bcf/d	\$2,300	Q3'09
	APL	Waynoka	NGLs	G&P	15 MMcf/d	NA	Q2'11
	MWE	Arapaho plant expansion	NGLs	G&P	75 MMcf/d	\$45	Q3'11
	MWE	2007 Southwest capex <sup>3</sup>	NGLs	G&P	Various	\$295	Various
	MWE	2008 Southwest capex <sup>3</sup>	NGLs	G&P	Various	\$354	Various
	MWE	2009 Southwest capex <sup>3</sup>	NGLs	G&P	Various	\$237	Various
	MWE	2010 Southwest capex <sup>3</sup>	NGLs	Various	Various	\$100	Various
	MWE	2011 Southwest capex <sup>3</sup>	NGLs	Various	Various	\$85	Various
	OKS	MB-2 Fractionator <sup>1</sup>	NGLs	Fractionation	75 MBPD	\$345	H2'13
	OKS	Woodford/Granite Wash - Other	NGLs	G&P	NA	\$55	Q4'10
	OKS	Arbuckle expansion - Woodford/Granite Wash	NGLs	Long-Haul Transportation	NA	\$210	Q2'12
	CMLP	Frontier	NGLs	G&P	60 MMcf/d	NA	Q4'11
	EROC	Phoenix Plant	NGLs	G&P	80 MMcf/d	\$18	Q3'10
	OKS	Reconfigure Sterling I and II	NGLs	Long-Haul Transportation	NA	\$710	NA
	OKS	Sterling III Pipeline	NGLs	Long-Haul Transportation	193 MBPD		Q4'13
<b>Total Mid-Con Capex</b>						<b>\$4,929</b>	
<b>Total Capex</b>						<b>\$35,136</b>	

Note 1: Project handles product from multiple producing regions  
Source: Partnership reports and Wells Fargo Securities, LLC estimates



Master Limited Partnerships

Q1'11 Distribution Scorecard		Q1'10A	Q4'10A	Q1'11E	Q1'11A	Percent Variance			
(SMM, except per unit data)		Distribution	Distribution	Distribution	Distribution	Yr/Yr	Seq.	From Est.	
	Ticker								
Large-Cap Pipeline MLPs	Buckeye Partners L.P.	BPL	\$0.95	\$0.99	\$1.00	\$1.00	5.3%	1.3%	0.0%
	Boardwalk Pipeline Partners L.P.	BWP	\$0.51	\$0.52	\$0.53	\$0.52	3.5%	0.5%	(0.9%)
	Enbridge Energy Partners L.P. (CI A)	EEP	\$0.50	\$0.51	\$0.51	\$0.51	2.5%	0.0%	0.0%
	El Paso Pipeline Partners L.P.	EPB	\$0.38	\$0.44	\$0.46	\$0.46	21.1%	4.5%	0.0%
	Enterprise Products Partners L.P.	EPD	\$0.57	\$0.59	\$0.60	\$0.60	5.3%	1.3%	0.0%
	Energy Transfer Partners L.P.	ETP	\$0.89	\$0.89	\$0.90	\$0.89	0.0%	0.0%	(1.1%)
	Kinder Morgan Energy Partners L.P.	KMP	\$1.07	\$1.13	\$1.14	\$1.14	6.5%	0.9%	0.0%
	Magellan Midstream Partners L.P.	MMP	\$0.72	\$0.76	\$0.77	\$0.77	6.9%	1.7%	0.0%
	Niska Gas Storage Partners LLC	NKA	NA	\$0.35	\$0.35	\$0.35	NA	0.0%	0.0%
	NuSTAR Energy L.P.	NS	\$1.07	\$1.08	\$1.08	\$1.08	0.9%	0.0%	0.0%
	ONEOK Partners L.P.	OKS	\$1.11	\$1.14	\$1.15	\$1.15	3.6%	0.9%	0.0%
	Plains All American Pipeline L.P.	PAA	\$0.94	\$0.96	\$0.97	\$0.97	3.7%	1.3%	(0.3%)
	PAA Natural Gas Storage L.P.	PNG	NA	\$0.35	\$0.35	\$0.35	NA	0.0%	(1.4%)
	Spectra Energy Partners L.P.	SEP	\$0.42	\$0.45	\$0.46	\$0.46	9.5%	2.2%	0.0%
	Sunoco Logistics Partners L.P.	SXL	\$1.12	\$1.18	\$1.20	\$1.20	7.2%	1.3%	0.0%
	Williams Partners L.P.	WPZ	\$0.66	\$0.70	\$0.72	\$0.72	9.1%	2.1%	0.0%
<b>Large Cap Pipeline Median</b>						<b>5.3%</b>	<b>1.1%</b>	<b>0.0%</b>	
Small-Cap Pipeline MLPs	Calumet Specialty Products Partners L.P.	CLMT	\$0.46	\$0.47	Not Covered	\$0.48	4.4%	1.1%	Not Covered
	Cheniere Energy Partners L.P.	CQP	\$0.43	\$0.43	Not Covered	\$0.43	0.0%	0.0%	Not Covered
	Chesapeake Midstream Partners L.P.	CHKM	NA	\$0.34	\$0.35	\$0.35	NA	3.7%	0.0%
	Duncan Energy Partners L.P.	DEP	\$0.45	\$0.46	\$0.46	\$0.46	2.2%	0.5%	0.0%
	Exterran Partners L.P.	EXLP	\$0.46	\$0.47	\$0.48	\$0.48	3.2%	1.1%	0.0%
	Genesis Energy L.P.	GEL	\$0.37	\$0.40	\$0.42	\$0.41	10.9%	1.9%	(1.8%)
	Global Partners LP	GLP	\$0.49	\$0.50	\$0.50	\$0.50	2.6%	0.0%	0.0%
	Holly Energy Partners L.P.	HEP	\$0.82	\$0.85	\$0.86	\$0.86	4.9%	1.2%	0.0%
	Martin Midstream Partners L.P.	MMLP	\$0.75	\$0.76	\$0.78	\$0.76	1.7%	0.3%	(1.6%)
	TC PipeLines L.P.	TCLP	\$0.73	\$0.75	\$0.75	\$0.75	2.7%	0.0%	0.0%
	Transmontaigne Partners L.P.	TLP	\$0.60	\$0.61	\$0.61	\$0.61	1.7%	0.0%	0.0%
	<b>Small Cap Pipeline MLP Median</b>						<b>2.7%</b>	<b>0.5%</b>	<b>0.0%</b>
Gather. & Process.	Atlas Pipeline Partners L.P.	APL	\$0.00	\$0.37	\$0.40	\$0.40	NA	8.1%	0.0%
	Copano Energy L.L.C.	CPNO	\$0.58	\$0.58	\$0.58	\$0.58	0.0%	0.0%	0.0%
	DCP Midstream Partners L.P.	DPM	\$0.60	\$0.62	\$0.63	\$0.63	4.2%	1.2%	(0.4%)
	Crestwood Midstream Partners LP	CMLP	\$0.39	\$0.43	\$0.45	\$0.44	12.8%	2.3%	(2.2%)
	MarkWest Energy Partners L.P.	MWE	\$0.64	\$0.65	\$0.67	\$0.67	4.7%	3.1%	0.0%
	Targa Resources Partners L.P.	NGLS	\$0.52	\$0.55	\$0.56	\$0.56	7.7%	1.8%	0.0%
	Regency Energy Partners L.P.	RGNC	\$0.45	\$0.45	\$0.46	\$0.45	0.0%	0.0%	(2.2%)
	Western Gas Partners LP	WES	\$0.34	\$0.38	\$0.40	\$0.39	14.7%	2.6%	(2.5%)
	Crosstex Energy L.P.	XTEX	\$0.00	\$0.26	\$0.27	\$0.29	NA	11.5%	7.4%
	<b>Gathering &amp; Processing Median</b>						<b>4.7%</b>	<b>2.3%</b>	<b>0.0%</b>
Upstream	BreitBurn Energy Partners L.P.	BBEP	\$0.38	\$0.41	\$0.42	\$0.42	11.3%	1.2%	0.0%
	Encore Energy Partners L.P.	ENP	\$0.50	\$0.50	\$0.45	\$0.49	(2.0%)	(2.0%)	8.6%
	EV Energy Partners L.P.	EVEP	\$0.76	\$0.76	\$0.77	\$0.76	0.5%	0.1%	(0.8%)
	Legacy Reserves L.P.	LGCY	\$0.52	\$0.53	\$0.54	\$0.53	1.9%	1.0%	(0.9%)
	Linn Energy LLC	LINE	\$0.63	\$0.66	\$0.66	\$0.66	4.8%	0.0%	0.0%
	Pioneer Southwest Energy Partners LP	PSE	\$0.50	\$0.50	\$0.50	\$0.51	2.0%	2.0%	2.0%
	QR Energy L.P.	QRE	NA	NA	\$0.41	\$0.41	NA	NA	0.0%
	Vanguard Natural Resources LLC	VNR	\$0.53	\$0.56	\$0.56	\$0.57	8.6%	1.8%	1.8%
<b>Upstream MLP Median</b>						<b>2.0%</b>	<b>1.0%</b>	<b>0.0%</b>	
Propane	AmeriGas Partners L.P.	APU	\$0.71	\$0.71	\$0.74	\$0.74	5.0%	5.0%	0.0%
	Ferrellgas Partners L.P.	FGP	\$0.50	\$0.50	\$0.50	\$0.50	0.0%	0.0%	0.0%
	Inergy L.P.	NRGY	\$0.70	\$0.71	\$0.71	\$0.71	1.4%	0.0%	0.0%
	Star Gas Partners L.P.	SGU	\$0.07	\$0.08	Not Covered	\$0.08	6.9%	0.0%	Not Covered
	Suburban Propane Partners L.P.	SPH	\$0.84	\$0.85	\$0.86	\$0.85	1.5%	0.0%	(0.6%)
<b>Propane MLP Median</b>						<b>1.5%</b>	<b>0.0%</b>	<b>0.0%</b>	
Ship	Navios Maritime Partners L.P.	NMM	\$0.42	\$0.43	\$0.43	\$0.43	3.6%	0.0%	0.0%
	Teekay LNG Partners L.P.	TGP	\$0.60	\$0.63	\$0.63	\$0.63	5.0%	0.0%	0.0%
	Teekay Offshore Partners L.P.	TOO	\$0.48	\$0.48	\$0.51	\$0.50	5.3%	5.3%	(1.0%)
<b>Shipping MLP Median</b>						<b>5.0%</b>	<b>0.0%</b>	<b>0.0%</b>	
Coal	Alliance Resource Partners L.P.	ARLP	\$0.79	\$0.86	\$0.89	\$0.89	12.7%	3.5%	0.5%
	Natural Resource Partners L.P.	NRP	\$0.54	\$0.54	\$0.55	\$0.54	0.0%	0.0%	(0.9%)
	Oxford Resource Partners LP	OXF	NA	\$0.44	\$0.44	\$0.44	NA	0.0%	0.0%
	Penn Virginia Resource L.P.	PVR	\$0.47	\$0.47	\$0.49	\$0.48	2.1%	2.1%	(1.0%)
	Rhino Resource Partners LP	RNO	NA	\$0.45	Not Covered	\$0.46	NA	2.2%	NA
<b>Coal MLP Median</b>						<b>2.1%</b>	<b>2.1%</b>	<b>(0.5%)</b>	
GPs	Atlas Pipeline Holdings L.P.	AHD	\$0.00	\$0.07	\$0.09	\$0.11	NA	57.1%	29.4%
	Alliance Holdings GP L.P.	AHGP	\$0.47	\$0.53	\$0.54	\$0.56	19.4%	5.2%	2.1%
	Energy Transfer Equity L.P.	ETE	\$0.54	\$0.54	\$0.54	\$0.56	3.7%	3.7%	3.7%
	NuSTAR GP Holdings LLC	NSH	\$0.45	\$0.48	\$0.48	\$0.48	6.7%	0.0%	0.0%
	Targa Resources Corp.	TRGP	NA	NA	\$0.28	\$0.27	NA	NA	(2.7%)
	Crosstex Energy Inc.	XTXI	\$0.00	\$0.08	\$0.09	\$0.09	NA	12.5%	5.9%
<b>General Partnership MLP Median</b>						<b>6.7%</b>	<b>5.2%</b>	<b>2.9%</b>	
<b>All MLPs Median</b>						<b>4.0%</b>	<b>1.1%</b>	<b>0.0%</b>	
<b>All MLPs (Excl. GPs) Median</b>						<b>3.7%</b>	<b>1.0%</b>	<b>0.0%</b>	
Distressed	Capital Product Partners L.P.	CPLP	\$0.23	\$0.23	\$0.23	\$0.23	3.3%	0.0%	0.0%
	Blueknight Energy Partners LP	BKEP	\$0.00	\$0.00	\$0.00	\$0.00			
	Constellation Energy Partners LLC	CEP	\$0.00	\$0.00	Not Covered	\$0.00	NA	NA	Not Covered
	Eagle Rock Energy Partners L.P.	EROC	\$0.03	\$0.15	\$0.16	\$0.15	500.0%	0.0%	(4.8%)
<b>Distressed MLPs</b>						<b>251.7%</b>	<b>0.0%</b>	<b>(2.4%)</b>	

Source: Partnership reports and Wells Fargo Securities, LLC estimates

## Q1'11 Earnings Overview

	Q1'11 Earnings Per Unit			Q1'11 EBITDA (\$MM)			Q1'11 DCF/Unit		Beat Or Miss?	Variance From Est.			
	Ticker	Actual	Our Est.	Consensus	Actual	Our Est.	Consensus	Actual		Our Est.	EPU	EBITDA	DCF/Unit
Large-Cap Pipeline	BPL	\$0.79	\$0.90	\$0.81	\$122.2	\$131.5	\$125.5	\$1.03	\$1.08	Miss	(12.2%)	(7.1%)	(4.6%)
	BWP	\$0.42	\$0.47	\$0.48	\$187.2	\$193.6	\$184.7	\$0.61	\$0.60	Miss	(10.6%)	(3.3%)	1.7%
	EEP	\$0.31	\$0.38	\$0.38	\$283.7	\$294.9	\$285.2	\$0.57	\$0.62	Miss	(18.4%)	(3.8%)	(8.1%)
	EPB	\$0.57	\$0.49	\$0.57	\$230.0	\$203.6	\$216.0	\$0.77	\$0.60	Beat	16.3%	13.0%	28.3%
	EPD	\$0.49	\$0.44	\$0.44	\$890.4	\$865.5	\$824.0	\$0.82	\$0.71	In-line	11.4%	2.9%	15.5%
	ETP	\$0.71	\$1.09	\$1.02	\$471.3	\$528.3	\$507.7	\$1.19	\$1.49	Miss	(34.9%)	(10.8%)	(20.1%)
	KMP	\$0.43	\$0.40	\$0.44	\$835.2	\$796.7	\$802.6	\$1.21	\$1.16	Beat	7.5%	4.8%	4.3%
	MMP	\$0.80	\$0.75	\$0.76	\$146.1	\$143.3	\$136.4	\$1.04	\$0.88	In-line	6.7%	2.0%	18.2%
	NKA <sup>3</sup>	\$0.40	\$0.40	\$0.36	\$61.2	\$60.0	\$60.0	\$0.54	\$0.54	In-line	0.0%	2.0%	0.0%
	NS	\$0.30	\$0.33	\$0.30	\$92.8	\$93.5	\$93.3	\$0.70	\$0.71	In-line	(9.1%)	(0.7%)	(1.4%)
	OKS	\$1.19	\$1.11	\$1.04	\$254.2	\$250.9	\$232.4	\$1.49	\$1.32	In-line	7.2%	1.3%	12.9%
	PAA	\$1.03	\$0.92	\$0.85	\$348.0	\$319.8	\$305.8	\$1.30	\$1.25	Beat	12.0%	8.8%	4.0%
	PNG	\$0.20	\$0.17	\$0.15	\$19.5	\$17.4	\$17.0	\$0.29	\$0.26	Beat	17.6%	12.1%	11.5%
	SEP	\$0.50	\$0.42	\$0.46	\$32.9	\$27.3	\$54.1	\$0.73	\$0.64	Beat	19.0%	20.5%	14.1%
SXL	\$1.08	\$1.21	\$1.32	\$91.0	\$96.3	\$96.4	\$1.52	\$1.49	Miss	(10.7%)	(5.5%)	2.0%	
WPZ	\$0.81	\$0.89	\$0.85	\$562.0	\$576.6	\$564.1	\$1.29	\$0.98	In-line	(9.0%)	(2.5%)	31.6%	
<b>Large Cap Pipeline Median</b>											<b>3.3%</b>	<b>1.6%</b>	<b>4.2%</b>
Small-Cap Pipelines	BKEP	(\$0.39)	\$0.17	\$0.17	\$14.0	\$15.4	\$15.0	\$0.07	\$0.12	Miss	(329.4%)	(9.1%)	(41.7%)
	DEP	\$0.33	\$0.36	\$0.37	\$73.8	\$76.4	\$76.3	\$0.53	\$0.58	In-line	(8.3%)	(3.5%)	(8.6%)
	EXLP	(\$0.01)	(\$0.01)	\$0.03	\$31.2	\$31.8	\$28.1	\$0.63	\$0.62	In-line	0.0%	(1.9%)	1.6%
	GEL	\$0.28	\$0.28	\$0.32	\$35.0	\$38.2	\$41.4	\$0.49	\$0.51	Miss	0.0%	(8.4%)	(3.9%)
	GLP	\$0.39	\$0.31	\$0.45	\$24.8	\$24.6	\$26.1	\$0.76	\$0.65	In-line	25.8%	0.8%	16.9%
	HEP	\$0.53	\$0.51	\$0.55	\$31.6	\$32.2	\$33.4	\$0.77	\$0.86	In-line	3.9%	(1.9%)	(10.5%)
	MMLP	\$0.32	\$0.47	\$0.41	\$26.8	\$28.5	\$27.3	\$0.58	\$0.96	Miss	(31.9%)	(6.0%)	(39.6%)
	TCLP	\$0.90	\$0.81	\$0.77	\$51.0	\$47.8	\$57.5	\$1.04	\$1.01	Beat	11.1%	6.7%	3.0%
TLP	\$0.71	\$0.47	\$0.56	\$19.5	\$17.0	\$17.1	\$1.00	\$0.86	Beat	51.1%	14.7%	16.3%	
<b>Small Cap Pipeline MLP Median</b>											<b>2.0%</b>	<b>(1.9%)</b>	<b>(1.2%)</b>
Gathering & Processing MLPs	APL	\$0.05	\$0.13	\$0.15	\$38.6	\$39.8	\$39.7	\$0.38	\$0.49	In-line	(61.5%)	(3.0%)	(22.4%)
	CHKM	\$0.27	\$0.30	\$0.30	\$72.1	\$73.6	\$73.4	\$0.41	\$0.45	In-line	(10.0%)	(2.0%)	(8.9%)
	CMLP	\$0.33	\$0.37	\$0.35	\$20.6	\$22.5	\$22.4	\$0.52	\$0.54	Miss	(10.8%)	(8.4%)	(3.7%)
	CPNO	(\$0.07)	(\$0.07)	\$0.01	\$39.5	\$39.4	\$38.6	\$0.44	\$0.42	In-line	0.0%	0.3%	4.8%
	DPM	\$0.54	\$0.57	\$0.50	\$52.3	\$53.8	\$48.2	\$0.97	\$0.94	In-line	(5.3%)	(2.8%)	3.2%
	EROC	(\$0.03)	\$0.00	\$0.00	\$30.3	\$33.0	\$34.4	\$0.18	\$0.23	Miss		(8.2%)	(21.7%)
	MVE	\$0.33	\$0.30	\$0.33	\$96.2	\$93.5	\$107.4	\$1.02	\$0.91	In-line	10.0%	2.9%	12.1%
	NGLS	\$0.37	\$0.22	\$0.23	\$107.4	\$97.0	\$97.4	\$0.78	\$0.63	Beat	68.2%	10.7%	23.8%
	RGNC	\$0.07	\$0.20	\$0.18	\$91.7	\$104.0	\$95.1	\$0.41	\$0.52	Miss	(65.0%)	(11.8%)	(21.2%)
	WES	\$0.43	\$0.42	\$0.40	\$56.3	\$55.5	\$55.4	\$0.61	\$0.55	In-line	2.4%	1.4%	10.9%
	XTEX	(\$0.07)	(\$0.16)	(\$0.14)	\$53.6	\$48.0	\$47.1	\$0.46	\$0.38	Beat	(56.3%)	11.7%	21.1%
<b>Gathering &amp; Processing Median</b>											<b>(7.6%)</b>	<b>(2.0%)</b>	<b>3.2%</b>
Upstream MLPs	BBEP	\$0.31	\$0.17	\$0.17	\$56.3	\$50.2	\$49.6	\$0.61	\$0.49	Beat	82.4%	12.2%	24.5%
	ENP	\$0.29	\$0.40	\$0.33	\$32.3	\$32.9	\$31.0	\$0.61	\$0.55	In-line	(27.5%)	(1.8%)	10.9%
	EVEP	\$0.54	\$0.69	\$0.58	\$50.6	\$56.0	\$52.3	\$0.89	\$0.99	Miss	(21.7%)	(9.6%)	(10.1%)
	LGCY	\$0.41	\$0.43	\$0.43	\$42.3	\$44.4	\$44.3	\$0.54	\$0.61	Miss	(4.7%)	(4.7%)	(11.5%)
	LINE	\$0.38	\$0.41	\$0.39	\$210.0	\$198.0	\$192.9	\$0.77	\$0.69	Beat	(7.3%)	6.1%	11.6%
	PSE	\$0.75	\$0.76	\$0.76	\$28.5	\$29.3	\$29.3	\$0.64	\$0.66	In-line	(1.3%)	(2.7%)	(3.0%)
	QRE	\$0.27	\$0.30	\$0.28	\$22.8	\$21.2	\$21.2	\$0.51	\$0.46	Beat	(10.0%)	7.5%	10.9%
	VNR	\$0.55	\$0.59	\$0.60	\$37.6	\$35.2	\$35.8	\$0.94	\$0.70	Beat	(6.8%)	6.8%	34.3%
<b>Upstream MLP Median</b>											<b>(7.0%)</b>	<b>2.1%</b>	<b>10.9%</b>
Propane <sup>1</sup>	APU	\$2.35	\$2.51	\$2.40	\$176.3	\$184.3	\$186.6	\$2.60	\$2.76	Miss	(6.4%)	(4.3%)	(5.8%)
	FGP	\$0.32	\$1.03	\$0.60	NA	NA	\$91.7	\$1.32	\$1.51	Miss	(68.9%)		(12.6%)
	NRGY	\$0.30	\$0.86	\$0.87	\$163.0	\$182.8	\$179.5	\$1.23	\$1.38	Miss	(65.1%)	(10.8%)	(10.9%)
	SPH	\$2.81	\$2.68	\$2.94	\$111.6	\$110.2	\$119.6	\$1.45	\$1.45	In-line	4.9%	1.3%	0.0%
<b>Propane MLP Median</b>											<b>(35.7%)</b>	<b>(4.3%)</b>	<b>(8.3%)</b>
Ship	TGP	\$0.47	\$0.39	\$0.44	\$67.1	\$64.0	\$66.9	\$0.65	\$0.59	Beat	20.5%	4.8%	10.2%
	TOO	\$0.35	\$0.28	\$0.36	\$95.2	\$98.2	\$99.5	\$0.47	\$0.52	Miss	25.0%	(3.1%)	(9.6%)
<b>Shipping MLP Median</b>											<b>22.8%</b>	<b>0.9%</b>	<b>0.3%</b>
Coal	ARLP	\$2.02	\$1.85	\$1.85	\$142.2	\$136.4	\$137.9	\$2.03	\$2.05	Beat	9.2%	4.3%	(1.0%)
	NRP	\$0.42	\$0.40	\$0.39	\$70.2	\$69.6	\$68.1	\$0.36	\$0.47	In-line	5.0%	0.9%	(23.4%)
	OXF	(\$0.08)	\$0.26	\$0.16	\$14.0	\$18.7	\$17.9	\$0.26	\$0.38	Miss	(130.8%)	(25.1%)	(31.6%)
	PVR	\$0.41	\$0.40	\$0.36	\$59.2	\$57.7	\$59.5	\$0.52	\$0.52	In-line	2.5%	2.6%	0.0%
<b>Coal MLP Median</b>											<b>3.7%</b>	<b>1.7%</b>	<b>(12.2%)</b>
<b>All MLPs Average</b>											<b>(5.5%)</b>	<b>0.2%</b>	<b>1.2%</b>
<b>All MLPs Median</b>											<b>(0.7%)</b>	<b>(0.2%)</b>	<b>1.6%</b>

Note: "Beat", "Miss" generally defined as 3% variance to our EBITDA estimate

Note 1: FQ2'11 (i.e. calendar Q1'11) for Propane MLPs

Note 2: FQ4'11 (i.e. calendar Q1'11) for NKA

# Beat	15
# In-line	21
# Miss	18
# DNR	0

Source: Partnership reports and Wells Fargo Securities, LLC estimates

**Master Limited Partnerships**

**2011 Average Daily Trading Value**

		Average Daily Trading Value (\$ in 000's)					
Master Limited Partnership	Ticker	May-11	Apr-11	Q1'11	Q4'10	Q3'10	Q2'10
1. ENTERPRISE PRODS PRTNER -LP	EPD	\$59,771	\$59,771	\$62,897	\$55,593	\$47,919	\$65,651
2. KINDER MORGAN ENERGY -LP	KMP	\$59,134	\$59,134	\$41,455	\$38,620	\$42,368	\$58,447
3. ENERGY TRANSFER PARTNERS -LP	ETP	\$54,224	\$54,224	\$41,549	\$28,986	\$36,465	\$32,625
4. EL PASO PIPELINE PARTNERS LP	EPB	\$46,220	\$46,220	\$25,870	\$19,807	\$18,757	\$11,736
5. LINN ENERGY LLC	LINE	\$44,530	\$44,530	\$42,731	\$33,918	\$29,070	\$36,842
6. PLAINS ALL AMER PIPELINE -LP	PAA	\$27,021	\$27,021	\$29,004	\$22,715	\$18,577	\$23,165
7. INERGY LP	NRGY	\$23,101	\$23,101	\$12,528	\$14,191	\$20,057	\$9,185
8. BUCKEYE PARTNERS LP	BPL	\$22,446	\$22,446	\$20,344	\$7,935	\$7,816	\$8,758
9. EV ENERGY PARTNERS LP	EVEP	\$22,399	\$22,399	\$14,382	\$6,364	\$7,418	\$7,099
10. BOARDWALK PIPELINE PRTNRS-LP	BWP	\$21,134	\$21,134	\$7,568	\$9,202	\$7,495	\$10,860
11. KINDER MORGAN MANAGEMENT LLC	KMR	\$20,336	\$20,336	\$19,461	\$17,107	\$15,399	\$17,052
12. ATLAS PIPELINE PARTNER LP	APL	\$19,888	\$19,888	\$14,730	\$9,381	\$10,626	\$8,345
13. ENERGY TRANSFER EQUITY LP	ETE	\$19,677	\$19,677	\$13,704	\$8,659	\$13,659	\$12,768
14. MAGELLAN MIDSTREAM PRTNRS LP	MMP	\$18,583	\$18,583	\$16,318	\$14,872	\$20,153	\$14,299
15. MARKWEST ENERGY PARTNERS LP	MWE	\$18,316	\$18,316	\$13,916	\$10,290	\$10,279	\$14,234
16. WILLIAMS PARTNERS LP	WPZ	\$17,543	\$17,543	\$17,883	\$22,205	\$18,859	\$12,255
17. ENBRIDGE ENERGY PRTNRS -LP	EEP	\$16,479	\$16,479	\$15,024	\$18,766	\$21,756	\$18,673
18. NUSTAR ENERGY LP	NS	\$14,342	\$14,342	\$7,358	\$11,058	\$10,908	\$17,202
19. TARGA RESOURCES PARTNERS LP	NGLS	\$14,332	\$14,332	\$16,525	\$9,210	\$13,162	\$15,210
20. REGENCY ENERGY PARTNERS LP	RGNC	\$12,136	\$12,136	\$10,884	\$12,301	\$13,731	\$7,957
21. ATLAS PIPELINE HOLDINGS LP	AHD	\$11,544	\$11,544	\$16,661	\$2,135	\$1,504	\$1,157
22. ONEOK PARTNERS -LP	OKS	\$11,215	\$11,215	\$8,359	\$9,704	\$10,423	\$12,480
23. ALLIANCE RESOURCE PTNRS -LP	ARLP	\$11,177	\$11,177	\$8,507	\$5,572	\$5,348	\$5,347
24. COPANO ENERGY LLC	CPNO	\$11,160	\$11,160	\$9,838	\$9,631	\$11,487	\$14,465
25. NATURAL RESOURCE PARTNERS LP	NRP	\$10,051	\$10,051	\$10,303	\$5,704	\$4,906	\$7,194
26. TARGA RESOURCES CORP	TRGP	\$9,984	\$9,984	\$7,306	\$21,335	NA	NA
27. TC PIPELINES LP	TCLP	\$9,629	\$9,629	\$3,918	\$4,452	\$3,200	\$3,658
28. CVR PARTNERS LP	UAN	\$8,699	NA	NA	NA	NA	NA
29. PENN VIRGINIA RES PRTNR LP	PVR	\$8,498	\$8,498	\$7,712	\$3,984	\$3,125	\$3,601
30. BREITBURN ENERGY PARTNERS LP	BBEP	\$7,245	\$7,245	\$8,134	\$4,735	\$4,354	\$2,443
31. LEGACY RESERVES LP	LGCY	\$6,967	\$6,967	\$4,505	\$4,494	\$3,998	\$4,843
32. SUNOCO LOGISTICS PARTNERS LP	SXL	\$6,915	\$6,915	\$5,586	\$5,193	\$7,761	\$6,839
33. TEEKAY LNG PARTNERS LP	TGP	\$6,840	\$6,840	\$5,284	\$3,295	\$3,701	\$3,821
34. VANGUARD NATURAL RESOURCES	VNR	\$6,599	\$6,599	\$6,394	\$8,169	\$5,611	\$5,464
35. EXTERRAN PARTNERS LP	EXLP	\$6,452	\$6,452	\$4,474	\$2,722	\$2,107	\$911
36. DCP MIDSTREAM PARTNERS LP	DPM	\$6,338	\$6,338	\$6,615	\$4,578	\$3,762	\$2,819
37. NAVIOS MARITIME PARTNERS LP	NMM	\$5,910	\$5,910	\$6,576	\$6,801	\$3,504	\$6,508
38. WESTERN GAS PARTNERS LP	WES	\$5,836	\$5,836	\$9,151	\$7,142	\$4,264	\$5,088
39. ALLIANCE HOLDINGS GP LP	AHGP	\$5,455	\$5,455	\$5,546	\$1,735	\$2,130	\$1,864
40. TESORO LOGISTICS LP	TLLP	\$4,987	NA	NA	NA	NA	NA
41. FERRELLGAS PARTNERS -LP	FGP	\$4,953	\$4,953	\$6,791	\$3,314	\$3,108	\$3,435
42. EAGLE ROCK ENERGY PARTNRS LP	EROC	\$4,863	\$4,863	\$3,422	\$2,685	\$1,725	\$2,459
43. NISKA GAS STORAGE PARTNERS	NKA	\$4,831	\$4,831	\$2,110	\$2,493	\$3,087	\$15,391
44. TEEKAY OFFSHORE PARTNERS LP	TOO	\$4,660	\$4,660	\$5,239	\$7,401	\$5,986	\$4,076
45. MARTIN MIDSTREAM PARTNERS LP	MMLP	\$4,472	\$4,472	\$3,971	\$2,110	\$2,450	\$1,942
46. SUBURBAN PROPANE PRTNRS -LP	SPH	\$4,449	\$4,449	\$3,905	\$4,499	\$5,576	\$5,190
47. CROSSTEX ENERGY INC	XTXI	\$4,429	\$4,429	\$2,808	\$2,498	\$3,708	\$4,140
48. GOLAR LNG PARTNERS LP	GMLP	\$4,146	NA	NA	NA	NA	NA
49. ENCORE ENERGY PARTNERS LP	ENP	\$4,104	\$4,104	\$5,436	\$4,768	\$3,839	\$5,325
50. CALUMET SPECIALTY PRODS -LP	CLMT	\$3,886	\$3,886	\$5,202	\$2,990	\$2,164	\$3,223
51. SPECTRA ENERGY PARTNERS LP	SEP	\$3,694	\$3,694	\$3,699	\$5,573	\$2,533	\$2,718
52. DUNCAN ENERGY PARTNERS LP	DEP	\$3,622	\$3,622	\$5,083	\$2,803	\$2,601	\$3,093
53. CHENIERE ENERGY PARTNERS LP	CQP	\$3,475	\$3,475	\$6,980	\$3,761	\$3,367	\$5,155
54. PIONEER SOUTHWEST ENERGY -LP	PSE	\$3,361	\$3,361	\$1,820	\$1,262	\$1,992	\$2,072
55. CROSSTEX ENERGY LP	XTEX	\$3,056	\$3,056	\$2,558	\$2,769	\$2,628	\$2,830
56. CHESAPEAKE MIDSTREAM PARTNERS LP	CHKM	\$2,979	\$2,979	\$3,947	\$2,337	\$53,578	NA
57. AMERIGAS PARTNERS -LP	APU	\$2,965	\$2,965	\$3,481	\$2,184	\$2,405	\$3,541
58. CRESTWOOD MIDSTREAM PTNRS LP	CMLP	\$2,913	\$2,913	\$1,358	\$1,295	\$1,728	\$2,463
59. GENESIS ENERGY -LP	GEL	\$2,892	\$2,892	\$3,835	\$5,886	\$3,557	\$3,382
60. NUSTAR GP HOLDINGS LLC	NSH	\$2,828	\$2,828	\$2,396	\$2,873	\$3,631	\$3,271
61. ENBRIDGE ENERGY MGMT LLC	EEQ	\$2,432	\$2,432	\$2,336	\$1,998	\$2,751	\$2,136
62. CAPITAL PRODUCT PARTNERS LP	CPLP	\$2,241	\$2,241	\$1,780	\$1,886	\$1,834	\$1,955
63. HOLLY ENERGY PARTNERS LP	HEP	\$2,108	\$2,108	\$2,085	\$2,017	\$3,053	\$3,345
64. OXFORD RESOURCE PARTNERS LP	OXF	\$1,997	\$1,997	\$1,791	\$2,404	\$5,746	NA
65. GLOBAL PARTNERS LP	GLP	\$1,812	\$1,812	\$3,193	\$1,876	\$1,380	\$1,754
66. TRANSMONTAIGNE PARTNERS LP	TLP	\$1,646	\$1,646	\$1,837	\$1,237	\$1,535	\$2,254
67. PAA NATURAL GAS STORAGE LP	PNG	\$1,283	\$1,283	\$1,194	\$1,560	\$2,675	\$44,171
68. STAR GAS PARTNERS -LP	SGU	\$516	\$516	\$561	\$643	\$541	\$564
69. RHINO RESOURCE PARTNERS LP	RNO	\$371	\$371	\$806	\$942	NA	NA
70. CONSTELLATION ENERGY PRTNRS	CEP	\$172	\$172	\$227	\$189	\$156	\$256
<b>All MLPs Average</b>		<b>\$11,490</b>	<b>\$11,738</b>	<b>\$9,983</b>	<b>\$8,370</b>	<b>\$9,154</b>	<b>\$9,857</b>
<b>All MLPs Median</b>		<b>\$6,395</b>	<b>\$6,452</b>	<b>\$6,394</b>	<b>\$4,735</b>	<b>\$3,998</b>	<b>\$5,155</b>
<b>All MLPs Sum</b>		<b>\$804,268</b>	<b>\$786,437</b>	<b>\$668,854</b>	<b>\$560,812</b>	<b>\$594,994</b>	<b>\$621,008</b>

Source: FactSet

## COMP TABLES

Master Limited Partnerships

MLP Market Data

	(SMM, except per unit data)	Ticker	Price 5/31/2011	Current Yield	Current Distribution	52-Week		Market Cap	Enterprise Value	3-Month Avg. Vol.	Est. Tax Deferred	
						Low	High					
Large Cap Pipeline MLPs	Energy Transfer Partners L.P.	ETP	\$47.51	7.5%	\$3.58	\$42.77	\$55.50	\$9,242	\$15,808	1,085,153	80%	
	Niska Gas Storage Partners LLC	NKA	\$19.41	7.2%	\$1.40	\$17.61	\$22.21	\$1,312	\$2,112	172,744	80%	
	Boardwalk Pipeline Partners L.P.	BWP	\$29.10	7.2%	\$2.09	\$27.04	\$34.23	\$5,605	\$8,875	372,539	80%	
	Kinder Morgan Management L.L.C.	KMR	\$65.27	7.0%	\$4.56	\$49.75	\$68.74	-	-	277,481	-	
	NuSTAR Energy L.P.	NS	\$63.45	6.8%	\$4.30	\$53.98	\$71.69	\$4,100	\$6,337	144,810	80%	
	Enbridge Energy Partners L.P. (CI A)	EEP	\$30.71	6.7%	\$2.06	\$23.91	\$34.58	\$7,775	\$12,960	474,005	90%	
	Enbridge Energy Management L.L.C.	EEQ	\$31.02	6.6%	\$2.06	\$21.82	\$33.95	-	-	90,104	-	
	Buckeye Partners L.P.	BPL	\$63.45	6.3%	\$4.00	\$53.01	\$71.67	\$5,327	\$7,731	464,525	80%	
	Plains All American Pipeline L.P.	PAA	\$62.24	6.2%	\$3.88	\$56.50	\$65.96	\$8,963	\$14,410	515,988	80%	
	Kinder Morgan Energy Partners L.P.	KMP	\$74.56	6.1%	\$4.56	\$61.38	\$78.00	\$23,647	\$35,218	626,940	90%	
	PAA Natural Gas Storage L.P.	PNG	\$22.57	6.1%	\$1.38	\$22.32	\$26.68	\$1,342	\$1,750	59,718	80%	
	Spectra Energy Partners L.P.	SEP	\$32.00	5.8%	\$1.84	\$29.99	\$36.31	\$2,854	\$3,487	105,173	80%	
	Enterprise Products Partners L.P.	EPD	\$41.64	5.7%	\$2.39	\$27.85	\$44.35	\$35,152	\$48,448	1,424,942	90%	
	Sunoco Logistics Partners L.P.	SXL	\$84.60	5.7%	\$4.78	\$64.50	\$91.03	\$2,817	\$4,097	69,963	80%	
	ONEOK Partners L.P.	OKS	\$83.34	5.5%	\$4.60	\$58.12	\$86.50	\$8,493	\$11,761	114,794	80%	
	Williams Partners L.P.	WPZ	\$52.92	5.4%	\$2.87	\$36.97	\$56.61	\$15,339	\$22,161	307,132	80%	
	El Paso Pipeline Partners L.P.	EPB	\$34.37	5.4%	\$1.84	\$27.09	\$38.00	\$6,195	\$9,292	1,049,949	80%	
	Magellan Midstream Partners L.P.	MMP	\$59.06	5.2%	\$3.08	\$42.38	\$63.10	\$6,660	\$8,628	276,441	80%	
	<b>Large Cap Pipeline MLP Median</b>				<b>6.2%</b>				<b>\$6,427</b>	<b>\$9,083</b>	<b>292,307</b>	<b>80%</b>
	Small & Mid Cap Pipeline	Cheniere Energy Partners L.P.	CQP	\$18.03	9.4%	\$1.70	\$14.90	\$24.54	\$2,919	\$5,006	366,335	80%
Calumet Specialty Products Partners L.P.		CLMT	\$21.96	8.7%	\$1.90	\$16.20	\$24.95	\$874	\$1,216	220,970	75%	
Martin Midstream Partners L.P.		MMLP	\$38.81	7.9%	\$3.05	\$27.56	\$42.64	\$728	\$1,074	96,539	80%	
Global Partners LP		GLP	\$25.95	7.7%	\$2.00	\$20.58	\$29.98	\$530	\$959	77,788	80%	
Exterran Partners L.P.		EXLP	\$26.71	7.4%	\$1.91	\$19.19	\$31.35	\$825	\$1,275	218,110	80%	
Transmontaigne Partners L.P.		TLP	\$34.71	7.0%	\$2.44	\$27.55	\$40.69	\$501	\$641	42,683	80%	
TC PipeLines L.P.		TCLP	\$46.16	6.5%	\$3.00	\$36.80	\$54.95	\$2,134	\$2,640	184,970	80%	
Holly Energy Partners L.P.		HEP	\$55.03	6.2%	\$3.42	\$38.69	\$61.05	\$1,215	\$1,730	35,765	75%	
Genesis Energy L.P.		GEL	\$27.43	5.9%	\$1.63	\$16.46	\$29.83	\$1,772	\$2,412	105,758	90%	
Tesoro Logistics LP		TLLP	\$24.84	5.4%	\$1.35	\$22.21	\$25.23	\$758	\$808	611,376	80%	
Duncan Energy Partners L.P.		DEP	\$41.52	4.4%	\$1.83	\$24.38	\$43.41	\$2,398	\$3,296	102,986	90%	
Blueknight Energy Partners LP		BKEP	\$7.94	0.0%	\$0.00	\$6.55	\$9.50	\$274	\$511	53,290	80%	
<b>Small Cap Pipeline MLP Median</b>				<b>7.0%</b>				<b>\$850</b>	<b>\$1,246</b>	<b>104,372</b>	<b>80%</b>	
Gathering & Processing MLP		Regency Energy Partners L.P.	RGNC	\$25.19	7.1%	\$1.78	\$22.04	\$28.35	\$3,483	\$4,699	425,199	80%
	Copano Energy L.L.C.	CPNO	\$33.56	6.9%	\$2.30	\$23.32	\$37.40	\$2,214	\$2,892	319,018	80%	
	Targa Resources Partners L.P.	NGLS	\$34.56	6.5%	\$2.23	\$22.00	\$35.62	\$2,848	\$4,027	359,360	80%	
	Crosstex Energy L.P.	XTEX	\$18.33	6.3%	\$1.16	\$8.90	\$19.97	\$1,195	\$1,930	156,421	80%	
	Crestwood Midstream Partners LP	CMLP	\$27.83	6.3%	\$1.76	\$16.89	\$33.00	\$868	\$1,161	79,962	80%	
	DCP Midstream Partners L.P.	DPM	\$40.53	6.2%	\$2.50	\$28.51	\$44.80	\$1,674	\$2,350	173,504	70%	
	MarkWest Energy Partners L.P.	MWE	\$47.52	5.6%	\$2.68	\$28.07	\$51.70	\$3,542	\$5,016	314,562	80%	
	Chesapeake Midstream Partners L.P.	CHKM	\$26.24	5.3%	\$1.40	\$21.25	\$29.31	\$3,629	\$3,878	126,745	80%	
	Eagle Rock Energy Partners L.P.	EROC	\$11.62	5.2%	\$0.60	\$4.62	\$13.00	\$999	\$1,506	421,817	80%	
	Atlas Pipeline Partners L.P.	APL	\$35.50	4.5%	\$1.60	\$8.98	\$37.90	\$1,912	\$2,114	543,608	80%	
	Western Gas Partners LP	WES	\$34.94	4.5%	\$1.56	\$21.25	\$37.48	\$2,749	\$3,394	221,389	75%	
<b>Gathering &amp; Processing MLP Median</b>				<b>6.2%</b>				<b>\$2,214</b>	<b>\$2,892</b>	<b>314,562</b>	<b>80%</b>	
Upstream MLPs	Encore Energy Partners L.P.	ENP	\$22.23	8.8%	\$1.96	\$15.01	\$25.48	\$1,011	\$1,235	179,418	80%	
	BreitBurn Energy Partners L.P.	BBEP	\$20.69	8.1%	\$1.67	\$14.25	\$23.14	\$1,222	\$1,640	342,344	65%	
	Vanguard Natural Resources LLC	VNR	\$29.65	7.7%	\$2.28	\$19.05	\$33.67	\$894	\$1,351	184,256	40%	
	QR Energy L.P.	QRE	\$21.79	7.6%	\$1.65	\$19.53	\$23.56	\$776	\$1,001	128,061	80%	
	Linn Energy LLC	LINE	\$38.86	6.8%	\$2.64	\$23.91	\$40.79	\$6,338	\$8,651	1,346,894	90%	
	Pioneer Southwest Energy Partners LP	PSE	\$30.67	6.7%	\$2.04	\$23.50	\$35.87	\$1,016	\$1,101	73,452	70%	
	Legacy Reserves L.P.	LGCY	\$31.88	6.6%	\$2.12	\$21.00	\$33.71	\$1,388	\$1,727	153,643	70%	
	EV Energy Partners L.P.	EVEP	\$55.35	5.5%	\$3.04	\$28.01	\$59.95	\$1,754	\$2,234	461,342	75%	
	Constellation Energy Partners LLC	CEP	\$2.45	0.0%	\$0.00	\$2.06	\$3.84	\$59	\$217	81,628	70%	
	<b>Upstream MLP Median</b>				<b>7.2%</b>				<b>\$1,016</b>	<b>\$1,351</b>	<b>179,418</b>	<b>70%</b>
Propane	Inergy L.P.	NRGY	\$37.09	7.6%	\$2.82	\$33.52	\$43.95	\$4,512	\$6,326	394,479	80%	
	Ferrellgas Partners L.P.	FGP	\$26.33	7.6%	\$2.00	\$22.08	\$29.00	\$1,884	\$2,888	253,776	90%	
	AmeriGas Partners L.P.	APU	\$45.40	6.5%	\$2.96	\$38.84	\$51.50	\$2,594	\$3,452	72,150	75%	
	Suburban Propane Partners L.P.	SPH	\$52.77	6.5%	\$3.41	\$45.03	\$58.99	\$1,871	\$2,219	74,974	80%	
	Star Gas Partners L.P.	SGU	\$5.43	5.7%	\$0.31	\$4.22	\$6.02	\$364	\$508	81,500	80%	
<b>Propane MLP Median</b>				<b>6.5%</b>				<b>\$1,884</b>	<b>\$2,888</b>	<b>81,500</b>	<b>80%</b>	
Shipping	Capital Product Partners L.P.	CPLP	\$9.29	10.0%	\$0.93	\$7.15	\$11.39	\$345	\$819	166,494	60%	
	Navios Maritime Partners L.P.	NMM	\$19.10	9.0%	\$1.72	\$14.55	\$21.56	\$982	\$1,297	322,813	31%	
	Teekay LNG Partners L.P.	TGP	\$36.66	7.1%	\$2.52	\$27.39	\$41.50	\$1,965	\$3,541	236,396	70%	
	Teekay Offshore Partners L.P.	TOO	\$29.05	6.9%	\$2.00	\$19.00	\$31.50	\$1,661	\$3,466	160,856	70%	
	Golar LNG Partners LP	GMLP	\$27.68	5.6%	\$1.54	\$23.50	\$28.00	\$0	\$513	547,395	30%	
K-Sea Transportation Partners L.P.	KSP	\$8.23	0.0%	\$0.00	\$3.80	\$8.35	\$158	\$423	231,732	80%		
<b>Shipping MLP Median</b>				<b>7.1%</b>				<b>\$664</b>	<b>\$1,058</b>	<b>234,064</b>	<b>65%</b>	
Coal	Penn Virginia Resource L.P.	PVR	\$25.87	7.4%	\$1.92	\$19.37	\$29.11	\$1,595	\$2,410	380,320	80%	
	Rhino Resource Partners L.P.	RNO	\$25.20	7.2%	\$1.82	\$21.10	\$27.31	\$625	\$673	19,708	60%	
	Oxford Resource Partners LP	OXF	\$24.77	7.1%	\$1.75	\$15.87	\$28.80	\$511	\$646	62,126	75%	
	Natural Resource Partners L.P.	NRP	\$32.29	6.7%	\$2.16	\$21.03	\$37.80	\$3,424	\$4,201	323,294	65%	
	Alliance Resource Partners L.P.	ARLP	\$72.88	4.9%	\$3.56	\$42.73	\$84.10	\$2,678	\$3,400	136,331	80%	
<b>Coal MLP Median</b>				<b>7.1%</b>				<b>\$1,595</b>	<b>\$2,410</b>	<b>136,331</b>	<b>75%</b>	
GPs	Energy Transfer Equity L.P.	ETE	\$42.14	5.3%	\$2.24	\$29.49	\$46.30	\$9,395	\$11,197	392,709	60%	
	NuSTAR GP Holdings LLC	NSH	\$36.26	5.3%	\$1.92	\$26.58	\$39.98	\$1,543	\$1,559	71,775	80%	
	Alliance Holdings GP L.P.	AHGP	\$46.99	4.7%	\$2.22	\$29.49	\$58.00	\$2,813	\$2,813	131,766	50%	
	Kinder Morgan Inc.	KMI	\$29.29	4.0%	\$1.16	\$26.87	\$32.14	\$20,708	\$23,954	1,568,495	-	
	Crosstex Energy Inc.	XTXI	\$11.29	3.2%	\$0.36	\$5.60	\$11.50	\$526	\$526	338,887	-	
	Targa Resources Corp.	TRGP	\$34.92	3.1%	\$1.09	\$23.50	\$36.73	\$1,477	\$2,656	370,853	-	
	Atlas Energy L.P.	ATLS	\$24.70	1.8%	\$0.44	\$3.67	\$27.36	\$975	\$1,032	814,421	75%	
<b>General Partnership MLP Median</b>				<b>4.0%</b>				<b>\$1,543</b>	<b>\$2,656</b>	<b>370,853</b>	<b>68%</b>	
<b>All MLPs Average</b>				<b>6.1%</b>				<b>\$3,689</b>	<b>\$5,173</b>	<b>314,998</b>	<b>76%</b>	
<b>All MLPs Median</b>				<b>6.3%</b>				<b>\$1,772</b>	<b>\$2,412</b>	<b>220,970</b>	<b>80%</b>	
<b>All MLPs Median (Excluding GPs)</b>				<b>6.5%</b>				<b>\$261,924</b>	<b>\$367,284</b>			

Note: Median yields exclude MLPs that have suspended their distributions  
Source: Partnership reports and FactSet

Date: 5/31/2011

MLP Monthly: June 2011

Ratings & Assumptions

	Ticker	Price 5/31/2011	Valuation Range		Total Return Potential	Our Rating	Valuation Assumptions			Current Yield	Target Yield	3-Yr Est. Distrib CAGR	
			Low	High			ROR	LT Growth	P/DCF				
Large Cap Pipeline MLPs	Energy Transfer Partners L.P.	ETP	\$47.51	\$53	\$57	23%	Outperform	8.5%	1.3%	14.5x	7.5%	6.6%	4.2%
	PAA Natural Gas Storage L.P.	PNG	\$22.57	\$24	\$27	19%	Market Perform / V	8.0%	1.3%	16.5x	6.1%	5.7%	6.9%
	Buckeye Partners L.P.	BPL	\$63.45	\$69	\$74	19%	Outperform	8.5%	2.5%	16.5x	6.3%	5.8%	5.2%
	Boardwalk Pipeline Partners L.P.	BWP	\$29.10	\$31	\$34	19%	Market Perform	8.5%	1.3%	14.5x	7.2%	6.6%	4.5%
	El Paso Pipeline Partners L.P.	EPB	\$34.37	\$37	\$40	18%	Outperform / V	8.0%	1.3%	15.0x	5.4%	5.1%	14.5%
	Kinder Morgan Management L.L.C.	KMR	\$65.27	\$69	\$73	16%	Outperform	8.5%	1.3%	14.5x	7.0%	6.6%	5.1%
	NuSTAR Energy L.P.	NS	\$63.45	\$66	\$71	15%	Market Perform	8.5%	1.9%	13.5x	6.8%	6.4%	3.1%
	Spectra Energy Partners L.P.	SEP	\$32.00	\$33	\$36	14%	Market Perform	8.0%	1.3%	15.0x	5.8%	5.7%	8.5%
	Enterprise Products Partners L.P.	EPD	\$41.64	\$43	\$46	13%	Outperform	8.5%	2.5%	14.5x	5.7%	5.6%	5.9%
	Enbridge Energy Partners L.P. (CI A)	EEP	\$30.71	\$31	\$33	11%	Market Perform	8.5%	1.3%	13.5x	6.7%	6.6%	4.1%
	Niska Gas Storage Partners LLC	NKA	\$19.41	\$19	\$21	10%	Market Perform / V	8.5%	1.3%	13.5x	7.2%	7.0%	1.2%
	Enbridge Energy Management L.L.C.	EEQ	\$31.02	\$31	\$33	10%	Market Perform	8.5%	1.3%	13.5x	6.6%	6.6%	4.1%
	Plains All American Pipeline L.P.	PAA	\$62.24	\$61	\$65	8%	Market Perform	8.5%	1.3%	14.5x	6.2%	6.4%	5.0%
	ONEOK Partners L.P.	OKS	\$83.34	\$78	\$83	2%	Market Perform	8.5%	1.3%	17.0x	5.5%	5.9%	6.7%
	Kinder Morgan Energy Partners L.P.	KMP	\$74.56	\$69	\$73	1%	Market Perform	8.5%	1.3%	14.5x	6.1%	6.6%	5.1%
	Magellan Midstream Partners L.P.	MMP	\$59.06	\$54	\$59	1%	Market Perform	8.5%	2.5%	14.0x	5.2%	5.8%	7.7%
Sunoco Logistics Partners L.P.	SXL	\$84.60	\$77	\$82	(0%)	Underperform	8.5%	1.3%	13.0x	5.7%	6.2%	6.0%	
Williams Partners L.P.	WPZ	\$52.92	\$48	\$51	(1%)	Market Perform	8.5%	1.3%	11.5x	5.4%	6.2%	9.0%	
<b>Large Cap Pipeline MLP Median</b>					<b>12%</b>		<b>8.5%</b>	<b>1.3%</b>	<b>14.5x</b>	<b>6.2%</b>	<b>6.3%</b>	<b>5.1%</b>	
Small & Mid Cap Pipeline	Exterran Partners L.P.	EXLP	\$25.71	\$29	\$32	26%	Outperform / V	9.0%	1.3%	11.0x	7.4%	6.6%	6.2%
	TC PipeLines L.P.	TCLP	\$46.16	\$51	\$53	19%	Market Perform	9.0%	1.9%	12.0x	6.5%	6.2%	7.1%
	Genesis Energy L.P.	GEL	\$27.43	\$30	\$32	19%	Outperform	9.0%	2.5%	15.0x	5.9%	5.6%	9.6%
	Martin Midstream Partners L.P.	MMLP	\$38.81	\$41	\$43	16%	Market Perform	9.5%	1.3%	12.0x	7.9%	7.4%	4.1%
	Tesoro Logistics LP	TLLP	\$24.84	\$26	\$28	14%	Outperform / V	8.5%	1.3%	15.0x	5.4%	5.0%	9.1%
	Transmontaigne Partners L.P.	TLP	\$34.71	\$36	\$38	14%	Market Perform	9.0%	1.3%	10.0x	7.0%	7.0%	4.6%
	Global Partners LP	GLP	\$25.95	\$26	\$28	12%	Market Perform / V	9.5%	1.3%	11.5x	7.7%	7.5%	3.7%
	Duncan Energy Partners L.P.	DEP	\$41.52	\$43	\$46	12%	Market Perform	MERGER	2.5%	MERGER	4.4%	4.2%	4.2%
	Holly Energy Partners L.P.	HEP	\$55.03	\$54	\$56	6%	Market Perform	9.0%	1.3%	15.0x	6.2%	6.5%	6.4%
	Blueknight Energy Partners LP	BKEP	\$7.94	\$6	\$8	(9%)	Market Perform / V	10.5%	1.3%	10.0x	-	6.3%	-
<b>Small Cap Pipeline MLP Median</b>					<b>14%</b>		<b>9.0%</b>	<b>1.3%</b>	<b>12.0x</b>	<b>6.5%</b>	<b>6.4%</b>	<b>6.2%</b>	
Gathering & Processing MLPs	Crestwood Midstream Partners LP	CMLP	\$27.83	\$32	\$34	25%	Outperform	9.0%	1.3%	14.0x	6.3%	5.7%	11.9%
	Regency Energy Partners L.P.	RGNC	\$25.19	\$27	\$30	20%	Outperform	8.5%	1.3%	14.0x	7.1%	6.4%	3.4%
	Chesapeake Midstream Partners L.P.	CHKM	\$62.24	\$26	\$29	11%	Market Perform / V	8.5%	1.3%	15.0x	5.3%	5.7%	11.3%
	MarkWest Energy Partners L.P.	MWE	\$47.52	\$48	\$51	10%	Market Perform	9.5%	2.5%	11.5x	5.6%	5.9%	10.2%
	Eagle Rock Energy Partners L.P.	EROC	\$11.62	\$11	\$13	10%	Market Perform / V	10.0%	2.5%	9.0x	5.2%	7.0%	-
	Crosstex Energy L.P.	XTEX	\$18.33	\$17	\$20	8%	Market Perform / V	9.5%	1.3%	8.0x	6.3%	7.1%	-
	Atlas Pipeline Partners L.P.	APL	\$35.50	\$35	\$37	8%	Market Perform / V	9.5%	1.3%	15.0x	4.5%	6.6%	-
	Copano Energy L.L.C.	CPNO	\$33.56	\$32	\$35	7%	Market Perform / V	9.5%	2.5%	13.5x	6.9%	6.9%	3.6%
	Targa Resources Partners L.P.	NGLS	\$34.56	\$33	\$36	6%	Outperform	9.5%	1.3%	11.0x	6.5%	6.8%	8.4%
	DCP Midstream Partners L.P.	DPM	\$40.53	\$36	\$39	(1%)	Market Perform	9.0%	1.3%	11.5x	6.2%	7.0%	5.4%
	Western Gas Partners LP	WES	\$34.94	\$30	\$33	(5%)	Market Perform	8.5%	1.3%	12.0x	4.5%	5.6%	15.0%
<b>Gathering &amp; Processing MLP Median</b>					<b>8%</b>		<b>9.5%</b>	<b>1.3%</b>	<b>12.0x</b>	<b>6.2%</b>	<b>6.6%</b>	<b>9.3%</b>	
Upstream MLPs	BreitBurn Energy Partners L.P.	BBEP	\$20.69	\$23	\$25	24%	Outperform	10.0%	0.0%	10.5x	8.1%	7.2%	6.0%
	Vanguard Natural Resources LLC	VNR	\$29.65	\$32	\$34	19%	Outperform / V	10.0%	0.0%	10.0x	7.7%	7.3%	7.4%
	QR Energy L.P.	QRE	\$21.79	\$23	\$25	18%	Outperform / V	10.0%	0.0%	10.5x	7.6%	7.9%	5.5%
	Legacy Reserves L.P.	LGCY	\$31.88	\$34	\$36	17%	Outperform	10.0%	0.0%	11.5x	6.6%	6.4%	6.2%
	Linn Energy LLC	LINE	\$38.86	\$40	\$44	15%	Outperform	10.0%	0.0%	10.0x	6.8%	7.0%	9.9%
	Encore Energy Partners L.P.	ENP	\$22.23	\$23	\$24	14%	Market Perform	MERGER	0.0%	MERGER	8.8%	7.9%	(0.7%)
	Pioneer Southwest Energy Partners LP	PSE	\$30.67	\$31	\$33	11%	Market Perform / V	10.0%	0.0%	11.0x	6.7%	6.6%	4.0%
	EV Energy Partners L.P.	EVEP	\$55.35	\$54	\$57	6%	Market Perform / V	10.0%	0.0%	10.5x	5.5%	5.6%	3.2%
	<b>Upstream MLP Median</b>					<b>16%</b>		<b>10.0%</b>	<b>0.0%</b>	<b>10.5x</b>	<b>7.2%</b>	<b>7.1%</b>	<b>5.8%</b>
	Propane	Inergy L.P.	NRGY	\$37.09	\$42	\$44	24%	Outperform	9.0%	2.5%	17.0x	7.6%	6.6%
Suburban Propane Partners L.P.		SPH	\$52.77	\$58	\$60	18%	Market Perform	9.0%	2.5%	15.0x	6.5%	6.0%	4.7%
Ferrellgas Partners L.P.		FGP	\$26.33	\$26	\$28	10%	Market Perform	9.0%	1.3%	13.5x	7.6%	7.4%	1.6%
AmeriGas Partners L.P.		APU	\$45.40	\$42	\$44	1%	Underperform	9.0%	1.3%	10.5x	6.5%	6.9%	4.5%
<b>Propane MLP Median</b>					<b>14%</b>		<b>9.0%</b>	<b>1.9%</b>	<b>14.3x</b>	<b>7.1%</b>	<b>6.7%</b>	<b>3.4%</b>	
Shipping	Teekay Offshore Partners L.P.	TOO	\$29.05	\$32	\$34	21%	Outperform	9.0%	1.3%	13.5x	6.9%	6.4%	8.1%
	Capital Product Partners L.P.	CPLP	\$9.29	\$9	\$10	12%	Market Perform / V	-	1.3%	-	10.0%	9.8%	-
	Navis Maritime Partners L.P.	NMM	\$19.10	\$19	\$20	11%	Market Perform	-	1.3%	-	9.0%	8.8%	2.6%
	Teekay LNG Partners L.P.	TGP	\$35.66	\$36	\$38	11%	Market Perform	9.0%	1.3%	12.5x	7.1%	7.1%	5.6%
	Golar LNG Partners LP	GMLP	\$27.68	\$24	\$26	(4%)	Market Perform / V	9.0%	1.3%	13.0x	5.6%	6.2%	5.2%
<b>Shipping MLP Median</b>					<b>11%</b>		<b>9.0%</b>	<b>1.3%</b>	<b>13.0x</b>	<b>7.1%</b>	<b>7.1%</b>	<b>5.4%</b>	
Coal	Oxford Resource Partners LP	OXF	\$24.77	\$27	\$29	20%	Outperform / V	9.0%	1.3%	17.5x	7.1%	6.3%	6.0%
	Natural Resource Partners L.P.	NRP	\$32.29	\$35	\$37	18%	Outperform	9.0%	2.5%	16.5x	6.7%	6.1%	4.1%
	Penn Virginia Resource L.P.	PVR	\$25.87	\$27	\$29	16%	Market Perform	9.5%	2.5%	12.5x	7.4%	7.0%	4.7%
	Alliance Resource Partners L.P.	ARLP	\$72.88	\$62	\$66	(7%)	Underperform	9.0%	1.3%	7.5x	4.9%	6.2%	13.3%
<b>Coal MLP Median</b>					<b>17%</b>		<b>9.0%</b>	<b>1.9%</b>	<b>14.5x</b>	<b>6.9%</b>	<b>6.2%</b>	<b>5.4%</b>	
GPs	Energy Transfer Equity L.P.	ETE	\$42.14	\$45	\$48	16%	Outperform	8.5%	1.5%	19.5x	5.3%	5.1%	12.3%
	NuSTAR GP Holdings LLC	NSH	\$36.26	\$37	\$40	12%	Market Perform	8.5%	2.7%	18.5x	5.3%	5.2%	6.0%
	Kinder Morgan Inc.	KMI	\$29.29	\$30	\$33	12%	Market Perform / V	7.5%	3.0%	26.0x	4.0%	3.7%	-
	Atlas Energy L.P.	ATLS	\$24.70	\$25	\$27	9%	Market Perform / V	9.8%	1.3%	20.0x	1.8%	5.4%	-
	Alliance Holdings GP L.P.	AHGP	\$46.99	\$46	\$48	5%	Underperform / V	9.0%	1.8%	19.5x	4.7%	5.3%	17.9%
	Targa Resources Corp.	TRGP	\$34.92	\$33	\$36	2%	Outperform / V	9.0%	2.5%	25.0x	3.1%	3.9%	22.3%
	Crosstex Energy Inc.	XTXI	\$11.29	\$10	\$12	1%	Market Perform / V	8.5%	2.5%	23.5x	3.2%	4.4%	-
<b>General Partnership MLP Median</b>					<b>9%</b>		<b>8.5%</b>	<b>2.5%</b>	<b>20.0x</b>	<b>4.0%</b>	<b>5.1%</b>	<b>15.1%</b>	
<b>All MLPs Average</b>					<b>11%</b>		<b>9.0%</b>	<b>1.4%</b>	<b>14.0x</b>	<b>6.3%</b>	<b>6.3%</b>	<b>6.7%</b>	
<b>All MLPs Median</b>					<b>12%</b>		<b>9.0%</b>	<b>1.3%</b>	<b>13.5x</b>	<b>6.4%</b>	<b>6.4%</b>	<b>5.6%</b>	

Note: Median yields exclude MLPs that have suspended their distributions

Source: FactSet, Standard & Poor's, and Wells Fargo Securities, LLC estimates

Date: 5/31/2011



Master Limited Partnerships

MLP Yield Analysis

	Ticker	Annualized Distribution					Implied Price Based On Current Yield					Implied Yields Based On Current Price					
		Current	Q4'11E	Q4'12E	Q4'13E	Q4'14E	Current	Q4'11E	Q4'12E	Q4'13E	Q4'14E	Current	Q4'11E	Q4'12E	Q4'13E	Q4'14E	
Large Cap Pipeline MLPs	Buckeye Partners L.P.	BPL	\$4.00	\$4.15	\$4.39	\$4.59	\$4.83	\$63	\$66	\$70	\$73	\$77	6.3%	6.5%	6.9%	7.2%	7.6%
	Boardwalk Pipeline Partners L.P.	BWP	\$2.09	\$2.13	\$2.29	\$2.37	\$2.45	\$29	\$30	\$32	\$33	\$34	7.2%	7.3%	7.9%	8.1%	8.4%
	Enbridge Energy Partners L.P. (CI A)	EET	\$2.06	\$2.10	\$2.25	\$2.34	\$2.36	\$31	\$31	\$34	\$35	\$35	6.7%	6.8%	7.3%	7.6%	7.7%
	Enbridge Energy Management L.L.C.	EEQ	\$2.06	\$2.10	\$2.25	\$2.34	\$2.36	\$31	\$32	\$34	\$35	\$36	6.6%	6.8%	7.2%	7.5%	7.6%
	El Paso Pipeline Partners L.P.	EPB	\$1.84	\$1.98	\$2.32	\$2.52	\$2.72	\$34	\$37	\$43	\$47	\$51	5.4%	5.8%	6.8%	7.3%	7.9%
	Enterprise Products Partners L.P.	EPD	\$2.39	\$2.50	\$2.65	\$2.81	\$2.97	\$42	\$44	\$46	\$49	\$52	5.7%	6.0%	6.4%	6.7%	7.1%
	Energy Transfer Partners L.P.	ETP	\$3.58	\$3.62	\$3.94	\$4.12	\$4.16	\$48	\$48	\$52	\$55	\$55	7.5%	7.6%	8.3%	8.7%	8.7%
	Kinder Morgan Energy Partners L.P.	KMP	\$4.56	\$4.70	\$4.95	\$5.18	\$5.37	\$75	\$77	\$81	\$85	\$88	6.1%	6.3%	6.6%	6.9%	7.2%
	Kinder Morgan Management L.L.C.	KMR	\$4.56	\$4.70	\$4.95	\$5.18	\$5.37	\$65	\$67	\$71	\$74	\$77	7.0%	7.2%	7.6%	7.9%	8.2%
	Magellan Midstream Partners L.P.	MMP	\$3.08	\$3.25	\$3.52	\$3.78	\$3.86	\$59	\$62	\$67	\$72	\$74	5.2%	5.5%	6.0%	6.4%	6.5%
	Niska Gas Storage Partners LLC	NKA	\$1.40	\$1.40	\$1.44	\$1.48	\$1.51	\$19	\$19	\$20	\$21	\$21	7.2%	7.2%	7.4%	7.6%	7.8%
	NuSTAR Energy L.P.	NS	\$4.30	\$4.40	\$4.64	\$4.74	\$4.98	\$63	\$65	\$68	\$70	\$73	6.8%	6.9%	7.3%	7.5%	7.8%
	ONEOK Partners L.P.	OKS	\$4.60	\$4.72	\$5.16	\$5.64	\$5.98	\$83	\$86	\$93	\$102	\$108	5.5%	5.7%	6.2%	6.8%	7.2%
	Plains All American Pipeline L.P.	PAA	\$3.88	\$4.06	\$4.25	\$4.47	\$4.67	\$62	\$65	\$68	\$72	\$75	6.2%	6.5%	6.8%	7.2%	7.5%
	PAA Natural Gas Storage L.P.	PNG	\$1.38	\$1.45	\$1.55	\$1.72	\$1.80	\$23	\$24	\$25	\$28	\$29	6.1%	6.4%	6.9%	7.6%	8.0%
Spectra Energy Partners L.P.	SEP	\$1.84	\$1.96	\$2.12	\$2.28	\$2.44	\$32	\$34	\$37	\$40	\$42	5.8%	6.1%	6.6%	7.1%	7.6%	
Sunoco Logistics Partners L.P.	SXL	\$4.78	\$4.96	\$5.28	\$5.60	\$5.92	\$85	\$88	\$93	\$99	\$105	5.7%	5.9%	6.2%	6.6%	7.0%	
Williams Partners L.P.	WPZ	\$2.87	\$3.05	\$3.37	\$3.62	\$3.62	\$53	\$56	\$62	\$67	\$67	5.4%	5.8%	6.4%	6.8%	6.8%	
<b>Large Cap Pipeline MLP Median</b>											<b>6.2%</b>	<b>6.5%</b>	<b>6.8%</b>	<b>7.3%</b>	<b>7.6%</b>		
Small & Mid Cap Pipeline	Blueknight Energy Partners LP	BKEP	\$0.00	\$0.44	\$0.52	\$0.62	\$0.70	-	-	-	-	-	5.5%	6.5%	7.8%	8.8%	
	Duncan Energy Partners L.P.	DEP	\$1.83	\$1.88	\$1.99	\$2.07	\$2.19	\$42	\$43	\$45	\$47	\$50	4.4%	4.5%	4.8%	5.0%	5.3%
	Exterra Partners L.P.	EXLP	\$1.91	\$2.01	\$2.13	\$2.30	\$2.47	\$26	\$27	\$29	\$31	\$33	7.4%	7.8%	8.3%	8.9%	9.6%
	Genesis Energy L.P.	GEL	\$1.63	\$1.75	\$1.91	\$2.02	\$2.18	\$27	\$29	\$32	\$34	\$37	5.9%	6.4%	7.0%	7.4%	7.9%
	Global Partners LP	GLP	\$2.00	\$2.02	\$2.12	\$2.19	\$2.28	\$26	\$26	\$28	\$28	\$30	7.7%	7.8%	8.2%	8.5%	8.8%
	Holly Energy Partners L.P.	HEP	\$3.42	\$3.58	\$3.84	\$4.00	\$4.26	\$55	\$58	\$62	\$64	\$69	6.2%	6.5%	7.0%	7.3%	7.7%
	Martin Midstream Partners L.P.	MMLP	\$3.05	\$3.11	\$3.27	\$3.39	\$3.51	\$39	\$40	\$42	\$43	\$45	7.9%	8.0%	8.4%	8.7%	9.0%
	TC PipeLines L.P.	TCLP	\$3.00	\$3.22	\$3.40	\$3.64	\$3.86	\$46	\$50	\$52	\$56	\$59	6.5%	7.0%	7.4%	7.9%	8.4%
	Transmontaigne Partners L.P.	TLP	\$2.44	\$2.60	\$2.66	\$2.76	\$2.90	\$35	\$37	\$38	\$39	\$41	7.0%	7.5%	7.7%	8.0%	8.4%
	Tesororo Logistics LP	TLLP	\$1.35	\$1.35	\$1.62	\$1.84	\$1.92	\$25	\$25	\$30	\$34	\$35	5.4%	5.4%	6.5%	7.4%	7.7%
	<b>Small Cap Pipeline MLP Median</b>											<b>6.5%</b>	<b>6.7%</b>	<b>7.2%</b>	<b>7.8%</b>	<b>8.4%</b>	
	Gathering & Processing MLPs	Atlas Pipeline Partners L.P.	APL	\$1.60	\$2.38	\$2.62	\$3.12	\$3.20	\$36	-	-	-	-	4.5%	6.7%	7.4%	8.8%
Chesapeake Midstream Partners L.P.		CHKM	\$1.40	\$1.58	\$1.74	\$1.93	\$2.13	\$26	\$30	\$33	\$36	\$40	5.3%	6.0%	6.6%	7.4%	8.1%
Crestwood Midstream Partners LP		CMLP	\$1.76	\$1.88	\$2.12	\$2.33	\$2.56	\$28	\$30	\$34	\$37	\$40	6.3%	6.8%	7.6%	8.4%	9.2%
Copano Energy L.L.C.		CPNO	\$2.30	\$2.30	\$2.46	\$2.62	\$2.70	\$34	\$34	\$36	\$38	\$39	6.9%	6.9%	7.3%	7.8%	8.0%
DCP Midstream Partners L.P.		DPM	\$2.50	\$2.62	\$2.78	\$2.90	\$3.02	\$41	\$42	\$45	\$47	\$49	6.2%	6.5%	6.9%	7.2%	7.5%
Eagle Rock Energy Partners L.P.		EROC	\$0.60	\$0.84	\$1.00	\$1.04	\$1.08	\$12	-	-	-	-	5.2%	7.2%	8.6%	9.0%	9.3%
MarkWest Energy Partners L.P.		MWE	\$2.68	\$2.92	\$3.24	\$3.56	\$3.88	\$48	\$52	\$57	\$63	\$69	5.6%	6.1%	6.8%	7.5%	8.2%
Targa Resources Partners L.P.		NGLS	\$2.23	\$2.35	\$2.59	\$2.79	\$2.95	\$35	\$36	\$40	\$43	\$46	6.5%	6.8%	7.5%	8.1%	8.5%
Regency Energy Partners L.P.		RGNC	\$1.78	\$1.82	\$1.89	\$2.01	\$2.15	\$25	\$26	\$27	\$28	\$30	7.1%	7.2%	7.5%	8.0%	8.5%
Western Gas Partners LP		WES	\$1.56	\$1.76	\$2.06	\$2.26	\$2.40	\$35	\$39	\$46	\$51	\$54	4.5%	5.0%	5.9%	6.5%	6.9%
Crosstex Energy L.P.		XTEX	\$1.16	\$1.32	\$1.48	\$1.56	\$1.59	\$18	\$21	\$23	\$25	\$25	6.3%	7.2%	8.1%	8.5%	8.7%
<b>Gathering &amp; Processing MLP Median</b>											<b>6.2%</b>	<b>6.8%</b>	<b>7.4%</b>	<b>8.0%</b>	<b>8.5%</b>		
Upstream MLPs	BreitBurn Energy Partners L.P.	BBEP	\$1.67	\$1.73	\$1.85	\$1.87	\$2.12	\$21	\$21	\$23	\$23	\$26	8.1%	8.4%	8.9%	9.0%	10.2%
	Encore Energy Partners L.P.	ENP	\$1.96	\$1.85	\$1.94	\$2.02	\$2.05	\$22	\$21	\$22	\$23	\$23	8.8%	8.3%	8.7%	9.1%	9.2%
	EV Energy Partners L.P.	EVEP	\$3.04	\$3.12	\$3.28	\$3.36	\$3.82	\$55	\$57	\$60	\$61	\$70	5.5%	5.6%	5.9%	6.1%	6.9%
	Linn Energy LLC	LINE	\$2.64	\$2.94	\$3.30	\$3.54	\$3.82	\$39	\$43	\$49	\$52	\$56	6.8%	7.6%	8.5%	9.1%	9.8%
	Legacy Reserves L.P.	LGCY	\$2.12	\$2.24	\$2.40	\$2.56	\$2.72	\$32	\$34	\$36	\$38	\$41	6.6%	7.0%	7.5%	8.0%	8.5%
	Pioneer Southwest Energy Partners LP	PSE	\$2.04	\$2.10	\$2.12	\$2.32	\$2.48	\$31	\$32	\$32	\$35	\$37	6.7%	6.8%	6.9%	7.6%	8.1%
	QR Energy L.P.	QRE	\$1.65	\$1.90	\$1.94	\$1.94	\$2.09	\$22	\$25	\$26	\$26	\$28	7.6%	8.7%	8.9%	8.9%	9.6%
	Vanguard Natural Resources LLC	VNR	\$2.28	\$2.40	\$2.56	\$2.80	\$2.96	\$30	\$31	\$33	\$36	\$38	7.7%	8.1%	8.6%	9.4%	10.0%
	<b>Upstream MLP Median</b>											<b>7.2%</b>	<b>7.8%</b>	<b>8.6%</b>	<b>9.0%</b>	<b>9.4%</b>	
	Propane	AmeriGas Partners L.P.	APU	\$2.96	\$2.96	\$3.07	\$3.22	\$3.38	\$45	\$45	\$47	\$49	\$52	6.5%	6.5%	6.8%	7.1%
Ferrellgas Partners L.P.		FGP	\$2.00	\$2.00	\$2.00	\$2.10	\$2.21	\$26	\$26	\$26	\$28	\$29	7.6%	7.6%	7.6%	8.0%	8.4%
Inergy L.P.		NRGY	\$2.82	\$2.84	\$2.87	\$3.01	\$3.16	\$37	\$37	\$38	\$40	\$42	7.6%	7.7%	7.7%	8.1%	8.5%
Suburban Propane Partners L.P.		SPH	\$3.41	\$3.53	\$3.64	\$3.89	\$4.12	\$53	\$55	\$56	\$60	\$64	6.5%	6.7%	6.9%	7.4%	7.8%
<b>Propane MLP Median</b>											<b>7.1%</b>	<b>7.1%</b>	<b>7.2%</b>	<b>7.7%</b>	<b>8.1%</b>		
Shipping	Capital Product Partners L.P.	CPLP	\$0.93	\$0.93	\$0.93	\$0.93	\$0.93	\$9	\$9	\$9	\$9	\$9	10.0%	10.0%	10.0%	10.0%	10.0%
	Golar LNG Partners LP	GMLP	\$1.54	\$1.54	\$1.72	\$1.79	\$1.90	\$28	\$28	\$31	\$32	\$34	5.6%	5.6%	6.2%	6.5%	6.9%
	Navios Maritime Partners L.P.	NMM	\$1.72	\$1.72	\$1.80	\$1.80	\$1.80	\$19	\$19	\$20	\$20	\$20	9.0%	9.0%	9.4%	9.4%	9.4%
	Teekay LNG Partners L.P.	TGP	\$2.52	\$2.64	\$2.78	\$2.86	\$2.95	\$36	\$37	\$39	\$41	\$42	7.1%	7.4%	7.8%	8.0%	8.3%
Teekay Offshore Partners L.P.	TOO	\$2.00	\$2.12	\$2.32	\$2.40	\$2.57	\$29	\$31	\$34	\$35	\$37	6.9%	7.3%	8.0%	8.3%	8.8%	
<b>Shipping MLP Median</b>											<b>7.1%</b>	<b>7.4%</b>	<b>8.0%</b>	<b>8.3%</b>	<b>8.8%</b>		
Coal	Alliance Resource Partners L.P.	ARLP	\$3.56	\$3.95	\$4.44	\$5.00	\$5.41	\$73	\$81	\$91	\$102	\$111	4.9%	5.4%	6.1%	6.9%	7.4%
	Natural Resource Partners L.P.	NRP	\$2.16	\$2.20	\$2.36	\$2.44	\$2.56	\$32	\$33	\$35	\$36	\$38	6.7%	6.8%	7.3%	7.6%	7.9%
	Oxford Resource Partners LP	OXF	\$1.75	\$1.75	\$1.99	\$2.08	\$2.21	\$25	\$25	\$28	\$30	\$31	7.1%	7.1%	8.0%	8.4%	8.9%
	Penn Virginia Resource L.P.	PVR	\$1.92	\$1.96	\$2.08	\$2.16	\$2.22	\$26	\$26	\$28	\$29	\$30	7.4%	7.6%	8.0%	8.3%	8.6%
<b>Coal MLP Median</b>											<b>6.9%</b>	<b>6.9%</b>	<b>7.7%</b>	<b>8.0%</b>	<b>8.3%</b>		
GPs	Atlas Energy L.P.	ATLS	\$0.44	\$1.40	\$1.76	\$2.20	\$2.22	\$25	-	-	-	-	1.8%	5.7%	7.1%	8.9%	9.0%
	Alliance Holdings GP L.P.	AHGP	\$2.22	\$2.51	\$2.95	\$3.42	\$3.77	\$47	\$53	\$62	\$72	\$80	4.7%	5.3%	6.3%	7.3%	8.0%
	Energy Transfer Equity L.P.	ETE	\$2.24	\$2.39	\$2.86	\$3.19	\$3.38	\$42	\$45	\$54	\$60	\$64	5.3%	5.7%	6.8%	7.6%	8.0%
	Kinder Morgan Inc.	KMI	\$1.16	\$1.18	\$1.34	\$1.43	\$1.51	\$29	\$30	\$34	\$36	\$38	4.0%	4.0%	4.6%	4.9%	5.2%
	NuSTAR GP Holdings LLC	NSH	\$1.92	\$2.02	\$2.18	\$2.28	\$2.44	\$36	\$38	\$41	\$43	\$46	5.3%	5.6%	6.0%	6.3%	6.7%
	Targa Resources Corp.	TRGP	\$1.09	\$1.36	\$1.76	\$1.96	\$2.08	\$35	\$44	\$56	\$63	\$67	3.1%	3.9%	5.0%	5.6%	6.0%
	Crosstex Energy Inc.	XTXI	\$0.36	\$0.48	\$0.57	\$0.64	\$0.68	\$11	\$15	\$18	\$20	\$21	3.2%	4.3%	5.0%	5.7%	6.0%
<b>General Partnership MLP Median</b>											<b>4.0%</b>	<b>5.3%</b>	<b>6.0%</b>	<b>6.3%</b>	<b>6.7%</b>		
<b>All MLPs Average</b>											<b>6.3%</b>	<b>6.6%</b>	<b>7.2%</b>	<b>7.7%</b>	<b>8.1%</b>		
<b>All MLPs Median</b>											<b>6.4%</b>	<b>6.8%</b>	<b>7.2%</b>	<b>7.6%</b>	<b>8.0%</b>		

Note: Median yields exclude MLPs that have suspended their distributions  
Source: FactSet, Standard & Poor's, and Wells Fargo Securities, LLC estimates

Date: 05/31/11



MLP Monthly: June 2011

Valuation Metrics

	Ticker	Price 05/31/11	Current Yield <sup>1</sup>	EV / Adj. EBITDA <sup>2</sup>		Price / DCF		Estimated Distribution CAGRs			P/DCF To Growth <sup>3</sup>	
				2011E	2012E	2011E	2012E	1-Yr ('11E)	3-Yr ('11-13E)	5-Yr ('11-15E)		
Large Cap Pipeline MLPs	Buckeye Partners L.P.	BPL	\$63.45	6.3%	14.1x	13.3x	15.4x	14.8x	5.2%	5.2%	5.0%	2.8x
	Boardwalk Pipeline Partners L.P.	BWP	\$29.10	7.2%	13.9x	13.6x	13.7x	12.3x	2.8%	4.5%	4.0%	2.7x
	Enbridge Energy Partners L.P. (CI A)	EEL	\$30.71	6.7%	13.4x	11.9x	13.6x	11.5x	2.3%	4.1%	3.7%	2.8x
	El Paso Pipeline Partners L.P.	EPB	\$34.37	5.4%	13.9x	12.7x	13.7x	13.4x	17.2%	14.5%	11.8%	0.9x
	Enterprise Products Partners L.P.	EPD	\$41.64	5.7%	13.5x	12.3x	14.2x	13.3x	5.6%	5.9%	5.8%	2.2x
	Energy Transfer Partners L.P.	ETP	\$47.51	7.5%	16.5x	15.1x	13.1x	11.5x	0.4%	4.2%	3.4%	2.7x
	Kinder Morgan Energy Partners L.P.	KMP	\$74.56	6.1%	17.5x	16.1x	15.4x	13.7x	5.0%	5.1%	4.3%	2.7x
	Magellan Midstream Partners L.P.	MMP	\$59.06	5.2%	13.0x	12.6x	15.1x	14.4x	7.0%	7.7%	5.8%	1.9x
	Niska Gas Storage Partners LLC	NKA	\$19.41	7.2%	11.8x	11.3x	13.9x	12.9x	0.0%	1.2%	2.0%	-
	NuSTAR Energy L.P.	NS	\$63.45	6.8%	14.4x	13.3x	13.2x	11.9x	1.6%	3.1%	3.3%	3.8x
	ONEOK Partners L.P.	OKS	\$83.34	5.5%	16.2x	16.2x	15.5x	14.7x	3.6%	6.7%	7.0%	2.2x
	Plains All American Pipeline L.P.	PAA	\$62.24	6.2%	16.0x	14.8x	13.7x	13.4x	4.9%	5.0%	5.0%	2.7x
	PAA Natural Gas Storage L.P.	PNG	\$22.57	6.1%	16.0x	14.1x	15.7x	13.7x	4.8%	6.9%	6.7%	2.0x
	Spectra Energy Partners L.P.	SEP	\$32.00	5.8%	19.0x	16.4x	14.5x	13.6x	9.2%	8.5%	7.4%	1.6x
	Sunoco Logistics Partners L.P.	SXL	\$84.60	5.7%	13.8x	13.4x	14.2x	13.5x	5.8%	6.0%	5.9%	2.3x
	Williams Partners L.P.	WPZ	\$52.92	5.4%	12.5x	12.5x	12.6x	10.9x	8.8%	9.0%	6.9%	1.2x
<b>Large Cap Pipeline MLP Median</b>			<b>6.1%</b>	<b>14.0x</b>	<b>13.4x</b>	<b>14.0x</b>	<b>13.4x</b>	<b>4.9%</b>	<b>5.6%</b>	<b>5.4%</b>	<b>2.3x</b>	
Small & Mid Cap Pipeline	Blueknight Energy Partners LP	BKEP	\$7.94	-	7.1x	7.0x	13.2x	13.2x	-	-	-	-
	Duncan Energy Partners L.P.	DEP	\$41.52	4.4%	8.7x	8.4x	16.0x	14.5x	2.6%	4.2%	4.4%	3.5x
	Exterran Partners L.P.	EXLP	\$25.71	7.4%	10.2x	9.8x	9.9x	9.8x	4.8%	6.2%	6.5%	1.6x
	Genesis Energy L.P.	GEL	\$27.43	5.9%	14.6x	13.5x	13.9x	12.9x	10.5%	9.6%	8.8%	1.3x
	Global Partners LP	GLP	\$25.95	7.7%	11.0x	10.5x	11.3x	10.4x	1.8%	3.7%	3.6%	2.8x
	Holly Energy Partners L.P.	HEP	\$55.03	6.2%	14.4x	14.2x	15.1x	13.3x	5.3%	6.4%	6.3%	2.1x
	Martin Midstream Partners L.P.	MMLP	\$38.81	7.9%	9.8x	10.0x	11.5x	9.8x	2.3%	4.1%	3.7%	2.4x
	TC PipeLines L.P.	TCLP	\$46.16	6.5%	12.6x	12.5x	10.6x	10.4x	5.9%	7.1%	6.5%	1.5x
	Transmontaigne Partners L.P.	TLP	\$34.71	7.0%	11.5x	11.4x	9.3x	9.7x	3.7%	4.6%	4.6%	2.1x
	Tesoro Logistics LP	TLLP	\$24.84	5.4%	15.4x	13.4x	17.0x	14.5x	0.0%	9.1%	8.2%	1.6x
	<b>Small Cap Pipeline MLP Median</b>			<b>6.5%</b>	<b>11.2x</b>	<b>10.9x</b>	<b>12.3x</b>	<b>11.7x</b>	<b>3.7%</b>	<b>6.2%</b>	<b>6.3%</b>	<b>2.1x</b>
Gathering & Processing MLPs	Atlas Pipeline Partners L.P.	APL	\$35.50	4.5%	12.5x	10.8x	15.2x	12.0x	-	-	-	-
	Chesapeake Midstream Partners L.P.	CHKM	\$26.24	5.3%	10.6x	11.3x	15.0x	13.7x	10.4%	11.3%	10.3%	1.2x
	Crestwood Midstream Partners LP	CMLP	\$27.83	6.3%	13.6x	12.5x	12.0x	9.1x	10.2%	11.9%	10.7%	0.8x
	Copano Energy L.L.C.	CPNO	\$33.56	6.9%	15.2x	12.0x	14.5x	10.9x	0.0%	3.6%	3.3%	3.0x
	DCP Midstream Partners L.P.	DPM	\$40.53	6.2%	13.9x	14.2x	13.1x	12.5x	5.0%	5.4%	4.9%	2.3x
	Eagle Rock Energy Partners L.P.	EROC	\$11.62	5.2%	8.9x	8.8x	9.9x	9.3x	-	-	-	-
	MarkWest Energy Partners L.P.	MWE	\$47.52	5.6%	11.9x	10.7x	11.4x	10.1x	8.9%	10.2%	9.7%	1.0x
	Targa Resources Partners L.P.	NGLS	\$34.56	6.5%	11.5x	10.8x	11.3x	10.0x	7.5%	8.4%	7.4%	1.2x
	Regency Energy Partners L.P.	RGNC	\$25.19	7.1%	12.0x	12.2x	13.2x	12.5x	0.6%	3.4%	4.6%	3.7x
	Western Gas Partners LP	WES	\$34.94	4.5%	14.1x	14.0x	13.8x	13.5x	16.0%	15.0%	11.6%	0.9x
	Crosstex Energy L.P.	XTX	\$18.33	6.3%	8.6x	8.6x	8.8x	8.7x	-	-	-	-
	<b>Gathering &amp; Processing MLP Median</b>			<b>6.2%</b>	<b>12.0x</b>	<b>11.3x</b>	<b>13.1x</b>	<b>10.9x</b>	<b>8.2%</b>	<b>9.3%</b>	<b>8.6%</b>	<b>1.2x</b>
	Upstream MLPs	BreitBurn Energy Partners L.P.	BBEP	\$20.69	8.1%	7.8x	7.0x	9.3x	7.9x	9.0%	6.0%	6.7%
Encore Energy Partners L.P.		ENP	\$22.23	8.8%	9.6x	9.4x	10.3x	10.1x	(5.8%)	(0.7%)	0.9%	-
EV Energy Partners L.P.		EVEP	\$55.35	5.5%	10.6x	9.7x	13.9x	12.6x	1.3%	3.2%	5.4%	3.9x
Legacy Reserves L.P.		LGCY	\$31.88	6.6%	8.5x	8.0x	11.0x	9.8x	4.6%	6.2%	6.2%	1.6x
Linn Energy LLC		LINE	\$38.86	6.8%	8.3x	8.1x	10.0x	8.6x	8.1%	9.9%	9.1%	0.9x
Pioneer Southwest Energy Partners LP		PSE	\$30.67	6.7%	8.6x	9.4x	11.0x	12.3x	3.7%	4.0%	5.6%	3.1x
QR Energy L.P.		QRE	\$21.79	7.6%	9.5x	8.6x	9.8x	8.7x	7.5%	5.5%	5.9%	1.6x
Vanguard Natural Resources LLC		VNR	\$29.65	7.7%	8.8x	8.5x	9.3x	9.9x	7.1%	7.4%	7.2%	1.3x
<b>Upstream MLP Median</b>				<b>7.2%</b>	<b>8.7x</b>	<b>8.5x</b>	<b>10.2x</b>	<b>9.9x</b>	<b>5.8%</b>	<b>5.8%</b>	<b>6.1%</b>	<b>1.6x</b>
Propane		AmeriGas Partners L.P.	APU	\$45.40	6.5%	11.2x	10.5x	11.4x	11.5x	5.0%	4.5%	4.7%
	Ferrellgas Partners L.P.	FGP	\$26.33	7.6%	12.2x	11.3x	13.5x	12.2x	0.0%	1.6%	3.0%	7.4x
	Inergy L.P.	NRGY	\$37.09	7.6%	15.7x	14.4x	13.5x	12.6x	0.5%	2.4%	3.1%	5.3x
	Suburban Propane Partners L.P.	SPH	\$52.77	6.5%	12.0x	12.2x	13.5x	13.1x	2.0%	4.7%	5.0%	2.8x
<b>Propane MLP Median</b>			<b>7.1%</b>	<b>12.1x</b>	<b>11.8x</b>	<b>13.5x</b>	<b>12.4x</b>	<b>1.3%</b>	<b>3.4%</b>	<b>3.9%</b>	<b>4.1x</b>	
Shipping	Capital Product Partners L.P.	CPLP	\$9.29	10.0%	9.8x	10.2x	5.5x	7.5x	-	-	-	-
	Golar LNG Partners LP	GMLP	\$27.68	5.6%	12.3x	11.5x	21.9x	15.0x	0.0%	5.2%	5.3%	2.9x
	Navios Maritime Partners L.P.	NMM	\$19.10	9.0%	10.6x	10.7x	5.8x	11.1x	3.3%	2.6%	1.6%	4.2x
	Teekay LNG Partners L.P.	TGP	\$35.66	7.1%	12.9x	13.3x	12.2x	11.2x	6.2%	5.6%	4.4%	2.0x
Teekay Offshore Partners L.P.	TOO	\$29.05	6.9%	10.0x	10.4x	11.8x	10.4x	6.8%	8.1%	7.4%	1.3x	
<b>Shipping MLP Median</b>			<b>7.1%</b>	<b>10.6x</b>	<b>10.7x</b>	<b>11.8x</b>	<b>11.1x</b>	<b>4.7%</b>	<b>5.4%</b>	<b>4.8%</b>	<b>2.4x</b>	
Coal	Alliance Resource Partners L.P.	ARLP	\$72.88	4.9%	9.3x	9.2x	8.5x	8.7x	14.0%	13.3%	10.9%	0.7x
	Natural Resource Partners L.P.	NRP	\$32.29	6.7%	14.4x	13.0x	14.0x	12.5x	0.7%	4.1%	4.3%	3.0x
	Oxford Resource Partners LP	OXF	\$24.77	7.1%	7.4x	7.0x	16.2x	9.9x	0.0%	6.0%	5.8%	1.7x
	Penn Virginia Resource L.P.	PVR	\$25.87	7.4%	11.4x	10.9x	11.8x	11.2x	3.2%	4.7%	4.0%	2.4x
<b>Coal MLP Median</b>			<b>6.9%</b>	<b>10.4x</b>	<b>10.1x</b>	<b>12.9x</b>	<b>10.6x</b>	<b>1.9%</b>	<b>5.4%</b>	<b>5.0%</b>	<b>2.0x</b>	
GPs	Atlas Energy L.P.	ATLS	\$24.70	1.8%	NM	for GP	20.0x	13.7x	-	-	-	-
	Alliance Holdings GP L.P.	AHGP	\$46.99	4.7%	NM	for GP	19.8x	16.7x	19.2%	17.9%	14.4%	0.9x
	Energy Transfer Equity L.P.	ETE	\$42.14	5.3%	NM	for GP	18.3x	15.8x	6.3%	12.3%	10.4%	1.3x
	Kinder Morgan Inc.	KMI	\$29.29	4.0%	NM	for GP	25.1x	22.9x	-	-	-	-
	NuSTAR GP Holdings LLC	NSH	\$36.26	5.3%	NM	for GP	18.4x	17.2x	5.3%	6.0%	5.9%	2.8x
	Targa Resources Corp.	TRGP	\$34.92	3.1%	NM	for GP	26.1x	19.3x	18.9%	22.3%	15.7%	0.9x
	Crosstex Energy Inc.	XTXI	\$11.29	3.2%	NM	for GP	26.8x	21.4x	-	-	-	-
<b>General Partnership MLP Median</b>			<b>4.0%</b>	<b>NM</b>	<b>NM</b>	<b>20.0x</b>	<b>17.2x</b>	<b>12.6%</b>	<b>15.1%</b>	<b>12.4%</b>	<b>1.1x</b>	
<b>All MLPs Average</b>			<b>6.2%</b>	<b>12.1x</b>	<b>11.5x</b>	<b>13.7x</b>	<b>12.4x</b>	<b>5.4%</b>	<b>6.8%</b>	<b>6.2%</b>	<b>2.2x</b>	
<b>All MLPs Median</b>			<b>6.3%</b>	<b>12.1x</b>	<b>11.5x</b>	<b>13.5x</b>	<b>12.3x</b>	<b>5.0%</b>	<b>5.9%</b>	<b>5.8%</b>	<b>2.1x</b>	
<b>All MLPs (Excl. GPs) Median</b>			<b>6.5%</b>	<b>12.1x</b>	<b>11.5x</b>	<b>13.2x</b>	<b>12.0x</b>	<b>4.8%</b>	<b>5.5%</b>	<b>5.6%</b>	<b>2.2x</b>	

Note 1: Median yields exclude MLPs that have suspended their distributions

Note 2: EBITDA adjusted downward to reflect GP percentage share of cash flow

Note 3: P/DCF to growth ratio is based on 2009E P/DCF multiple divided by estimated 3-year distribution growth rate

Source: FactSet, Standard & Poor's, and Wells Fargo Securities, LLC estimates

Date: 05/31/11

Master Limited Partnerships

Overview Of Fiscal Estimates

	Ticker	Earnings Per Unit		EBITDA (\$MM)		DCF Per Unit		Distribution Per Unit		Distrib. Coverage		
		FY2011E	FY2012E	FY2011E	FY2012E	FY2011E	FY2012E	FY2011E	FY2012E	FY2011E	FY2012E	
Large Cap Pipeline MLPs	Buckeye Partners L.P.	BPL	\$3.48	\$3.65	\$543	\$590	\$4.12	\$4.29	\$4.08	\$4.30	1.1x	1.1x
	Boardwalk Pipeline Partners L.P.	BWP	\$1.42	\$1.59	\$703	\$770	\$2.12	\$2.37	\$2.11	\$2.23	1.0x	1.1x
	Enbridge Energy Partners L.P. (CI A)	EEP	\$1.37	\$1.82	\$1,185	\$1,392	\$2.25	\$2.68	\$2.09	\$2.19	1.1x	1.2x
	El Paso Pipeline Partners L.P.	EPB	\$2.07	\$2.13	\$912	\$1,170	\$2.51	\$2.57	\$1.91	\$2.20	1.2x	1.1x
	Enterprise Products Partners L.P.	EPD	\$1.92	\$2.17	\$3,531	\$3,930	\$2.94	\$3.14	\$2.45	\$2.59	1.3x	1.3x
	Energy Transfer Partners L.P.	ETP	\$2.09	\$2.66	\$1,755	\$2,053	\$3.62	\$4.15	\$3.59	\$3.82	1.0x	1.1x
	Kinder Morgan Energy Partners L.P.	KMP	\$1.99	\$2.78	\$3,495	\$4,026	\$4.83	\$5.45	\$4.62	\$4.88	1.0x	1.1x
	Magellan Midstream Partners L.P.	MMP	\$3.42	\$3.52	\$617	\$642	\$3.92	\$4.11	\$3.16	\$3.42	1.2x	1.2x
	Niska Gas Storage Partners LLC	NKA	\$1.11	\$0.94	\$196	\$183	\$1.41	\$1.59	\$1.40	\$1.40	1.1x	1.0x
	NuSTAR Energy L.P.	NS	\$3.47	\$3.88	\$526	\$582	\$4.82	\$5.33	\$4.35	\$4.52	1.1x	1.2x
	ONEOK Partners L.P.	OKS	\$4.40	\$4.29	\$994	\$1,086	\$5.37	\$5.68	\$4.66	\$4.99	1.1x	1.1x
	Plains All American Pipeline L.P.	PAA	\$3.55	\$3.64	\$1,324	\$1,444	\$4.53	\$4.84	\$3.97	\$4.17	1.1x	1.1x
	PAA Natural Gas Storage L.P.	PNG	\$0.90	\$0.99	\$110	\$153	\$1.44	\$1.65	\$1.42	\$1.51	1.0x	1.1x
	Spectra Energy Partners L.P.	SEP	\$1.79	\$1.90	\$253	\$319	\$2.21	\$2.35	\$1.90	\$2.06	1.1x	1.1x
	Sunoco Logistics Partners L.P.	SXL	\$5.11	\$5.35	\$389	\$409	\$5.95	\$6.26	\$4.87	\$5.16	1.2x	1.2x
	Williams Partners L.P.	WPZ	\$3.68	\$4.01	\$2,412	\$2,679	\$4.19	\$4.86	\$2.96	\$3.25	1.3x	1.4x
<b>Large Cap Pipeline MLP Median</b>												
										1.1x	1.1x	
Small & Mid Cap Pipeline	Blueknight Energy Partners LP	BKEP	(\$0.22)	\$0.29	\$60	\$65	\$0.60	\$0.60	\$0.22	\$0.49	-	1.2x
	Duncan Energy Partners L.P.	DEP	\$1.80	\$1.91	\$342	\$443	\$2.59	\$2.86	\$1.85	\$1.95	1.4x	1.5x
	Exterran Partners L.P.	EXLP	\$0.56	\$1.14	\$142	\$182	\$2.59	\$2.64	\$1.96	\$2.09	1.3x	1.2x
	Genesis Energy L.P.	GEL	\$0.93	\$1.04	\$165	\$181	\$1.97	\$2.12	\$1.69	\$1.85	1.2x	1.1x
	Global Partners LP	GLP	\$1.03	\$1.28	\$90	\$101	\$2.29	\$2.49	\$2.01	\$2.09	1.1x	1.2x
	Holly Energy Partners L.P.	HEP	\$2.48	\$2.93	\$138	\$156	\$3.65	\$4.15	\$3.50	\$3.74	1.0x	1.1x
	Martin Midstream Partners L.P.	MMLP	\$1.77	\$2.00	\$117	\$128	\$3.39	\$3.95	\$3.08	\$3.23	1.1x	1.2x
	TC PipeLines L.P.	TCLP	\$3.74	\$3.90	\$234	\$260	\$4.35	\$4.45	\$3.14	\$3.40	1.4x	1.3x
	Transmontaigne Partners L.P.	TLP	\$2.37	\$2.17	\$72	\$74	\$3.72	\$3.59	\$2.50	\$2.63	1.4x	1.3x
	Tesoro Logistics LP	TLLP	\$1.32	\$1.44	\$52	\$68	\$1.46	\$1.71	\$1.35	\$1.52	1.1x	1.1x
	<b>Small Cap Pipeline MLP Median</b>											
										1.2x	1.2x	
Gathering & Processing MLPs	Atlas Pipeline Partners L.P.	APL	\$1.00	\$1.85	\$183	\$252	\$2.34	\$2.95	\$2.06	\$2.53	-	1.1x
	Chesapeake Midstream Partners L.P.	CHKM	\$1.33	\$1.37	\$347	\$455	\$1.75	\$1.91	\$1.49	\$1.68	1.2x	1.1x
	Crestwood Midstream Partners LP	CMLP	\$1.29	\$1.68	\$112	\$157	\$2.32	\$3.07	\$1.83	\$2.06	1.2x	1.4x
	Copano Energy L.L.C.	CPNO	\$0.14	\$0.93	\$189	\$265	\$2.32	\$3.08	\$2.30	\$2.40	1.0x	1.3x
	DCP Midstream Partners L.P.	DPM	\$0.76	\$1.70	\$193	\$218	\$3.09	\$3.24	\$2.56	\$2.72	1.1x	1.1x
	Eagle Rock Energy Partners L.P.	EROC	\$0.63	\$0.84	\$209	\$271	\$1.18	\$1.25	\$0.75	\$0.94	1.4x	1.3x
	MarkWest Energy Partners L.P.	MWE	\$0.23	\$2.25	\$416	\$484	\$4.15	\$4.69	\$2.80	\$3.12	1.5x	1.5x
	Targa Resources Partners L.P.	NGLS	\$1.61	\$1.93	\$442	\$504	\$3.06	\$3.45	\$2.29	\$2.50	1.3x	1.3x
	Regency Energy Partners L.P.	RGNC	\$0.53	\$0.63	\$425	\$493	\$1.91	\$2.01	\$1.79	\$1.85	1.0x	1.1x
	Western Gas Partners LP	WES	\$1.89	\$1.83	\$260	\$335	\$2.53	\$2.59	\$1.67	\$1.95	1.5x	1.3x
	Crosstex Energy L.P.	XTEX	\$0.14	\$0.20	\$235	\$248	\$2.08	\$2.12	\$1.23	\$1.42	1.7x	1.5x
	<b>Gathering &amp; Processing MLP Median</b>											
										1.3x	1.3x	
Upstream MLPs	BreitBurn Energy Partners L.P.	BBEP	\$0.87	\$0.99	\$215	\$237	\$2.23	\$2.61	\$1.70	\$1.81	1.3x	1.5x
	Encore Energy Partners L.P.	ENP	\$1.48	\$1.42	\$130	\$130	\$2.15	\$2.21	\$1.88	\$1.87	1.1x	1.2x
	EV Energy Partners L.P.	EVEP	\$2.73	\$3.00	\$250	\$312	\$3.99	\$4.41	\$3.07	\$3.22	1.2x	1.3x
	Legacy Reserves L.P.	LGCY	\$1.85	\$2.06	\$202	\$227	\$2.89	\$3.24	\$2.18	\$2.34	1.3x	1.4x
	Linn Energy LLC	LINE	\$2.45	\$2.45	\$1,058	\$1,272	\$3.88	\$4.53	\$2.79	\$3.12	1.4x	1.4x
	Pioneer Southwest Energy Partners LP	PSE	\$3.24	\$2.82	\$124	\$119	\$2.80	\$2.49	\$2.08	\$2.11	1.3x	1.2x
	QR Energy L.P.	QRE	\$1.31	\$1.54	\$122	\$181	\$2.22	\$2.50	\$1.77	\$1.92	1.2x	1.3x
	Vanguard Natural Resources LLC	VNR	\$1.80	\$1.30	\$156	\$165	\$3.19	\$2.99	\$2.34	\$2.50	1.4x	1.2x
<b>Upstream MLP Median</b>												
										1.3x	1.3x	
Propane	AmeriGas Partners L.P.	APU	\$3.01	\$2.96	\$330	\$334	\$3.95	\$3.93	\$2.93	\$3.07	1.3x	1.3x
	Ferrellgas Partners L.P.	FGP	\$0.08	\$1.09	\$245	\$275	\$1.95	\$2.16	\$2.00	\$2.00	1.0x	1.1x
	Inergy L.P.	NRGY	\$0.46	\$1.14	\$397	\$478	\$2.50	\$2.95	\$2.82	\$2.87	0.9x	1.0x
	Suburban Propane Partners L.P.	SPH	\$3.47	\$3.35	\$182	\$182	\$3.85	\$4.02	\$3.43	\$3.64	1.1x	1.1x
<b>Propane MLP Median</b>												
										1.0x	1.1x	
Shipping	Capital Product Partners L.P.	CPLP	\$0.42	\$0.51	\$104	\$127	\$1.70	\$1.24	\$0.93	\$0.93	1.0x	1.0x
	Golar LNG Partners LP	GMLP	\$1.25	\$1.79	\$123	\$169	\$1.26	\$1.85	\$1.54	\$1.66	1.1x	1.1x
	Navios Maritime Partners L.P.	NMM	\$1.36	\$1.36	\$130	\$133	\$3.31	\$1.72	\$1.72	\$1.80	1.9x	1.0x
	Teekay LNG Partners L.P.	TGP	\$2.05	\$2.07	\$303	\$327	\$2.92	\$3.19	\$2.58	\$2.74	1.1x	1.1x
	Teekay Offshore Partners L.P.	TOO	\$1.55	\$1.73	\$388	\$419	\$2.45	\$2.79	\$2.03	\$2.22	1.2x	1.2x
<b>Shipping MLP Median</b>												
										1.1x	1.1x	
Coal	Alliance Resource Partners L.P.	ARLP	\$8.16	\$8.06	\$587	\$610	\$8.57	\$8.40	\$3.75	\$4.25	1.8x	1.6x
	Natural Resource Partners L.P.	NRP	\$1.74	\$2.84	\$292	\$326	\$2.31	\$2.58	\$2.18	\$2.30	1.1x	1.1x
	Oxford Resource Partners LP	OXF	\$0.85	\$1.97	\$77	\$99	\$1.53	\$2.49	\$1.75	\$1.93	0.9x	1.3x
	Penn Virginia Resource L.P.	PVR	\$1.21	\$1.53	\$237	\$258	\$2.19	\$2.30	\$1.94	\$2.06	1.1x	1.1x
<b>Coal MLP Median</b>												
										1.4x	1.4x	
GPs	Atlas Energy L.P.	ATLS	-	-	\$73	\$109	\$1.23	\$1.80	\$0.92	\$1.63	1.3x	1.1x
	Alliance Holdings GP L.P.	AHGP	\$3.59	\$3.82	\$410	\$432	\$2.37	\$2.81	\$2.35	\$2.78	1.0x	1.0x
	Energy Transfer Equity L.P.	ETE	-	-	\$672	\$755	\$2.30	\$2.67	\$2.30	\$2.67	1.0x	1.0x
	Kinder Morgan Inc.	KMI	-	-	\$1,355	\$1,496	\$1.17	\$1.28	\$1.17	\$1.28	1.0x	1.0x
	NuSTAR GP Holdings LLC	NSH	\$1.68	\$1.90	\$85	\$91	\$1.97	\$2.11	\$1.97	\$2.10	1.0x	1.0x
	Targa Resources Corp.	TRGP	\$1.21	\$1.88	\$465	\$517	\$1.34	\$1.81	\$1.23	\$1.61	1.1x	1.1x
	Crosstex Energy Inc.	XTXI	-	-	\$22	\$29	\$0.42	\$0.53	\$0.42	\$0.53	1.0x	1.0x
<b>General Partnership MLP Median</b>												
										1.0x	1.0x	
<b>All MLPs Average (Excl. GPs)</b>												
										1.2x	1.2x	
<b>All MLPs Median (Excl. GPs)</b>												
										1.2x	1.2x	

Source: Partnership reports and Wells Fargo Securities, LLC estimates

Date: 05/31/11

MLP Monthly: June 2011

Growth Ests. Versus Consensus

	Ticker	Our 2011E				Consensus 2011 Distrib. Ests.				Our 2012E				Consensus 2012 Distrib. Ests.				Est. 3-Yr CAGR			
		Distrib.	Median	#	Low	High	Distrib.	Median	#	Low	High	Distrib.	Median	#	Low	High	Us	Street	#	Var	
Large Cap Pipeline MLPs	Buckeye Partners L.P.	BPL	\$4.08	\$4.08	9	\$4.03	\$4.08	\$4.30	\$4.28	9	\$4.23	\$4.35	5.2%	5.0%	6	0.3%					
	Boardwalk Pipeline Partners L.P.	BWP	\$2.11	\$2.11	14	\$2.10	\$2.14	\$2.23	\$2.19	14	\$2.14	\$2.26	4.5%	3.2%	9	1.4%					
	Enbridge Energy Partners L.P. (CI A)	EEP	\$2.09	\$2.10	13	\$1.05	\$2.13	\$2.19	\$2.19	12	\$1.09	\$2.29	4.1%	3.7%	8	0.4%					
	EI Paso Pipeline Partners L.P.	EPB	\$1.91	\$1.92	13	\$1.88	\$1.96	\$2.20	\$2.15	13	\$2.01	\$2.24	14.5%	14.4%	9	0.2%					
	Enterprise Products Partners L.P.	EPD	\$2.45	\$2.44	17	\$2.40	\$2.46	\$2.59	\$2.56	17	\$2.52	\$2.65	5.9%	5.6%	10	0.3%					
	Energy Transfer Partners L.P.	ETP	\$3.59	\$3.60	15	\$3.59	\$3.74	\$3.82	\$3.77	15	\$3.69	\$3.98	4.2%	3.1%	8	1.1%					
	Kinder Morgan Energy Partners L.P.	KMP	\$4.62	\$4.61	14	\$4.57	\$4.64	\$4.88	\$4.83	12	\$4.67	\$4.88	5.1%	4.1%	7	1.0%					
	Magellan Midstream Partners L.P.	MMP	\$3.16	\$3.16	15	\$3.11	\$3.17	\$3.42	\$3.38	15	\$3.32	\$3.43	7.7%	7.0%	10	0.7%					
	Niska Gas Storage Partners LLC	NKA	\$1.40	\$1.40	9	\$1.40	\$1.44	\$1.40	\$1.47	9	\$1.40	\$1.60	1.2%	3.2%	5	(2.1%)					
	NuSTAR Energy L.P.	NS	\$4.35	\$4.35	11	\$4.33	\$4.42	\$4.52	\$4.51	11	\$4.43	\$4.61	3.1%	3.0%	7	0.1%					
	ONEOK Partners L.P.	OKS	\$4.66	\$4.66	12	\$4.62	\$4.69	\$4.99	\$4.97	12	\$4.82	\$5.05	6.7%	5.6%	8	1.0%					
	Plains All American Pipeline L.P.	PAA	\$3.97	\$3.95	15	\$3.90	\$4.67	\$4.17	\$4.13	13	\$4.09	\$4.31	5.0%	4.5%	8	0.5%					
	PAA Natural Gas Storage L.P.	PNG	\$1.42	\$1.42	10	\$1.41	\$1.44	\$1.51	\$1.53	9	\$1.50	\$1.56	6.9%	6.9%	4	0.0%					
	Spectra Energy Partners L.P.	SEP	\$1.90	\$1.90	12	\$1.85	\$2.14	\$2.06	\$2.06	12	\$1.94	\$2.40	8.5%	8.0%	9	0.5%					
	Sunoco Logistics Partners L.P.	SXL	\$4.87	\$4.88	12	\$4.82	\$4.90	\$5.16	\$5.16	12	\$5.11	\$5.20	6.0%	6.0%	8	0.0%					
	Williams Partners L.P.	WPZ	\$2.96	\$2.96	9	\$2.92	\$2.96	\$3.25	\$3.20	9	\$3.16	\$3.25	9.0%	7.0%	4	2.0%					
<b>Large Cap Pipeline MLP Median</b>					<b>13</b>					<b>12</b>			<b>5.6%</b>	<b>5.3%</b>	<b>8</b>	<b>0.4%</b>					
Small & Mid Cap Pipeline	Blueknight Energy Partners LP	BKEP	\$0.22	-	2	-	-	\$0.49	-	2	-	-	-	-	1	-					
	Duncan Energy Partners L.P.	DEP	\$1.85	\$1.86	10	\$1.82	\$1.94	\$1.95	\$1.95	9	\$1.82	\$2.56	4.2%	4.1%	6	0.1%					
	Exterran Partners L.P.	EXLP	\$1.96	\$1.94	5	\$1.90	\$1.96	\$2.09	\$2.04	5	\$1.93	\$2.09	-	-	2	-					
	Genesis Energy L.P.	GEL	\$1.69	\$1.69	5	\$1.66	\$1.75	\$1.85	\$1.85	5	\$1.78	\$1.95	9.6%	9.7%	3	(0.1%)					
	Global Partners LP	GLP	\$2.01	\$2.02	5	\$2.00	\$2.04	\$2.09	\$2.09	5	\$2.06	\$2.23	-	-	2	-					
	Holly Energy Partners L.P.	HEP	\$3.50	\$3.48	7	\$3.48	\$3.50	\$3.74	\$3.64	5	\$3.64	\$3.74	6.4%	4.6%	3	1.8%					
	Martin Midstream Partners L.P.	MMLP	\$3.08	\$3.05	6	\$3.03	\$3.08	\$3.23	\$3.10	5	\$3.08	\$3.23	-	-	2	-					
	TC Pipelines L.P.	TCLP	\$3.14	\$3.09	8	\$3.03	\$3.22	\$3.40	\$3.23	8	\$3.13	\$3.46	7.1%	4.7%	7	2.4%					
	Transmontaigne Partners L.P.	TLP	\$2.50	\$2.48	4	\$2.47	\$2.50	\$2.63	\$2.56	4	\$2.51	\$2.63	-	-	2	-					
	Tesoro Logistics LP	TLLP	\$1.35	\$1.03	6	\$0.93	\$1.35	\$1.52	\$1.50	6	\$1.42	\$1.62	-	-	4	-					
	<b>Small Cap Pipeline MLP Median</b>					<b>6</b>					<b>5</b>			<b>6.8%</b>	<b>4.6%</b>	<b>3</b>	<b>1.0%</b>				
	Gathering & Processing MLPs	Atlas Pipeline Partners L.P.	APL	\$2.06	\$1.82	5	\$1.70	\$2.06	\$2.53	\$2.50	5	\$2.08	\$2.66	-	-	4	-				
Chesapeake Midstream Partners L.P.		CHKM	\$1.49	\$1.46	9	\$1.42	\$1.49	\$1.68	\$1.62	9	\$1.49	\$1.68	11.3%	10.2%	6	1.1%					
Crestwood Midstream Partners LP		CMLP	\$1.83	\$1.82	4	\$1.81	\$1.83	\$2.06	\$1.97	4	\$1.93	\$2.06	11.9%	9.3%	3	2.6%					
Copano Energy L.L.C.		CPNO	\$2.30	\$2.30	8	\$2.30	\$2.32	\$2.40	\$2.40	8	\$2.30	\$2.45	3.6%	3.1%	6	0.5%					
DCP Midstream Partners L.P.		DPM	\$2.56	\$2.56	8	\$2.52	\$2.57	\$2.72	\$2.71	8	\$2.64	\$2.72	5.4%	5.4%	6	0.0%					
Eagle Rock Energy Partners L.P.		EROC	\$0.75	\$0.74	5	\$0.72	\$0.75	\$0.94	\$0.93	5	\$0.92	\$0.94	-	-	3	-					
MarkWest Energy Partners L.P.		MWE	\$2.80	\$2.80	8	\$2.74	\$2.92	\$3.12	\$3.09	8	\$2.92	\$3.24	10.2%	10.2%	5	0.0%					
Targa Resources Partners L.P.		NGLS	\$2.29	\$2.29	9	\$2.25	\$2.34	\$2.50	\$2.45	9	\$2.40	\$2.58	8.4%	7.0%	5	1.4%					
Regency Energy Partners L.P.		RGNC	\$1.79	\$1.80	9	\$1.79	\$1.84	\$1.85	\$1.90	9	\$1.85	\$1.95	3.4%	3.4%	6	(0.1%)					
Western Gas Partners LP		WES	\$1.67	\$1.64	10	\$1.59	\$1.68	\$1.95	\$1.84	10	\$1.81	\$1.95	15.0%	11.9%	8	3.1%					
Crosstex Energy L.P.		XTX	\$1.23	\$1.21	6	\$1.20	\$1.23	\$1.42	\$1.37	6	\$1.28	\$1.42	-	-	3	-					
<b>Gathering &amp; Processing MLP Median</b>					<b>8</b>					<b>8</b>			<b>9.3%</b>	<b>9.3%</b>	<b>5</b>	<b>0.8%</b>					
Upstream MLPs	BreitBurn Energy Partners L.P.	BBEP	\$1.70	\$1.70	6	\$1.67	\$1.72	\$1.81	\$1.82	6	\$1.73	\$1.87	6.0%	6.0%	3	0.0%					
	Encore Energy Partners L.P.	ENP	\$1.88	\$1.89	5	\$1.86	\$2.00	\$1.87	\$1.85	4	\$1.74	\$1.96	-	-	2	-					
	EV Energy Partners L.P.	EVEP	\$3.07	\$3.07	7	\$3.04	\$3.16	\$3.22	\$3.22	7	\$3.09	\$3.40	3.2%	2.4%	3	0.8%					
	Legacy Reserves L.P.	LGGY	\$2.18	\$2.15	10	\$2.12	\$2.21	\$2.34	\$2.32	10	\$2.12	\$2.45	6.2%	5.3%	4	0.9%					
	Linn Energy LLC	LINE	\$2.79	\$2.71	12	\$2.64	\$2.79	\$3.12	\$2.92	12	\$2.64	\$3.12	9.9%	6.7%	6	3.2%					
	Pioneer Southwest Energy Partners LP	PSE	\$2.08	\$2.06	6	\$2.03	\$2.13	\$2.11	\$2.10	6	\$2.04	\$2.32	4.0%	2.0%	3	2.0%					
	QR Energy L.P.	QRE	\$1.77	\$1.70	6	\$1.67	\$1.86	\$1.92	\$1.86	5	\$1.72	\$1.92	-	-	2	-					
	Vanguard Natural Resources LLC	VNR	\$2.34	\$2.34	7	\$2.24	\$2.34	\$2.50	\$2.42	7	\$2.24	\$2.50	7.4%	6.0%	4	1.5%					
	<b>Upstream MLP Median</b>					<b>7</b>					<b>7</b>			<b>6.1%</b>	<b>5.6%</b>	<b>3</b>	<b>1.2%</b>				
	Propane	AmeriGas Partners L.P.	APU	\$2.93	\$2.93	6	\$2.89	\$2.93	\$3.07	\$3.07	6	\$3.03	\$3.08	4.5%	5.0%	3	(0.5%)				
Ferrellgas Partners L.P.		FGP	\$2.00	\$2.00	5	\$2.00	\$2.00	\$2.00	\$2.00	5	\$2.00	\$2.00	1.6%	0.3%	3	1.3%					
Inergy L.P.		NRGY	\$2.82	\$2.82	9	\$2.82	\$2.83	\$2.87	\$2.87	9	\$2.82	\$2.98	2.4%	2.9%	5	(0.5%)					
Suburban Propane Partners L.P.		SPH	\$3.43	\$3.42	7	\$3.41	\$3.45	\$3.64	\$3.48	7	\$3.44	\$3.64	4.7%	2.5%	5	2.2%					
<b>Propane MLP Median</b>					<b>7</b>					<b>7</b>			<b>3.4%</b>	<b>2.7%</b>	<b>4</b>	<b>0.4%</b>					
Shipping	Capital Product Partners L.P.	CPLP	\$0.93	\$0.93	5	\$0.85	\$0.93	\$0.93	\$0.93	5	\$0.93	\$0.93	-	-	1	-					
	Golar LNG Partners LP	GMLP	\$1.54	\$1.16	7	\$1.00	\$1.61	\$1.66	\$1.66	7	\$1.00	\$1.84	-	-	4	-					
	Navios Maritime Partners L.P.	NMM	\$1.72	\$1.72	7	\$1.68	\$1.87	\$1.80	\$1.78	7	\$1.72	\$2.07	-	-	0	-					
	Teekay LNG Partners L.P.	TGP	\$2.58	\$2.54	8	\$2.52	\$2.59	\$2.74	\$2.72	8	\$2.60	\$2.82	5.6%	3.3%	5	2.3%					
Teekay Offshore Partners L. P.	TOO	\$2.03	\$2.00	6	\$1.99	\$2.08	\$2.22	\$2.11	6	\$2.08	\$2.30	8.1%	6.6%	3	1.5%						
<b>Shipping MLP Median</b>					<b>7</b>					<b>7</b>			<b>6.8%</b>	<b>4.9%</b>	<b>3</b>	<b>1.9%</b>					
Coal	Alliance Resource Partners L.P.	ARLP	\$3.75	\$3.63	8	\$3.50	\$3.75	\$4.25	\$4.16	7	\$3.96	\$4.25	13.3%	11.7%	3	1.6%					
	Natural Resource Partners L.P.	NRP	\$2.18	\$2.16	7	\$2.16	\$2.22	\$2.30	\$2.30	6	\$2.16	\$2.40	4.1%	3.4%	4	0.7%					
	Oxford Resource Partners LP	OXF	\$1.75	\$1.75	4	\$1.75	\$1.77	\$1.93	\$1.91	4	\$1.75	\$1.95	6.0%	36.9%	3	(30.9%)					
	Penn Virginia Resource L.P.	PVR	\$1.94	\$1.93	6	\$1.91	\$1.98	\$2.06	\$1.97	5	\$1.96	\$2.14	4.7%	2.1%	3	2.7%					
<b>Coal MLP Median</b>					<b>7</b>					<b>6</b>			<b>5.4%</b>	<b>7.5%</b>	<b>3</b>	<b>1.2%</b>					
GPs	Atlas Energy L.P.	ATLS	\$0.92	-	2	-	-	\$1.63	-	2	-	-	-	-	2	-					
	Alliance Holdings GP L.P.	AHGP	\$2.35	\$2.33	4	\$2.24	\$2.37	\$2.78	\$2.74	4	\$2.57	\$2.78	-	-	2	-					
	Energy Transfer Equity L.P.	ETE	\$2.30	\$2.30	7	\$2.28	\$2.32	\$2.67	\$2.56	7	\$2.50	\$2.67	12.3%	9.4%	3	2.9%					
	Kinder Morgan Inc.	KMI	\$1.17	\$1.17	10	\$1.01	\$1.21	\$1.28	\$1.29	10	\$1.26	\$1.35	-	-	7	-					
	NuSTAR GP Holdings LLC	NSH	\$1.97	\$1.96	7	\$1.94															

Master Limited Partnerships

Capex Assumptions

	Ticker	Maintenance Capex Spending				Organic Growth Spending				Acquisition Spending					
		2011E	2012E	2013E	% EBITDA	2011E	2012E	2013E	2014E	2011E	2012E	2013E	2014E		
<i>(SMM, except per unit data)</i>															
Large Cap Pipeline MLPs	Buckeye Partners L.P.	BPL	\$57.0	\$62.0	\$65.0	10%	\$200	\$247	\$200	\$133	\$1,083	\$0	\$0	\$0	
	Boardwalk Pipeline Partners L.P.	BWP	\$87.0	\$73.1	\$69.2	12%	\$150	\$100	\$100	\$100	\$0	\$0	\$0	\$0	
	Enbridge Energy Partners L.P. (CI A)	EEP	\$115.0	\$139.2	\$158.7	10%	\$1,162	\$900	\$500	\$500	\$0	\$0	\$0	\$0	
	El Paso Pipeline Partners L.P.	EPB	\$111.4	\$145.6	\$164.8	12%	\$131	\$96	\$75	\$75	\$2,067	\$2,100	\$1,500	\$1,500	
	Enterprise Products Partners L.P.	EPD	\$254.0	\$265.6	\$270.9	7%	\$2,796	\$1,500	\$1,500	\$1,000	\$0	\$0	\$0	\$0	
	Energy Transfer Partners L.P.	ETP	\$100.8	\$115.9	\$132.6	6%	\$1,284	\$1,086	\$885	\$500	\$1,380	\$0	\$0	\$0	
	Kinder Morgan Energy Partners L.P.	KMP	\$225.0	\$271.8	\$283.9	6%	\$1,178	\$1,250	\$1,000	\$900	\$225	\$0	\$0	\$0	
	Magellan Midstream Partners L.P.	MMP	\$65.3	\$60.7	\$62.4	11%	\$180	\$125	\$100	\$100	\$45	\$0	\$0	\$0	
	Niska Gas Storage Partners LLC	NKA	\$2.0	\$1.8	\$1.9	1%	\$48	\$19	\$10	\$3	\$0	\$50	\$50	\$50	
	NuSTAR Energy L.P.	NS	\$65.0	\$67.0	\$69.0	12%	\$360	\$175	\$175	\$175	\$95	\$0	\$0	\$0	
	ONEOK Partners L.P.	OKS	\$105.0	\$86.9	\$100.3	11%	\$1,011	\$917	\$1,066	\$500	\$0	\$0	\$0	\$0	
	Plains All American Pipeline L.P.	PAA	\$90.0	\$101.1	\$113.8	7%	\$497	\$500	\$500	\$500	\$0	\$0	\$0	\$0	
	PAA Natural Gas Storage L.P.	PNG	\$0.8	\$1.5	\$2.1	1%	\$103	\$134	\$77	\$79	\$752	\$200	\$200	\$200	
	Spectra Energy Partners L.P.	SEP	\$12.6	\$14.9	\$15.4	5%	\$137	\$100	\$100	\$100	\$390	\$0	\$0	\$0	
	Sunoco Logistics Partners L.P.	SXL	\$45.0	\$47.0	\$49.0	12%	\$125	\$100	\$100	\$100	\$0	\$0	\$0	\$0	
	Williams Partners L.P.	WPZ	\$521.2	\$431.1	\$451.8	22%	\$1,254	\$1,233	\$639	\$500	\$366	\$0	\$0	\$0	
	<b>Large Cap Pipeline MLP Total</b>		<b>\$1,857</b>	<b>\$1,885</b>	<b>\$2,011</b>	<b>10%</b>	<b>\$10,617</b>	<b>\$8,482</b>	<b>\$7,027</b>	<b>\$5,265</b>	<b>\$6,403</b>	<b>\$2,350</b>	<b>\$1,750</b>	<b>\$1,750</b>	
Small & Mid Cap Pipeline	Blueknight Energy Partners LP	BKEP	\$13.0	\$17.0	\$17.0	22%	\$14	\$0	\$0	\$0	\$0	\$100	\$100	\$100	
	Duncan Energy Partners L.P.	DEP	\$15.6	\$29.0	\$29.8	5%	\$691	\$66	\$50	\$50	\$0	\$0	\$0	\$0	
	Exterra Partners L.P.	EXLP	\$26.3	\$34.9	\$45.3	19%	\$36	\$48	\$59	\$69	\$228	\$280	\$280	\$280	
	Genesis Energy L.P.	GEL	\$3.1	\$3.5	\$3.7	2%	\$53	\$20	\$15	\$16	\$0	\$0	\$0	\$0	
	Global Partners LP	GLP	\$4.9	\$6.8	\$7.3	5%	\$6	\$6	\$6	\$6	\$0	\$0	\$0	\$0	
	Holly Energy Partners L.P.	HEP	\$5.7	\$6.4	\$6.5	4%	\$22	\$25	\$25	\$25	\$0	\$0	\$0	\$0	
	Martin Midstream Partners L.P.	MMLP	\$16.4	\$10.0	\$10.0	14%	\$60	\$40	\$40	\$40	\$37	\$0	\$0	\$0	
	TC PipeLines L.P.	TCLP	\$5.9	\$10.4	\$10.4	3%	\$4	\$13	\$13	\$13	\$605	\$0	\$0	\$0	
	Transmontaigne Partners L.P.	TLP	\$7.7	\$9.0	\$9.3	11%	\$22	\$17	\$17	\$17	\$13	\$0	\$0	\$0	
	Tesoro Logistics LP	TLLP	\$4.6	\$6.0	\$7.4	9%	\$8	\$25	\$25	\$25	\$0	\$100	\$100	\$100	
	<b>Small Cap Pipeline MLP Total</b>		<b>\$103</b>	<b>\$133</b>	<b>\$147</b>	<b>7%</b>	<b>\$915</b>	<b>\$260</b>	<b>\$249</b>	<b>\$261</b>	<b>\$882</b>	<b>\$480</b>	<b>\$480</b>	<b>\$480</b>	
	Gathering & Processing MLPs	Atlas Pipeline Partners L.P.	APL	\$17.0	\$22.7	\$31.8	9%	\$300	\$160	\$100	\$100	\$85	\$0	\$0	\$0
Chesapeake Midstream Partners L.P.		CHKM	\$76.1	\$84.6	\$94.3	22%	\$290	\$323	\$220	\$220	\$500	\$820	\$820	\$800	
Crestwood Midstream Partners LP		CMPL	\$7.6	\$10.4	\$10.6	7%	\$85	\$60	\$50	\$40	\$343	\$0	\$0	\$0	
Copano Energy L.L.C.		CPNO	\$12.5	\$15.0	\$17.5	7%	\$400	\$200	\$150	\$150	\$16	\$0	\$0	\$0	
DCP Midstream Partners L.P.		DPM	\$12.0	\$13.0	\$14.0	6%	\$0	\$0	\$0	\$0	\$425	\$150	\$150	\$150	
Eagle Rock Energy Partners L.P.		EROC	\$40.5	\$49.0	\$51.0	19%	\$145	\$200	\$180	\$160	\$525	\$0	\$0	\$0	
MarkWest Energy Partners L.P.		MWE	\$15.0	\$18.0	\$21.0	4%	\$444	\$333	\$300	\$300	\$231	\$0	\$0	\$0	
Targa Resources Partners L.P.		NGLS	\$56.3	\$59.0	\$65.0	13%	\$300	\$300	\$300	\$200	\$29	\$0	\$0	\$0	
Regency Energy Partners L.P.		RGNC	\$14.0	\$16.6	\$18.8	3%	\$273	\$476	\$365	\$200	\$592	\$0	\$0	\$0	
Western Gas Partners LP		WES	\$34.2	\$43.0	\$51.9	13%	\$34	\$43	\$52	\$61	\$553	\$500	\$500	\$500	
Crosstex Energy L.P.		XTEX	\$14.1	\$17.4	\$21.2	6%	\$100	\$100	\$100	\$100	\$0	\$0	\$0	\$0	
<b>Gathering &amp; Processing MLP Total</b>			<b>\$299</b>	<b>\$349</b>	<b>\$397</b>	<b>7%</b>	<b>\$2,371</b>	<b>\$2,195</b>	<b>\$1,817</b>	<b>\$1,531</b>	<b>\$3,299</b>	<b>\$1,470</b>	<b>\$1,470</b>	<b>\$1,450</b>	
Upstream MLPs		BreitBurn Energy Partners L.P.	BBEP	\$45.8	\$49.8	\$49.6	21%	\$28	\$28	\$32	\$27	\$50	\$50	\$50	\$50
		Encore Energy Partners L.P.	ENP	\$21.0	\$13.0	\$15.2	16%	\$0	\$0	\$0	\$0	\$0	\$100	\$100	\$100
	EV Energy Partners L.P.	EVEP	\$60.8	\$81.1	\$78.3	24%	\$11	\$20	\$30	\$35	\$300	\$200	\$200	\$200	
	Legacy Reserves L.P.	LGCY	\$52.0	\$56.7	\$62.7	26%	\$0	\$0	\$0	\$0	\$181	\$100	\$100	\$100	
	Linn Energy LLC	LINE	\$152.5	\$190.8	\$225.2	14%	\$418	\$421	\$404	\$364	\$1,137	\$500	\$500	\$500	
	Pioneer Southwest Energy Partners LP	PSE	\$28.9	\$27.5	\$37.5	23%	\$38	\$33	\$23	\$17	\$0	\$150	\$150	\$150	
	QR Energy L.P.	QRE	\$18.0	\$27.2	\$32.4	15%	\$0	\$0	\$0	\$0	\$500	\$400	\$200	\$200	
	Vanguard Natural Resources LLC	VNR	\$19.0	\$23.7	\$28.9	12%	\$0	\$0	\$0	\$0	\$112	\$100	\$100	\$100	
	<b>Upstream MLP Total</b>		<b>\$398</b>	<b>\$470</b>	<b>\$530</b>	<b>19%</b>	<b>\$495</b>	<b>\$501</b>	<b>\$488</b>	<b>\$443</b>	<b>\$2,280</b>	<b>\$1,600</b>	<b>\$1,400</b>	<b>\$1,400</b>	
	Propane	AmeriGas Partners L.P.	APU	\$39.0	\$40.5	\$41.3	12%	\$35	\$20	\$20	\$20	\$0	\$0	\$0	\$0
Ferrellgas Partners L.P.		FGP	\$14.6	\$14.0	\$15.0	6%	\$14	\$20	\$21	\$22	\$2	\$0	\$0	\$0	
Inergy L.P.		NRGY	\$10.4	\$11.0	\$13.0	2%	\$310	\$210	\$250	\$250	\$0	\$0	\$100	\$100	
Suburban Propane Partners L.P.		SPH	\$10.7	\$11.0	\$11.5	6%	\$11	\$12	\$12	\$12	\$1	\$0	\$0	\$0	
<b>Propane MLP Total</b>		<b>\$74.7</b>	<b>\$76.5</b>	<b>\$80.8</b>	<b>6%</b>	<b>\$370</b>	<b>\$262</b>	<b>\$303</b>	<b>\$304</b>	<b>\$3</b>	<b>\$0</b>	<b>\$100</b>	<b>\$100</b>		
Shipping	Capital Product Partners L.P.	CPLP	\$14.7	\$19.0	\$19.0	14%	\$0	\$0	\$0	\$0	\$25	\$0	\$0	\$0	
	Golar LNG Partners LP	GMLP	\$14.1	\$23.7	\$24.7	11%	\$0	\$0	\$0	\$0	\$0	\$650	\$0	\$0	
	Navios Maritime Partners L.P.	NMM	\$17.4	\$17.4	\$17.4	13%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	Teekay LNG Partners L.P.	TGP	\$45.4	\$49.4	\$49.9	15%	\$0	\$0	\$0	\$0	\$417	\$0	\$0	\$0	
	Teekay Offshore Partners L.P.	TOO	\$103.9	\$106.4	\$107.4	27%	\$0	\$0	\$0	\$0	\$650	\$0	\$0	\$0	
<b>Shipping MLP Total</b>		<b>\$195.6</b>	<b>\$215.9</b>	<b>\$218.4</b>	<b>14%</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,092</b>	<b>\$650</b>	<b>\$0</b>	<b>\$0</b>		
Coal	Alliance Resource Partners L.P.	ARLP	\$146.5	\$160.1	\$162.0	25%	\$204	\$120	\$80	\$80	\$0	\$0	\$0	\$0	
	Natural Resource Partners L.P.	NRP	\$32.2	\$32.2	\$32.2	11%	\$0	\$0	\$0	\$0	\$150	\$15	\$20	\$0	
	Oxford Resource Partners LP	OXF	\$31.6	\$30.4	\$31.4	41%	\$24	\$22	\$20	\$20	\$0	\$0	\$0	\$0	
	Penn Virginia Resource L.P.	PVR	\$15.2	\$17.0	\$18.0	6%	\$135	\$103	\$42	\$41	\$95	\$0	\$0	\$0	
<b>Coal MLP Total</b>		<b>\$225.6</b>	<b>\$239.7</b>	<b>\$243.7</b>	<b>18%</b>	<b>\$362</b>	<b>\$245</b>	<b>\$142</b>	<b>\$141</b>	<b>\$245</b>	<b>\$15</b>	<b>\$20</b>	<b>\$0</b>		
GPs	Atlas Energy L.P.	ATLS	\$12.3	\$15.2	\$16.2	17%	\$19	\$18	\$18	\$18	\$0	\$0	\$0	\$0	
	Alliance Holdings GP L.P.	AHGP	NA	NA	NA	-	NA	NA	NA	NA	NA	NA	NA	NA	
	Energy Transfer Equity L.P.	ETE	NA	NA	NA	-	NA	NA	NA	NA	NA	NA	NA	NA	
	Kinder Morgan Inc.	KMI	NA	NA	NA	-	NA	NA	NA	NA	NA	NA	NA	NA	
	NuSTAR GP Holdings LLC	NSH	NA	NA	NA	-	NA	NA	NA	NA	NA	NA	NA	NA	
	Targa Resources Corp.	TRGP	NA	NA	NA	-	NA	NA	NA	NA	NA	NA	NA	NA	
	Crosstex Energy Inc.	XTXI	NA	NA	NA	-	NA	NA	NA	NA	NA	NA	NA	NA	
<b>General Partnership MLP Total</b>		<b>\$12.3</b>	<b>\$15.2</b>	<b>\$16.2</b>	<b>17%</b>	<b>\$19</b>	<b>\$18</b>	<b>\$18</b>	<b>\$18</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		
<b>All MLPs Average</b>		<b>\$53.7</b>	<b>\$57.4</b>	<b>\$61.8</b>	<b>12%</b>	<b>\$256.7</b>	<b>\$202.8</b>	<b>\$170.2</b>	<b>\$135.0</b>	<b>\$240.8</b>	<b>\$111.3</b>	<b>\$88.5</b>	<b>\$87.8</b>		
<b>All MLPs Median</b>		<b>\$21.0</b>	<b>\$27.5</b>	<b>\$31.8</b>	<b>11%</b>	<b>\$60.0</b>	<b>\$47.8</b>	<b>\$49.5</b>	<b>\$41.0</b>	<b>\$36.5</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>		
<b>All MLPs Sum</b>		<b>\$3,165</b>	<b>\$3,384</b>	<b>\$3,643</b>		<b>\$15,148</b>	<b>\$11,963</b>	<b>\$10,044</b>	<b>\$7,963</b>	<b>\$14,204</b>	<b>\$6,565</b>	<b>\$5,220</b>	<b>\$5,180</b>		

Source: Partnership reports and Wells Fargo Securities, LLC estimates

Date: 05/31/11

MLP Monthly: June 2011

Equity Issuance And WACC

	(SMM, except per unit data)	Ticker	Equity Issuances				WACC (50% weight)			Max IDR Splits			
			2011 YTD	2011E	2012E	2013E	Ke	Kd <sup>1</sup>	WACC	LP	GP	% To GP	
Large Cap Pipeline MLPs	Buckeye Partners L.P.	BPL	\$1,109	\$1,241	\$150	\$0	10.1%	3.8%	7.0%	100%	0%	0%	
	Boardwalk Pipeline Partners L.P.	BWP	\$176	\$300	\$0	\$0	10.5%	3.6%	7.1%	50%	50%	7%	
	Enbridge Energy Partners L.P. (CI A)	EEP	\$0	\$400	\$300	\$150	10.5%	5.6%	8.0%	50%	50%	14%	
	El Paso Pipeline Partners L.P.	EPB	\$956	\$1,167	\$1,050	\$750	11.8%	4.5%	8.1%	50%	50%	9%	
	Enterprise Products Partners L.P.	EPD	\$0	\$1,000	\$600	\$600	10.0%	4.2%	7.1%	100%	0%	0%	
	Energy Transfer Partners L.P.	ETP	\$718	\$1,123	\$350	\$350	14.6%	4.6%	9.6%	50%	50%	37%	
	Kinder Morgan Energy Partners L.P.	KMP	\$0	\$0	\$0	\$0	13.7%	4.4%	9.1%	50%	50%	44%	
	Magellan Midstream Partners L.P.	MMP	\$0	\$0	\$0	\$0	9.3%	4.2%	6.7%	100%	0%	0%	
	Niska Gas Storage Partners LLC	NKA	\$0	\$0	\$75	\$0	9.2%	7.0%	8.1%	50%	50%	2%	
	NuSTAR Energy L.P.	NS	\$0	\$200	\$0	\$0	10.6%	4.5%	7.6%	75%	25%	13%	
	ONEOK Partners L.P.	OKS	\$0	\$0	\$700	\$100	11.5%	4.2%	7.8%	50%	50%	21%	
	Plains All American Pipeline L.P.	PAA	\$508	\$508	\$150	\$150	11.7%	4.3%	8.0%	50%	50%	26%	
	PAA Natural Gas Storage L.P.	PNG	\$600	\$600	\$120	\$120	10.5%	4.7%	7.6%	50%	50%	2%	
	Spectra Energy Partners L.P.	SEP	\$0	\$250	\$0	\$0	10.4%	4.7%	7.5%	50%	50%	8%	
	Sunoco Logistics Partners L.P.	SLX	\$0	\$0	\$0	\$0	11.0%	5.8%	8.4%	50%	50%	24%	
	Williams Partners L.P.	WPZ	\$0	\$88	\$0	\$0	11.1%	4.7%	7.9%	50%	50%	24%	
<b>Large Cap Pipeline MLP Total / Median</b>			<b>\$4,067</b>	<b>\$6,877</b>	<b>\$3,495</b>	<b>\$2,220</b>	<b>10.6%</b>	<b>4.5%</b>	<b>7.8%</b>	<b>50%</b>	<b>50%</b>	<b>11%</b>	
Small & Mid Cap Pipeline	Blueknight Energy Partners LP	BKEP	\$0	(\$22)	\$50	\$50	-	6.2%	-	50%	50%	0%	
	Duncan Energy Partners L.P.	DEP	\$0	\$0	\$0	\$0	8.1%	6.2%	7.2%	98%	2%	1%	
	Exterran Partners L.P.	EXLP	\$130	\$125	\$186	\$192	12.0%	6.2%	9.1%	50%	50%	5%	
	Genesis Energy L.P.	GEL	\$0	\$0	\$0	\$0	13.0%	6.2%	9.6%	100%	0%	20%	
	Global Partners LP	GLP	\$0	\$73	\$0	\$0	10.5%	6.2%	8.4%	50%	50%	2%	
	Holly Energy Partners L.P.	HEP	\$0	\$0	\$0	\$0	11.3%	6.2%	8.8%	50%	50%	16%	
	Martin Midstream Partners L.P.	MMLP	\$64	\$0	\$0	\$0	11.3%	6.2%	8.8%	50%	50%	9%	
	TC PipeLines L.P.	TCLP	\$300	\$0	\$0	\$0	11.1%	6.2%	8.7%	75%	25%	2%	
	Transmontaigne Partners L.P.	TLP	\$0	\$0	\$0	\$0	10.9%	6.2%	8.6%	50%	50%	9%	
	Tesoro Logistics LP	TLLP	\$0	\$0	\$0	\$50	11.0%	6.2%	8.6%	50%	50%	0%	
	<b>Small Cap Pipeline MLP Total / Median</b>			<b>\$494</b>	<b>\$176</b>	<b>\$236</b>	<b>\$292</b>	<b>11.1%</b>	<b>6.2%</b>	<b>8.7%</b>	<b>50%</b>	<b>50%</b>	<b>4%</b>
	Gathering & Processing MLPs	Atlas Pipeline Partners L.P.	APL	\$0	\$0	\$0	\$0	-	6.3%	-	50%	50%	2%
Chesapeake Midstream Partners L.P.		CHKM	\$0	\$325	\$570	\$600	11.3%	6.3%	8.8%	50%	50%	2%	
Crestwood Midstream Partners LP		CMLP	\$207	\$207	\$0	\$0	12.8%	6.6%	9.7%	50%	50%	6%	
Copano Energy L.L.C.		CPNO	\$0	\$150	\$0	\$0	10.1%	6.6%	8.4%	100%	0%	0%	
DCP Midstream Partners L.P.		DPM	\$130	\$245	\$75	\$75	10.7%	6.3%	8.5%	50%	50%	18%	
Eagle Rock Energy Partners L.P.		EROC	\$0	\$428	\$0	\$0	-	6.3%	-	50%	50%	0%	
MarkWest Energy Partners L.P.		MWE	\$142	\$138	\$100	\$0	11.9%	6.2%	9.1%	100%	0%	0%	
Targa Resources Partners L.P.		NGLS	\$269	\$298	\$125	\$0	11.8%	6.5%	9.2%	50%	50%	13%	
Regency Energy Partners L.P.		RGNC	\$204	\$354	\$0	\$150	10.7%	5.7%	8.2%	50%	50%	4%	
Western Gas Partners LP		WES	\$135	\$258	\$250	\$250	10.6%	6.3%	8.5%	50%	50%	4%	
Crosstex Energy L.P.		XTEX	\$0	\$0	\$0	\$0	-	6.3%	-	50%	50%	3%	
<b>Gathering &amp; Processing Total / Median</b>			<b>\$1,088</b>	<b>\$2,403</b>	<b>\$1,120</b>	<b>\$1,075</b>	<b>11.0%</b>	<b>6.3%</b>	<b>8.7%</b>	<b>50%</b>	<b>50%</b>	<b>3%</b>	
Upstream MLPs	BreitBurn Energy Partners L.P.	BBEP	\$91	\$0	\$0	\$25	11.2%	7.4%	9.3%	98%	2%	0%	
	Encore Energy Partners L.P.	ENP	\$0	\$0	\$25	\$25	9.9%	7.1%	8.5%	95%	5%	1%	
	EV Energy Partners L.P.	EVEP	\$153	\$273	\$80	\$80	9.4%	7.1%	8.2%	75%	25%	12%	
	Legacy Reserves L.P.	LGCY	\$0	\$0	\$25	\$25	10.0%	7.1%	8.5%	100%	0%	0%	
	Linn Energy LLC	LINE	\$621	\$621	\$250	\$250	11.6%	6.8%	9.2%	100%	0%	0%	
	Pioneer Southwest Energy Partners LP	PSE	\$0	\$0	\$60	\$60	9.7%	7.1%	8.4%	100%	0%	0%	
	QR Energy L.P.	QRE	\$0	\$300	\$240	\$120	10.8%	7.1%	8.9%	100%	0%	0%	
	Vanguard Natural Resources LLC	VNR	\$0	\$150	\$60	\$50	11.3%	7.1%	9.2%	100%	0%	0%	
	<b>Upstream MLP Total / Median</b>			<b>\$865</b>	<b>\$1,344</b>	<b>\$740</b>	<b>\$635</b>	<b>10.4%</b>	<b>7.1%</b>	<b>8.7%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>
Propane	AmeriGas Partners L.P.	APU	\$0	\$0	\$0	\$0	9.6%	5.9%	7.8%	50%	50%	3%	
	Ferrellgas Partners L.P.	FGP	\$133	\$6	\$0	\$0	10.2%	6.1%	8.2%	50%	50%	2%	
	Inergy L.P.	NRGY	\$0	\$0	\$0	\$150	10.7%	6.3%	8.5%	100%	0%	0%	
	Suburban Propane Partners L.P.	SPH	\$0	\$0	\$0	\$0	10.6%	6.1%	8.4%	100%	0%	0%	
	<b>Propane MLP Total / Median</b>			<b>\$133</b>	<b>\$6</b>	<b>\$0</b>	<b>\$150</b>	<b>10.4%</b>	<b>6.1%</b>	<b>8.3%</b>	<b>75%</b>	<b>25%</b>	<b>1%</b>
Shipping	Capital Product Partners L.P.	CPLP	\$0	\$10	\$0	\$0	-	7.1%	-	50%	50%	2%	
	Golar LNG Partners LP	GMLP	\$0	\$0	\$325	\$0	9.4%	7.1%	8.2%	50%	50%	0%	
	Navios Maritime Partners L.P.	NMM	\$0	\$88	\$0	\$0	10.4%	7.1%	8.8%	50%	50%	3%	
	Teekay LNG Partners L.P.	TGP	\$144	\$165	\$0	\$0	10.4%	7.1%	8.7%	50%	50%	8%	
	Teekay Offshore Partners L. P.	TOO	\$0	\$215	\$0	\$0	11.7%	7.1%	9.4%	50%	50%	6%	
<b>Shipping MLP Total / Median</b>			<b>\$144</b>	<b>\$478</b>	<b>\$325</b>	<b>\$0</b>	<b>10.4%</b>	<b>7.1%</b>	<b>8.7%</b>	<b>50%</b>	<b>50%</b>	<b>3%</b>	
Coal	Alliance Resource Partners L.P.	ARLP	\$0	\$0	\$0	\$0	13.7%	7.1%	10.4%	50%	50%	38%	
	Natural Resource Partners L.P.	NRP	\$0	\$0	\$0	\$0	10.7%	7.1%	8.9%	100%	0%	2%	
	Oxford Resource Partners LP	OXF	\$0	\$0	\$0	\$0	11.3%	7.1%	9.2%	50%	50%	2%	
	Penn Virginia Resource L.P.	PVR	\$0	\$0	\$0	\$0	12.8%	7.1%	9.9%	50%	50%	21%	
<b>Coal MLP Median Total / Median</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>12.1%</b>	<b>7.1%</b>	<b>9.6%</b>	<b>50%</b>	<b>50%</b>	<b>12%</b>	
GPs	Atlas Energy L.P.	ATLS	\$0	\$0	\$0	\$0	-	6.7%	-	GP	GP	0.0%	
	Alliance Holdings GP L.P.	AHGP	\$0	\$0	\$0	\$0	12.2%	6.7%	9.5%	GP	GP	NA	
	Energy Transfer Equity L.P.	ETE	\$0	\$0	\$0	\$0	11.7%	6.2%	8.9%	GP	GP	NA	
	Kinder Morgan Inc.	KMI	\$0	\$0	\$0	\$0	-	6.2%	-	GP	GP	0.0%	
	NuSTAR GP Holdings LLC	NSH	\$0	\$0	\$0	\$0	9.7%	6.7%	8.2%	GP	GP	NA	
	Targa Resources Corp.	TRGP	\$0	\$0	\$0	\$0	-	6.7%	-	GP	GP	NA	
	Crosstex Energy Inc.	XTXI	\$0	\$0	\$0	\$0	-	6.7%	-	GP	GP	NA	
<b>General Partnership MLP Total / Median</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>11.7%</b>	<b>6.7%</b>	<b>8.9%</b>				
<b>All MLPs Average (Excl. GPs)</b>			<b>\$117.1</b>	<b>\$194.6</b>	<b>\$102.0</b>	<b>\$75.4</b>	<b>11.0%</b>	<b>6.1%</b>	<b>8.5%</b>	<b>66%</b>	<b>34%</b>	<b>8%</b>	
<b>All MLPs Median (Excl. GPs)</b>			<b>\$0.0</b>	<b>\$41.5</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>10.7%</b>	<b>6.2%</b>	<b>8.5%</b>	<b>50%</b>	<b>50%</b>	<b>2%</b>	
<b>All MLPs Sum</b>			<b>\$6,791</b>	<b>\$11,284</b>	<b>\$5,916</b>	<b>\$4,372</b>							

Note 1: For MLPs with publicly-traded debt, Kd = yield to maturity of most recently issued tranche of 10-year senior notes  
Source: Partnership reports, FactSet, Standard & Poor's, and Wells Fargo Securities, LLC estimates



Master Limited Partnerships

Credit Metrics

	(SMM, except per unit data)	Ticker	Total Debt (At Q1'11)	Debt / EBITDA (TTM)	Debt / EBITDA (Run Rate)	Debt To Capital	EBITDA / Int. Exp. (Run Rate)	S&P Debt Rating	Investment Grade
Large Cap Pipeline MLPs	Buckeye Partners L.P.	BPL	\$2,404	5.8x	4.9x	51%	4.3x	BBB	Yes
	Boardwalk Pipeline Partners L.P.	BWP	\$3,270	4.9x	4.4x	50%	3.9x	BBB	Yes
	Enbridge Energy Partners L.P. (CI A)	EEP	\$5,185	4.6x	4.6x	NA	3.6x	BBB	Yes
	El Paso Pipeline Partners L.P.	EPB	\$3,097	4.6x	3.4x	58%	3.9x	BB	No
	Enterprise Products Partners L.P.	EPD	\$13,296	4.0x	3.7x	54%	4.8x	BBB-	Yes
	Energy Transfer Partners L.P.	ETP	\$6,566	4.4x	3.5x	58%	4.4x	BBB-	Yes
	Kinder Morgan Energy Partners L.P.	KMP	\$11,571	3.6x	3.5x	62%	6.4x	BBB	Yes
	Magellan Midstream Partners L.P.	MMP	\$1,968	3.6x	3.4x	57%	5.7x	BBB	Yes
	Niska Gas Storage Partners LLC	NKA	\$800	4.1x	3.3x	49%	2.8x	BB	No
	NuSTAR Energy L.P.	NS	\$2,237	4.5x	6.0x	48%	4.5x	BBB-	Yes
	ONEOK Partners L.P.	OKS	\$3,268	3.5x	3.2x	50%	4.4x	BBB	Yes
	Plains All American Pipeline L.P.	PAA	\$5,448	4.6x	3.9x	51%	5.4x	BBB-	Yes
	PAA Natural Gas Storage L.P.	PNG	\$408	6.3x	5.2x	24%	23.4x	None	No
	Spectra Energy Partners L.P.	SEP	\$632	2.9x	2.1x	30%	18.1x	None	No
	Sunoco Logistics Partners L.P.	SXL	\$1,280	3.3x	3.5x	55%	4.3x	BBB	Yes
	Williams Partners L.P.	WPZ	\$6,823	3.4x	3.0x	NA	5.6x	BBB-	Yes
<b>Large Cap Pipeline MLP Median</b>			<b>\$3,182</b>	<b>4.2x</b>	<b>3.5x</b>	<b>51%</b>	<b>4.5x</b>		
Small & Mid Cap Pipeline	Blueknight Energy Partners LP	BKEP	\$237	4.0x	4.2x	117%	1.5x	None	No
	Duncan Energy Partners L.P.	DEP	\$898	2.9x	3.0x	54%	23.8x	None	No
	Exterran Partners L.P.	EXLP	\$450	4.0x	3.6x	56%	7.4x	None	No
	Genesis Energy L.P.	GEL	\$640	4.7x	3.9x	50%	4.8x	BB-	No
	Global Partners LP	GLP	\$429	6.0x	4.3x	55%	3.1x	None	No
	Holly Energy Partners L.P.	HEP	\$515	4.0x	4.1x	83%	3.7x	BB-	No
	Martin Midstream Partners L.P.	MMLP	\$346	3.5x	3.2x	51%	3.2x	B+	No
	TC PipeLines L.P.	TCLP	\$506	2.7x	2.5x	31%	10.2x	None	No
	Transmontaigne Partners L.P.	TLP	\$140	2.0x	1.8x	29%	16.2x	None	No
	Tesoro Logistics LP	TLLP	\$50	4.0x	1.0x	37%	21.7x	None	No
	<b>Small Cap Pipeline MLP Median</b>			<b>\$439</b>	<b>4.0x</b>	<b>3.4x</b>	<b>52%</b>	<b>6.1x</b>	
Gathering & Processing MLPs	Atlas Pipeline Partners L.P.	APL	\$202	1.2x	1.3x	13%	3.1x	B	No
	Chesapeake Midstream Partners L.P.	CHKM	\$249	0.8x	0.9x	10%	NM	None	No
	Crestwood Midstream Partners LP	CMLP	\$293	3.5x	3.5x	54%	6.9x	None	No
	Copano Energy L.L.C.	CPNO	\$678	4.1x	4.3x	38%	3.3x	BB-	No
	DCP Midstream Partners L.P.	DPM	\$676	4.4x	3.2x	40%	6.5x	BBB-	Yes
	Eagle Rock Energy Partners L.P.	EROC	\$508	4.0x	4.2x	48%	5.1x	None	No
	MarkWest Energy Partners L.P.	MWE	\$1,475	4.3x	3.8x	49%	3.4x	BB-	No
	Targa Resources Partners L.P.	NGLS	\$1,179	3.0x	2.7x	48%	3.9x	BB-	No
	Regency Energy Partners L.P.	RGNC	\$1,216	3.4x	3.3x	38%	4.6x	BB-	No
	Western Gas Partners LP	WES	\$645	3.1x	2.9x	32%	9.2x	None	No
	Crosstex Energy L.P.	XTEX	\$735	3.7x	3.4x	NA	2.7x	B+	No
	<b>Gathering &amp; Processing MLP Median</b>			<b>\$676</b>	<b>3.5x</b>	<b>3.3x</b>	<b>39%</b>	<b>4.2x</b>	
Upstream MLPs	Bretburn Energy Partners L.P.	BBEP	\$418	1.8x	1.9x	28%	6.2x	B+	No
	Encore Energy Partners L.P.	ENP	\$224	1.8x	1.7x	37%	10.3x	None	No
	EV Energy Partners L.P.	EVEP	\$480	2.9x	2.4x	42%	6.9x	None	No
	Legacy Reserves L.P.	LGCY	\$339	2.3x	2.0x	45%	9.3x	None	No
	Linn Energy LLC	LINE	\$2,313	2.9x	2.8x	38%	3.6x	B+	No
	Pioneer Southwest Energy Partners LP	PSE	\$85	0.8x	0.7x	100%	NM	None	No
	QR Energy L.P.	QRE	\$225	3.7x	2.5x	100%	15.8x	None	No
	Vanguard Natural Resources LLC	VNR	\$457	4.6x	3.0x	67%	4.9x	None	No
	<b>Upstream MLP Median</b>			<b>\$379</b>	<b>2.6x</b>	<b>2.2x</b>	<b>44%</b>	<b>6.9x</b>	
Propane	AmeriGas Partners L.P.	APU	\$859	2.7x	NM	66%	10.8x	None	No
	Ferrellgas Partners L.P.	FGP	\$1,005	4.1x	NM	74%	3.6x	B+	No
	Inergy L.P.	NRGY	\$1,813	5.1x	NM	63%	6.0x	None	No
	Suburban Propane Partners L.P.	SPH	\$348	1.9x	NM	43%	17.3x	BB	No
<b>Propane MLP Median</b>			<b>\$932</b>	<b>3.4x</b>	<b>NM</b>	<b>65%</b>	<b>8.4x</b>		
Shipping	Capital Product Partners L.P.	CPLP	\$474	6.0x	6.3x	67%	2.3x	None	No
	Golar LNG Partners LP	GMLP	\$513	17.0x	4.3x	75%	5.8x	None	No
	Navios Maritime Partners L.P.	NMM	\$314	2.7x	2.4x	39%	16.0x	None	No
	Teekay LNG Partners L.P.	TGP	\$1,576	5.9x	5.9x	65%	3.0x	None	No
	Teekay Offshore Partners L. P.	TOO	\$1,805	5.2x	4.7x	78%	4.3x	None	No
<b>Shipping MLP Median</b>			<b>\$513</b>	<b>5.9x</b>	<b>4.7x</b>	<b>67%</b>	<b>4.3x</b>		
Coal	Alliance Resource Partners L.P.	ARLP	\$722	1.4x	1.3x	59%	15.3x	None	No
	Natural Resource Partners L.P.	NRP	\$778	2.9x	2.8x	49%	6.6x	None	No
	Oxford Resource Partners LP	OXF	\$135	3.2x	2.4x	58%	7.0x	None	No
	Penn Virginia Resource L.P.	PVR	\$815	3.9x	3.4x	67%	5.5x	BB-	No
<b>Coal MLP Median</b>			<b>\$750</b>	<b>3.0x</b>	<b>2.6x</b>	<b>58%</b>	<b>6.8x</b>		
GPs	Atlas Energy L.P.	ATLS	\$57	6.4x	1.6x	100%	NM	None	No
	Alliance Holdings GP L.P.	AHGP	None	NA	NA	NA	NM	None	No
	Energy Transfer Equity L.P.	ETE	\$1,802	2.9x	2.7x	100%	4.1x	BB-	No
	Kinder Morgan Inc.	KMI	\$3,246	10.0x	2.5x	100%	4.3x	BB	No
	NuSTAR GP Holdings LLC	NSH	\$16	0.2x	0.2x	100%	NM	None	No
	Targa Resources Corp.	TRGP	\$1,179	5.5x	2.5x	100%	4.1x	None	No
Crosstex Energy Inc.	XTXI	None	NA	NA	NA	NM	None	No	
<b>General Partnership MLP Median</b>			<b>\$1,179</b>	<b>5.5x</b>	<b>2.5x</b>	<b>100%</b>	<b>4.1x</b>		
<b>All MLPs Average</b>			<b>\$1,624</b>	<b>4.0x</b>	<b>3.2x</b>	<b>56%</b>	<b>7.2x</b>		
<b>All MLPs Median</b>			<b>\$678</b>	<b>3.7x</b>	<b>3.2x</b>	<b>53%</b>	<b>4.9x</b>		

Source: Partnership reports and FactSet

Date: 05/31/11

MLP Monthly: June 2011

MLP Performance

	Ticker	Price 05/31/11	Price Performance (% Δ)			YTD	Total Return Performance (% Δ)					
			WTD	MTD	QTD		MTD	QTD	YTD	TTM		
Large Cap Pipeline MLPs	Williams Partners L.P.	WPZ	\$52.92	1.3%	(4.9%)	2.4%	13.4%	(3.6%)	3.8%	17.0%	49.9%	
	Kinder Morgan Energy Partners L.P.	KMP	\$74.56	0.9%	(4.1%)	0.1%	6.1%	(4.1%)	1.6%	8.8%	23.7%	
	ONEOK Partners L.P.	OKS	\$83.34	(0.0%)	(2.9%)	0.9%	4.8%	(2.9%)	2.2%	7.4%	46.4%	
	Magellan Midstream Partners L.P.	MMP	\$59.06	0.8%	(4.0%)	(1.4%)	4.5%	(2.8%)	(0.1%)	7.3%	41.7%	
	El Paso Pipeline Partners L.P.	EPB	\$34.37	0.1%	(6.9%)	(4.8%)	2.8%	(6.9%)	(3.6%)	5.8%	30.6%	
	Sunoco Logistics Partners L.P.	SXL	\$84.60	0.5%	(6.0%)	(2.4%)	1.2%	(4.6%)	(1.1%)	4.1%	35.9%	
	Kinder Morgan Management L.L.C.	KMR	\$65.27	0.6%	(4.5%)	1.0%	1.0%	(4.5%)	1.0%	0.7%	26.4%	
	Enbridge Energy Management L.L.C.	EEQ	\$31.02	0.6%	(7.7%)	0.1%	0.3%	(7.7%)	0.1%	0.2%	36.1%	
	Enterprise Products Partners L.P.	EPD	\$41.64	0.1%	(3.8%)	(3.3%)	0.1%	(3.8%)	(2.0%)	2.8%	30.9%	
	Plains All American Pipeline L.P.	PAA	\$62.24	0.4%	(3.3%)	(2.5%)	(0.9%)	(3.3%)	(1.0%)	2.0%	14.4%	
	Enbridge Energy Partners L.P. (CI A)	EEO	\$30.71	0.0%	(8.5%)	(4.0%)	(1.5%)	(7.0%)	(2.5%)	2.7%	33.3%	
	Spectra Energy Partners L.P.	SEP	\$32.00	(0.8%)	(6.7%)	(2.4%)	(2.6%)	(6.7%)	(1.1%)	0.3%	9.0%	
	Niska Gas Storage Partners LLC	NKA	\$19.41	(0.9%)	(9.4%)	(10.5%)	(2.7%)	(7.9%)	(9.0%)	1.5%	9.7%	
	Buckeye Partners L.P.	BPL	\$63.45	(0.4%)	(3.1%)	(0.8%)	(5.1%)	(1.5%)	0.9%	(2.6%)	17.9%	
	Boardwalk Pipeline Partners L.P.	BWP	\$29.10	(2.2%)	(12.8%)	(10.6%)	(6.5%)	(11.2%)	(9.0%)	(3.1%)	11.4%	
	Energy Transfer Partners L.P.	ETP	\$47.51	(2.5%)	(12.4%)	(8.1%)	(8.3%)	(10.8%)	(6.5%)	(5.0%)	15.5%	
	NuSTAR Energy L.P.	NS	\$63.45	2.0%	(6.6%)	(6.7%)	(8.7%)	(5.0%)	(5.1%)	(5.8%)	21.8%	
	PAA Natural Gas Storage L.P.	PNG	\$22.57	(0.0%)	(7.3%)	(3.6%)	(9.5%)	(7.3%)	(2.3%)	(6.4%)	0.0%	
	<b>Large Cap Pipeline MLP Median</b>			<b>0.1%</b>	<b>(6.3%)</b>	<b>(2.5%)</b>	<b>(0.4%)</b>	<b>(4.8%)</b>	<b>(1.1%)</b>	<b>1.7%</b>	<b>25.1%</b>	
	Small & Mid Cap Pipeline	Duncan Energy Partners L.P.	DEP	\$41.52	(0.4%)	(3.7%)	2.6%	29.4%	(3.7%)	3.7%	32.7%	74.8%
Tesoro Logistics LP		TLLP	\$24.84	4.3%	3.6%	NA	18.3%	3.6%	NA	NA	NA	
Holly Energy Partners L.P.		HEP	\$55.03	2.2%	0.4%	(5.2%)	8.1%	1.9%	(3.7%)	11.3%	44.0%	
Genesis Energy L.P.		GEL	\$27.43	1.5%	(3.3%)	(4.6%)	3.9%	(3.3%)	(3.2%)	5.3%	58.3%	
Calumet Specialty Products Partners L.P.		CLMT	\$21.96	3.3%	0.0%	4.0%	3.1%	0.0%	6.2%	8.0%	33.7%	
Blueknight Energy Partners LP		BKEP	\$7.94	(3.8%)	(11.8%)	(14.3%)	2.5%	(11.8%)	(14.3%)	(3.2%)	(15.7%)	
Martin Midstream Partners L.P.		MMPL	\$38.81	2.5%	(6.5%)	(3.2%)	(1.4%)	(4.6%)	(1.3%)	2.2%	42.9%	
Exterran Partners L.P.		EXLP	\$25.71	(3.9%)	(10.3%)	(8.2%)	(4.3%)	(8.7%)	(6.5%)	(0.6%)	35.3%	
Transmontaigne Partners L.P.		TLP	\$34.71	1.3%	(3.6%)	(4.3%)	(4.7%)	(3.6%)	(2.7%)	(1.3%)	33.7%	
Global Partners LP		GLP	\$25.95	(0.2%)	(8.6%)	(1.3%)	(5.3%)	(6.9%)	0.4%	(3.0%)	29.7%	
TC PipeLines L.P.		TCLP	\$46.16	0.5%	(4.6%)	(11.3%)	(11.2%)	(4.6%)	(9.9%)	(8.6%)	28.3%	
Cheniere Energy Partners L.P.		CQP	\$18.03	(1.1%)	(3.9%)	(7.2%)	(15.4%)	(3.9%)	(5.1%)	(13.4%)	15.9%	
<b>Small Cap Pipeline MLP Median</b>				<b>0.9%</b>	<b>(3.8%)</b>	<b>(4.6%)</b>	<b>0.5%</b>	<b>(3.8%)</b>	<b>(3.2%)</b>	<b>(0.6%)</b>	<b>33.7%</b>	
Gathering & Processing MLP		Atlas Pipeline Partners L.P.	APL	\$35.50	0.7%	(4.6%)	2.2%	43.9%	(3.5%)	3.4%	46.8%	254.6%
		Eagle Rock Energy Partners L.P.	EROC	\$11.62	2.6%	(8.2%)	12.1%	31.7%	(7.0%)	13.6%	34.2%	132.4%
	Crosstex Energy L.P.	XTEX	\$18.33	8.1%	(6.2%)	9.5%	27.3%	(6.2%)	11.2%	32.9%	109.7%	
	Western Gas Partners LP	WES	\$34.94	(0.9%)	(3.6%)	1.3%	15.3%	(3.6%)	2.4%	19.4%	67.2%	
	MarkWest Energy Partners L.P.	MWE	\$47.52	1.7%	(7.2%)	(2.3%)	9.7%	(7.2%)	(1.0%)	12.4%	70.6%	
	DCP Midstream Partners L.P.	DPM	\$40.53	1.8%	(9.1%)	0.0%	8.4%	(7.8%)	1.5%	11.5%	44.0%	
	Crestwood Midstream Partners LP	CMLP	\$27.83	2.0%	(5.3%)	(5.6%)	2.4%	(5.3%)	(4.2%)	7.4%	66.1%	
	Targa Resources Partners L.P.	NGLS	\$34.56	2.5%	(2.1%)	(0.8%)	1.8%	(2.1%)	0.8%	4.7%	63.3%	
	Copano Energy L.L.C.	CPNO	\$33.56	0.8%	(6.6%)	(6.0%)	(0.6%)	(6.6%)	(4.5%)	2.5%	47.6%	
	Regency Energy Partners L.P.	RGNC	\$25.19	(0.6%)	(8.6%)	(7.1%)	(7.6%)	(7.1%)	(5.5%)	(3.8%)	18.3%	
	Chesapeake Midstream Partners L.P.	CHKM	\$26.24	(1.4%)	(5.7%)	(8.9%)	(8.8%)	(4.5%)	(7.8%)	(6.4%)	NA	
	<b>Gathering &amp; Processing MLP Median</b>			<b>1.7%</b>	<b>(6.2%)</b>	<b>(8.0%)</b>	<b>8.4%</b>	<b>(6.2%)</b>	<b>0.8%</b>	<b>11.5%</b>	<b>66.6%</b>	
	Upstream MLPs	EV Energy Partners L.P.	EVPE	\$55.35	3.4%	(5.1%)	3.8%	41.0%	(3.8%)	5.2%	46.9%	106.4%
		Legacy Reserves L.P.	LGCY	\$31.88	3.2%	(1.6%)	1.4%	11.0%	(1.6%)	3.1%	14.5%	55.0%
		QR Energy L.P.	QRE	\$21.79	3.5%	(3.6%)	(2.4%)	8.3%	(1.8%)	(0.6%)	11.2%	NA
Linn Energy LLC		LINE	\$38.86	0.8%	(3.8%)	(0.2%)	3.7%	(2.1%)	1.6%	7.2%	68.7%	
BreitBurn Energy Partners L.P.		BBEP	\$20.69	1.0%	(6.4%)	(4.4%)	2.7%	(4.5%)	(2.4%)	7.3%	51.3%	
Pioneer Southwest Energy Partners LP		PSE	\$30.67	2.6%	(14.7%)	(11.9%)	2.1%	(14.7%)	(10.6%)	4.0%	33.7%	
Vanguard Natural Resources LLC		VNR	\$29.65	(0.5%)	(11.2%)	(7.5%)	0.0%	(9.5%)	(5.8%)	2.8%	49.8%	
Encore Energy Partners L.P.		ENP	\$22.23	(1.2%)	(11.7%)	(5.4%)	(1.1%)	(9.8%)	(3.5%)	3.1%	57.2%	
Constellation Energy Partners LLC		CEP	\$2.45	2.5%	(7.3%)	8.0%	(11.9%)	(7.3%)	8.0%	(12.6%)	(23.3%)	
<b>Upstream MLP Median</b>				<b>2.5%</b>	<b>(6.4%)</b>	<b>(2.4%)</b>	<b>2.7%</b>	<b>(4.5%)</b>	<b>(0.6%)</b>	<b>7.2%</b>	<b>53.2%</b>	
Propane	Ferrellgas Partners L.P.	FGP	\$26.33	0.7%	(0.8%)	0.5%	2.8%	(0.8%)	0.5%	3.9%	22.9%	
	Star Gas Partners L.P.	SGU	\$5.43	(1.3%)	(9.2%)	(5.1%)	2.1%	(8.0%)	(3.8%)	4.6%	32.9%	
	Inergy L.P.	NRGY	\$37.09	0.1%	(9.6%)	(8.0%)	(5.5%)	(8.0%)	(6.3%)	(2.6%)	8.4%	
	Suburban Propane Partners L.P.	SPH	\$52.77	(0.5%)	(6.0%)	(6.4%)	(5.9%)	(6.0%)	(5.0%)	(3.0%)	23.6%	
	AmeriGas Partners L.P.	APU	\$45.40	(1.4%)	(6.0%)	(6.0%)	(7.0%)	(4.5%)	(4.5%)	(4.6%)	21.4%	
<b>Propane MLP Median</b>			<b>(0.5%)</b>	<b>(6.0%)</b>	<b>(6.0%)</b>	<b>(5.5%)</b>	<b>(6.0%)</b>	<b>(4.5%)</b>	<b>(2.6%)</b>	<b>22.9%</b>		
Shipping	K-Sea Transportation Partners L.P.	KSP	\$8.23	0.2%	(0.1%)	(0.2%)	69.7%	(0.1%)	(0.2%)	68.2%	30.1%	
	Golar LNG Partners LP	GMLP	\$27.68	1.0%	0.0%	NA	23.0%	3.3%	NA	NA	NA	
	Teekay Offshore Partners L.P.	TOO	\$29.05	0.6%	(5.9%)	(4.7%)	4.7%	(4.3%)	(3.1%)	8.3%	58.4%	
	Navios Maritime Partners L.P.	NMM	\$19.10	(2.2%)	(11.7%)	(7.5%)	(1.8%)	(9.8%)	(5.5%)	1.0%	27.8%	
	Capital Product Partners L.P.	CPLP	\$9.29	(5.9%)	(18.9%)	(13.6%)	(4.0%)	(17.0%)	(11.6%)	(0.7%)	35.2%	
Teekay LNG Partners L.P.	TGP	\$35.66	(0.1%)	(7.6%)	(14.6%)	(6.1%)	(6.0%)	(13.1%)	(4.7%)	29.9%		
<b>Shipping MLP Median</b>			<b>0.1%</b>	<b>(6.7%)</b>	<b>(7.5%)</b>	<b>1.4%</b>	<b>(5.1%)</b>	<b>(5.5%)</b>	<b>1.0%</b>	<b>30.1%</b>		
Coal	Alliance Resource Partners L.P.	ARLP	\$72.88	0.5%	(11.7%)	(10.7%)	10.8%	(10.6%)	(9.6%)	13.3%	67.2%	
	Rhino Resource Partners L.P.	RNO	\$25.20	2.2%	(0.8%)	0.8%	8.0%	(0.8%)	2.6%	12.2%	NA	
	Oxford Resource Partners LP	OXF	\$24.77	1.3%	(4.4%)	(10.1%)	1.7%	(4.4%)	(8.6%)	5.0%	NA	
	Natural Resource Partners L.P.	NRP	\$32.29	(0.3%)	(6.5%)	(8.3%)	(2.7%)	(5.0%)	(6.8%)	(0.0%)	54.1%	
	Penn Virginia Resource L.P.	PVR	\$25.87	1.0%	(8.0%)	(6.5%)	(8.7%)	(6.4%)	(4.8%)	(5.3%)	31.4%	
<b>Coal MLP Median</b>			<b>1.0%</b>	<b>(6.5%)</b>	<b>(8.3%)</b>	<b>1.7%</b>	<b>(5.0%)</b>	<b>(6.8%)</b>	<b>5.0%</b>	<b>54.1%</b>		
GPs	Atlas Energy L.P.	ATLS	\$24.70	5.0%	(9.2%)	8.3%	64.7%	(8.8%)	8.9%	62.9%	449.6%	
	Targa Resources Corp.	TRGP	\$34.92	7.4%	(1.8%)	(5.1%)	30.2%	(1.8%)	(4.3%)	29.6%	NA	
	Crosstex Energy Inc.	XTXI	\$11.29	16.4%	3.7%	10.0%	27.4%	3.7%	11.0%	25.7%	61.6%	
	Energy Transfer Equity L.P.	ETE	\$42.14	1.0%	(9.2%)	(7.3%)	7.9%	(8.1%)	(6.1%)	9.7%	43.6%	
	NuSTAR GP Holdings LLC	NSH	\$36.26	0.2%	(8.4%)	(0.4%)	(0.2%)	(7.2%)	0.8%	2.5%	38.4%	
	Kinder Morgan Inc.	KMI	\$29.29	2.4%	2.1%	(1.6%)	(2.4%)	2.1%	(1.1%)	NA	NA	
	Alliance Holdings GP L.P.	AHGP	\$46.99	0.0%	(9.2%)	(9.7%)	(2.4%)	(8.2%)	(8.7%)	0.7%	60.1%	
<b>General Partnership MLP Median</b>			<b>2.4%</b>	<b>(8.4%)</b>	<b>(1.6%)</b>	<b>7.9%</b>	<b>(7.2%)</b>	<b>(1.1%)</b>	<b>17.7%</b>	<b>60.1%</b>		
<b>All MLPs Average</b>			<b>0.9%</b>	<b>(6.0%)</b>	<b>(3.4%)</b>	<b>5.4%</b>	<b>(5.2%)</b>	<b>(2.0%)</b>	<b>7.7%</b>	<b>49.3%</b>		
<b>All MLPs Median</b>			<b>0.6%</b>	<b>(6.0%)</b>	<b>(4.0%)</b>	<b>1.7%</b>	<b>(4.6%)</b>	<b>(2.4%)</b>	<b>3.5%</b>	<b>35.3%</b>		
Indices	WELLS FARGO SECURITIES MLP IND	WMLP	476	0.4%	(5.7%)	(3.0%)	1.9%	(5.0%)	(1.6%)	4.9%	35.7%	
	S&P 500 STOCK INDEX	SP50	1345	(0.2%)	(1.4%)	1.5%	7.0%	(1.1%)	1.8%	7.8%	26.0%	
	S&P 500 UTILITIES IND G	SP825	171	(1.7%)	0.9%	4.8%	7.2%	1.4%	5.5%	8.5%	22.4%	
	MSCI US REIT INDEX PRICE-ONL	RMZK	856	1.7%	(0.6%)	4.9%	12.5%	NA	NA	NA	NA	

Source: FactSet, Standard & Poor's, and Wells Fargo Securities, LLC

Date: 05/31/11

Master Limited Partnerships

MLP Trading Activity

	Ticker	Average Volume		Ann'l Unit Turnover	Short Interest Volume & Ratios				
		3-Mos	1-Mos		Last Month	Current	% Of Float	Days To Cover	
Large Cap Pipeline MLPs	Buckeye Partners L.P.	BPL	464,525	358,120	1.4x	213,928	291,566	0.4%	0.7
	Boardwalk Pipeline Partners L.P.	BWP	372,539	713,022	0.5x	443,654	514,969	0.3%	0.8
	Enbridge Energy Partners L.P. (CI A)	EEP	474,005	525,213	0.5x	1,130,809	1,258,485	0.8%	2.2
	Enbridge Energy Management L.L.C.	EEQ	90,104	78,416	0.6x	265,751	289,122	1.0%	3.2
	EI Paso Pipeline Partners L.P.	EPB	1,049,949	1,339,713	1.5x	340,651	317,305	0.3%	0.2
	Enterprise Products Partners L.P.	EPD	1,424,942	1,455,020	0.4x	2,526,855	3,174,677	0.6%	1.8
	Energy Transfer Partners L.P.	ETP	1,085,153	1,106,668	1.4x	495,155	764,357	0.5%	0.6
	Kinder Morgan Energy Partners L.P.	KMP	626,940	805,921	0.5x	3,842,376	4,540,371	2.2%	4.7
	Niska Gas Storage Partners LLC	NKA	172,744	235,323	0.6x	330,883	388,294	2.2%	1.6
	Kinder Morgan Management L.L.C.	KMR	277,481	316,802	0.7x	951,273	1,266,542	1.6%	3.8
	Magellan Midstream Partners L.P.	MMP	276,441	318,992	0.6x	796,448	983,900	0.9%	2.4
	NuSTAR Energy L.P.	NS	144,810	227,493	0.6x	256,447	312,134	0.6%	1.2
	ONEOK Partners L.P.	OKS	114,794	135,320	0.3x	568,465	677,305	1.1%	4.3
	Plains All American Pipeline L.P.	PAA	515,988	439,524	0.9x	451,677	645,924	0.5%	1.4
	PAA Natural Gas Storage L.P.	PNG	59,718	55,329	0.3x	252,797	263,842	0.9%	4.2
	Spectra Energy Partners L.P.	SEP	105,173	113,133	0.3x	163,715	244,919	0.9%	1.9
	Sunoco Logistics Partners L.P.	SXL	69,963	81,721	0.5x	153,035	249,972	1.1%	2.7
Williams Partners L.P.	WPZ	307,132	335,509	0.3x	1,356,604	1,456,882	2.0%	3.7	
<b>Large Cap Pipeline MLP Median</b>		<b>292,307</b>	<b>327,251</b>	<b>0.5x</b>	<b>447,666</b>	<b>580,447</b>	<b>0.9%</b>	<b>2.0</b>	
Small & Mid Cap Pipeline	Blueknight Energy Partners LP	BKEP	53,290	44,816	0.4x	-	-	0.0%	-
	Cheniere Energy Partners L.P.	CQP	366,335	197,694	0.6x	441,274	423,980	2.8%	2.8
	Calumet Specialty Products Partners L.P.	CLMT	220,970	183,388	1.4x	-	-	1.0%	0.8
	Duncan Energy Partners L.P.	DEP	102,986	88,052	0.4x	19,412	43,643	0.2%	0.4
	Exterran Partners L.P.	EXLP	218,110	247,824	1.7x	-	-	0.9%	1.3
	Genesis Energy L.P.	GEL	105,758	107,407	0.4x	-	-	0.3%	0.8
	Global Partners LP	GLP	77,788	69,874	1.0x	-	-	0.6%	1.2
	Holly Energy Partners L.P.	HEP	35,765	38,540	0.4x	31,095	63,716	0.4%	1.3
	Martin Midstream Partners L.P.	MMLP	96,539	117,452	1.3x	-	-	0.3%	0.3
	TC PipeLines L.P.	TCLP	184,970	206,874	1.0x	-	-	0.4%	0.5
	Transmontaigne Partners L.P.	TLP	42,683	47,858	0.7x	-	-	0.4%	1.0
	Tesoro Logistics LP	TLLP	611,376	213,427	5.0x	21,986	29,074	0.2%	0.1
	<b>Small Cap Pipeline MLP Median</b>		<b>104,372</b>	<b>112,429</b>	<b>0.9x</b>	<b>26,541</b>	<b>53,680</b>	<b>0.4%</b>	<b>0.8</b>
	Gathering & Processing MLP	Atlas Pipeline Partners L.P.	APL	543,608	578,270	2.5x	566,433	410,653	0.9%
Crestwood Midstream Partners LP		CMLP	79,962	101,820	0.6x	-	-	0.2%	0.2
Chesapeake Midstream Partners L.P.		CHKM	126,745	111,781	0.2x	-	-	1.1%	2.4
Copano Energy L.L.C.		CPNO	319,018	336,867	1.2x	-	-	1.1%	1.6
DCP Midstream Partners L.P.		DCP	173,504	154,759	1.1x	-	-	1.2%	2.3
Eagle Rock Energy Partners L.P.		EROC	421,817	431,525	1.2x	-	-	1.9%	1.7
MarkWest Energy Partners L.P.		MWE	314,562	399,224	1.1x	897,011	477,817	0.7%	1.0
Targa Resources Partners L.P.		NGLS	359,360	431,458	1.1x	-	-	0.6%	0.8
Regency Energy Partners L.P.		RGNC	425,199	470,161	0.8x	-	-	1.0%	1.8
Western Gas Partners LP		WES	221,389	164,260	0.7x	229,022	392,642	0.9%	2.1
Crosstex Energy L.P.		XTEX	156,421	171,182	0.6x	-	-	0.8%	1.4
<b>Gathering &amp; Processing MLP Median</b>			<b>314,562</b>	<b>336,867</b>	<b>1.1x</b>	<b>566,433</b>	<b>410,653</b>	<b>0.9%</b>	<b>1.6</b>
Upstream MLPs		BreitBurn Energy Partners L.P.	BBEP	342,344	352,431	1.5x	-	-	0.3%
	Constellation Energy Partners LLC	CEP	81,628	71,602	0.8x	12,099	11,833	0.1%	0.2
	Encore Energy Partners L.P.	ENP	179,418	178,246	1.0x	174,342	91,099	0.4%	0.4
	EV Energy Partners L.P.	EVEP	461,342	419,759	3.7x	-	-	1.0%	0.8
	Legacy Reserves L.P.	LGCY	153,643	232,203	0.9x	-	-	0.4%	0.4
	Linn Energy LLC	LINE	1,346,894	1,168,043	2.1x	-	-	1.2%	1.3
	Pioneer Southwest Energy Partners LP	PSE	73,452	111,324	0.6x	104,440	70,987	0.6%	0.5
	QR Energy L.P.	QRE	128,061	110,960	0.9x	52,571	66,883	0.4%	0.5
	Vanguard Natural Resources LLC	VNR	184,256	222,266	1.5x	209,777	167,072	0.7%	0.7
	<b>Upstream MLP Median</b>		<b>179,418</b>	<b>222,266</b>	<b>1.0x</b>	<b>104,440</b>	<b>70,987</b>	<b>0.4%</b>	<b>0.5</b>
Propane	AmeriGas Partners L.P.	APU	72,150	63,990	0.3x	75,650	163,634	0.5%	2.3
	Ferrellgas Partners L.P.	FGP	253,776	190,665	0.9x	201,686	288,708	0.6%	1.4
	Inergy L.P.	NRGY	394,479	622,227	0.8x	-	-	0.6%	0.7
	Star Gas Partners L.P.	SGU	81,500	92,724	0.3x	55,273	21,515	0.0%	0.2
	Suburban Propane Partners L.P.	SPH	74,974	83,661	0.5x	108,944	178,129	0.5%	1.6
	<b>Propane MLP Median</b>		<b>81,500</b>	<b>92,724</b>	<b>0.5x</b>	<b>92,297</b>	<b>170,882</b>	<b>0.5%</b>	<b>1.4</b>
Shipping	Capital Product Partners L.P.	CPLP	166,494	225,563	1.1x	-	-	2.9%	2.0
	K-Sea Transportation Partners L.P.	KSP	231,732	96,133	3.0x	94,763	92,261	0.6%	1.7
	Golar LNG Partners LP	GMLP	547,395	206,646	3.5x	-	-	0.4%	0.3
	Navios Maritime Partners L.P.	NMM	322,813	298,780	1.6x	861,697	764,246	1.9%	2.3
	Teekay LNG Partners L.P.	TGP	236,396	191,418	1.1x	262,339	237,823	0.6%	0.9
Teekay Offshore Partners L.P.	TOO	160,856	160,693	0.7x	168,433	261,791	0.6%	1.3	
<b>Shipping MLP Median</b>		<b>234,064</b>	<b>199,032</b>	<b>1.4x</b>	<b>215,386</b>	<b>249,807</b>	<b>0.6%</b>	<b>1.5</b>	
Coal	Alliance Resource Partners L.P.	ARLP	136,331	154,845	0.9x	-	-	3.1%	3.7
	Natural Resource Partners L.P.	NRP	323,294	316,517	0.8x	204,777	275,453	0.4%	0.7
	Rhino Resource Partners L.P.	RNO	19,708	15,153	0.2x	5,375	4,116	0.0%	0.2
	Oxford Resource Partners LP	OXF	62,126	80,661	0.8x	19,421	19,629	0.2%	0.2
	Penn Virginia Resource L.P.	PVR	380,320	329,004	1.6x	105,332	80,675	0.1%	0.3
<b>Coal MLP Median</b>		<b>136,331</b>	<b>154,845</b>	<b>0.8x</b>	<b>62,377</b>	<b>50,152</b>	<b>0.2%</b>	<b>0.3</b>	
GPs	Atlas Energy L.P.	ATLS	814,421	483,072	5.2x	1,089,871	736,589	1.6%	1.1
	Alliance Holdings GP L.P.	AHGP	131,766	113,656	0.6x	-	-	0.1%	0.1
	Energy Transfer Equity L.P.	ETE	392,709	474,519	0.4x	433,354	502,213	0.4%	1.0
	Kinder Morgan Inc.	KMI	1,568,495	1,826,636	0.6x	5,917,175	6,723,439	3.9%	5.1
	NuSTAR GP Holdings LLC	NSH	71,775	76,710	0.4x	160,040	190,325	0.5%	2.1
	Targa Resources Corp.	TRGP	370,853	297,591	2.2x	1,178,002	1,211,351	4.4%	4.3
	Crosstex Energy Inc.	XTXI	338,887	442,192	1.8x	-	-	5.8%	6.7
<b>General Partnership MLP Median</b>		<b>370,853</b>	<b>442,192</b>	<b>0.6x</b>	<b>1,089,871</b>	<b>736,589</b>	<b>1.6%</b>	<b>2.1</b>	
<b>All MLPs Average</b>		<b>314,998</b>	<b>318,707</b>	<b>1.1x</b>	<b>600,896</b>	<b>673,231</b>	<b>1.0%</b>	<b>1.6</b>	
<b>All MLPs Median</b>		<b>220,970</b>	<b>206,874</b>	<b>0.8x</b>	<b>252,797</b>	<b>289,122</b>	<b>0.6%</b>	<b>1.3</b>	

Source: FactSet

Date: 05/31/11



## Valuation Range Information

**AHGP Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 9.0% and a long-term growth rate of 1.75%, and (2) a price-to-DCF multiple of about 19.5x our 2011 estimate. Risks to AHGP trading below the valuation range include: (1) disappointing economic activity, (2) a decline in coal prices, (3) operational and regulatory risk related to development projects, (4) low natural gas prices and (5) rising interest rates.

**APL Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 9.5% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of about 15x our 2011 estimate. Risks to the stock trading in our range include a decline in commodity prices, a slowdown in drilling activity within APL's operation regions, and/or rising interest rates.

**APU Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required ROR of 9.5% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of 10.5x our 2011 estimate. Risks to APU trading in the valuation range include: (1) failure to identify and/or integrate attractive acquisitions; (2) unseasonably warm weather; (3) rising interest rates; and (4) profit margin erosion in response to higher energy prices.

**ARLP Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 9.0% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of about 7.3x our 2011 estimate. Risks to ARLP trading below our valuation range include: disappointing economic activity, a decline in coal prices, operational risk, regulatory risk, delays in adding production, low natural gas prices and higher interest rates.

**ATLS Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 9.75% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of about 20x our 2011 estimate. Risks to the stock trading in our range include a decline in commodity prices, a slowdown in drilling activity within APL's operation regions, and/or rising interest rates.

**BBEP Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage discounted free-cash flow model, which assumes a 10% required rate of return and a long-term growth rate of 0% and (2) a price-to-distributable cash flow multiple of about 10.5x our 2011 estimate. Risks to the units trading below our valuation range include a decline in commodity prices and the inability to hedge at favorable prices in future periods.

**BKEP Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 10.5% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of about 10x our 2011 estimate. Notably, our DDM valuation also reflects the investment/cost of a preferred unit and the associated NPV of the preferred distribution payments. Risks to our valuation range include counterparty credit risk, lower crude oil and asphalt volumes, and rising interest rates.

**BPL Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 8.5% and a long-term growth rate of 2.5%, and (2) a price-to-distributable cash flow multiple of about 16.5x our 2011E. Risks to the stock trading below our range include a weak economy, the inability to complete third-party acquisitions to support growth, a potential for Buckeye to venture into higher-risk businesses, and rising interest rates.

**BWP Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 8.5% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of about 14.5x our 2011 estimate. Risks to the units trading in our valuation range include recontracting pipeline capacity, execution of identified organic growth projects, and regulatory risk.

**CHKM Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a 8.5% required rate of return and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of about 15x our 2011 estimate. Risks to the units trading below our range include slower-than-forecast rate of acquisitions, dependence on CHK, and geographic concentration.

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**CMLP Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required ROR of 9.0% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of 13.8x our 2011 estimate. Risks to CMLP not achieving our valuation range include the supply and demand fundamentals for natural gas and natural gas liquids, the availability of new sources of natural gas, accretive organic and acquired growth opportunities, customer and geographic concentration risk, and potential environmental liabilities.

**CPNO Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 9.5% and a long-term growth rate of 2.5%, and (2) a price-to-distributable cash flow multiple of about 13.5x our 2011 estimate. Risks to the units trading below our valuation range include declining production, a decline in commodity prices, and rising interest rates.

**DEP Basis and Risks:** Our valuation range is based on the announced 1.01 conversion ratio applied to our EPD valuation range. Risks to DEP include inability to secure the affirmative vote for the EPD/DEP merger from non-affiliated unit holders, potential conflicts of interest, and rising interest rates.

**DPM Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 9.0% and a long-term growth rate of 1.25%, and (2) a price-to-DCF multiple of about 11.5x our 2011 estimate. Risks to the units trading in our range include the inability to find suitable investments, dependence on DCP Midstream for growth, supply risk, liquidity, and rising interest rates.

**EEP Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 8.5% and a long-term growth rate of 1.25%, and (2) a price-to-DCF multiple of about 13.5x our 2011 estimate. Risks to units trading in our valuation range include stagnant Canadian and U.S. drilling activity, execution risk on acquisitions and expansion projects, and offloading of volumes to competing pipelines.

**EEQ Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 8.5% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of about 13.5x our 2011 estimate. Risks to units trading in our valuation range include stagnant Canadian and U.S. drilling activity, execution risk on acquisitions and expansion projects.

**ENP Basis and Risks:** Our valuation range is based on the announced 0.72 conversion ratio applied to our VNR valuation range. Risks to the units trading below our range include a rejection of the VNR merger proposal, the inability to hedge at favorable prices, and rising interest rates.

**EPB Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 8.0% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of about 15x our 2011 estimate. Risks to the units trading below our valuation range include a slower-than-forecasted rate of dropdown acquisitions, re-contracting, and rising interest rates.

**EPD Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 8.5% and a long-term growth rate of 2.5%, and (2) a price-to-DCF multiple of about 14.5x our 2011 estimate. Risks to EPD trading in our range include weakness in the petro-chem industry, low or negative frac spreads, and a decline or delay in deepwater GoM production.

**EROG Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required ROR of 10.0% and a long-term growth rate of 2.5%, and (2) a price-to-distributable cash flow multiple of 9.0x our 2011 estimate. Risks to the units trading below our valuation range include: growth dependent upon future acquisitions/investments, competitive Texas/Louisiana natural gas market and commodity price trends.

**ETE Basis and Risks:** Our range is based on a blend of (1) our distribution discount model, which assumes a long-term growth rate of 1.5%, and a 8.5% discount rate and (2) a price to distributable cash flow multiple of about 19.5x our 2011 estimate. Risks to ETE trading in the range include (1) execution risk related to completing organic growth projects; (2) weak fundamentals in the natural gas market; and (3) abnormally warm weather.

**ETP Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 8.5% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of 14.5x our 2011 estimate. Risks to ETP achieving our valuation range include: (1) execution risk related to organic growth projects; (2) competition in the Texas-Louisiana natural gas market; and (3) abnormally warm weather.

**EVEP Basis and Risks:** Our valuation range is based on a combination of \$12/unit of assumed value for EVEP's Utica Shale acreage plus a blend of (1) our three-stage maximum potential distribution discount model, which assumes a required rate of return of 10% and a long-term growth rate of 0%, and (2) a price-to-distributable cash flow multiple of about 10.5x our 2011 estimate. Risks to the units trading below our valuation range include uncertainty around drilling results in the Utica Shale, a sustained decline in gas prices, and the dependence upon acquisitions to fuel growth.

**EXLP Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 9.0% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of about 11x our 2011 estimate. Risks to the units trading below our valuation range include dependence on acquisitions to fuel growth, customer concentration, and rising interest rates.

**FGP Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required ROR of 9.0% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of 13.5x our 2011 estimate. Risks to FGP trading in our valuation range include: (1) abnormally warm weather; (2) profit margin erosion in response to volatility of energy prices; (3) lower volumes due to customer conservation and (4) rising interest rates.

**GEL Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required ROR of 9.0% and a long-term growth rate of 2.5%, and (2) a price-to-distributable cash flow multiple of 15.0x our 2011 estimate. Risks to GEL trading in the valuation range include the integration of acquisitions, the fact that a significant part of GEL's operations is dependent on DNR's ability to supply oil and CO2 volumes, competition for volumes of oil and CO2 and environmental risk inherent in gathering and transporting operations.

**GLP Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required ROR of 9.5% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of about 11.3x our 2011 estimate. Risks to GLP trading below the valuation range include reduced demand for petroleum products, volatile commodity price movements and ineffective hedges, shortage of bank funding for working capital needs, geographic concentration, warm winter weather, the spot market nature of transactions, and environmental/regulatory issues.

**GMLP Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required ROR of 9.0% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of about 13.0x our 2012 estimate. Risks to GMLP trading below the valuation range include the partnership's relatively small fleet (four vessels), options for Petrobras to acquire the two FSRUs, competition in the FSRU market is expected to increase, customer concentration, growth dependent on the successful completion and integration of acquisitions, changes in the long-term outlook for LNG demand and environmental/governmental regulations.

**HEP Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required ROR of 9.0% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of 14.8x our 2011 estimate. Risks to HEP units falling below our valuation range include: a material downturn in volumes flowing through HEP pipelines; increased competition in Southwestern markets; and the overall interest rate environment. Also, HOC and third party obligations under shipping agreements may be reduced or suspended under certain conditions such as the shutdown of one of its refineries.

**KMI Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage dividend discount model, which assumes a required rate of return of 7.5% and a long-term growth rate of 3.0%, and (2) a price-to-distributable cash flow multiple of about 26x our 2011 estimate. Risks to KMI trading below our valuation range include execution risk related to integrating acquisitions and completing organic growth projects (at KMP), potential IDR waivers, a decline in crude oil prices, and rising interest rates.

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**KMP Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 8.5% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of about 14.5x our 2011 estimate. Risks to the units trading in our valuation range include (1) lower crude oil prices, (2) rising interest rates, and (3) narrower basis differentials between gas trading hubs in Texas.

**KMR Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 8.5% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of 14.5x our 2011 estimate. Risks to the units trading in our valuation range include (1) lower crude oil prices, (2) rising interest rates, and (3) narrower basis differentials between gas trading hubs in Texas.

**LGCY Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage discounted free cash flow model, which assumes a required rate of return of 10% and a long-term growth rate of 0%, and (2) a price-to-distributable cash flow multiple of about 11.6x our 2011 estimate. Risks to the units trading below our range include a sustained decline in crude oil prices and dependence upon acquisitions to fuel growth.

**LINE Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage discounted free-cash flow model, which assumes an 10% required rate of return and a long-term growth rate of 0%, and (2) a price-to-DCF multiple of about 10x our 2011 estimate. Risks to the units trading below our range include a dependence on acquisitions for growth, decreasing commodity prices, and the inability to hedge at favorable prices.

**MMLP Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required ROR of 9.5% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of 12.3x our 2011 estimate. Risks to MMLP achieving our valuation range include: weather influencing ocean and river conditions which could delay barge movements and interrupt terminal operations; volatility and lack of visibility for several of MMLP's business segments; the ability to integrate acquisitions; and interest rate sensitivity.

**MMP Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 8.5% and a long-term growth rate of 2.5%, and (2) a price-to-distributable cash flow multiple of about 14x our 2011 estimate. Risks to the units trading in our valuation range include the ability to identify and execute on organic projects, rising interest rates, and a slowing economy.

**MWE Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 9.5% and a long-term growth rate of 2.5%, and (2) a price-to-distributable cash flow multiple of about 11.5x our 2011 estimate. Risks to the units trading in our range include lower than anticipated Marcellus volume growth, a decline in commodity prices, execution risk related to acquisitions, and rising interest rates.

**NGLS Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 9.5% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of about 11x our 2011 estimate. Risks to the units trading below our valuation range include execution risk related to integrating acquisitions and completing organic growth projects, a decline in commodity prices, and rising interest rates.

**NKA Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes an 8.5% required rate of return and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of about 13.5x our TTM 3/31/12 estimate. Risks to the units trading below our range include (1) delays/cost overruns on expansion projects, (2) an overbuild of natural gas storage, and (3) reduced gas price volatility.

**NRGY Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required ROR of 9.0% and a long-term growth rate of 2.5%, and (2) a price-to-distributable cash flow multiple of 17.0x our 2011 estimate. Risks to NRGY trading below the valuation range include (1) failure to identify and/or integrate attractive acquisitions; (2) unseasonably warm weather; (3) profit margin erosion in response to higher energy prices; (4) stagnate new home construction; and (5) rising interest rates.

**NRP Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 9.0% and a long-term growth rate of 2.5%, and (2) a price-to-distributable cash flow multiple of about 16.3x our 2011 estimate. Risks to NRP trading below the valuation range include (1) a decline in coal prices, (2) delays in developing Cline reserves, and (3) a slowdown in acquisitions.

**NS Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 8.5% and a long-term growth rate of 1.875%, and (2) a price-to-distributable cash flow multiple of about 13.5x our 2011 estimate. Risks to the units trading in our valuation range include unplanned refinery turnarounds, regulatory, and rising interest rates.

**NSH Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 8.5% and a long-term growth rate of 2.7%, and (2) a price-to-distributable cash flow multiple of about 18.5x our 2011 estimate. Risks to the units trading in our valuation range include unplanned refinery turnarounds and rising interest rates.

**OKS Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 8.5% and a long-term growth rate of 1.25%, and (2) a price-to-DCF multiple of about 17x our 2011 estimate. Risks to OKS units trading in our valuation range include (1) execution risk related to completing organic growth projects on time and within budget, (2) ability to re-contract pipeline capacity, and (3) ability to mitigate commodity price risk via hedges.

**OXF Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required ROR of 9.0% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of about 17.5x our 2011 estimate. Risks to OXF trading below the valuation range include coal price volatility which could lead to unit price volatility and future re-contracting risk, economic uncertainty which could result in a decrease in demand for coal, the inherent operational risks that characterize mining coal and changes in coal industry regulations.

**PAA Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 8.5% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of about 14.5x our 2011 estimate. Risks to PAA trading in our valuation range include potential losses from hedging activities, crude oil supply shortfalls, and rising interest rates.

**PNG Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes an 8% required rate of return and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of about 16.5x our 2011 estimate. Risks to the units trading below our range include (1) delays and/or cost overruns on expansion projects, (2) lower storage rates due to competition and/or an overbuild of natural gas storage capacity, and (3) reduced gas price volatility.

**PSE Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage discounted free-cash flow model, which assumes a 10% required rate of return and a long-term growth rate of 0%, and (2) a price-to-distributable cash flow multiple of about 11x our 2011 estimate. Risks to the units trading below our range include a dependence on acquisitions to fuel growth, decreasing commodity prices, and rising interest rates.

**PVR Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 9.5% and a long-term growth rate of 2.5%, and (2) a price-to-distributable cash flow multiple of 12.5x our 2011 estimate. Risks to PVR trading in our valuation range include (1) a decline in commodity prices, (2) adverse political climate towards coal, (3) a slowdown in acquisitions or growth projects, and (4) rising interest rates.

**QRE Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage discounted free-cash flow model, which assumes an 10% required rate of return and a long-term growth rate of 0%, and (2) a price-to-distributable cash flow multiple of about 10.5x our 2011 estimate. Risks to the units trading below our range include a decline in commodity prices, dependence upon acquisitions to fuel growth, access to capital markets, and the inability to hedge at favorable prices.

**RGNC Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 8.5% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of about 14x our 2011 estimate. Risks to the units trading below our valuation range include a slower-than-forecasted rate of investments, a decline in commodity prices, and rising interest rates.



**Master Limited Partnerships**

**SEP Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 8.0% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of about 15x our 2011 estimate. Risks to the units trading below our valuation range include recontracting at lower pipeline rates, reduced demand for natural gas, and rising interest rates.

**SPH Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required ROR of 9.0% and a long-term growth rate of 2.5%, and (2) a price-to-distributable cash flow multiple of 14.8x our 2011 estimate. Risks to SPH trading below our valuation range include: (1) abnormally warm weather; (2) economic weakness could negatively impact industrial/commercial demand; (3) profit margin erosion in response to energy prices; and (4) rising interest rates.

**SXL Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 8.5% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of about 13x our 2011 estimate. Risks to the units trading below our valuation range include customer concentration, refinery turnarounds, and rising interest rates.

**TCLP Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required ROR of 9.0% and a long-term growth rate of 1.875%, and (2) a price-to-distributable cash flow multiple of 11.8x our 2011 estimate. Risks to TCLP trading in the valuation range include excess capacity on its pipeline systems, competitive industry conditions, economic trends, and environmental or regulatory risk.

**TGP Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required ROR of 9.0% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of 12.3x our 2011 estimate. Risks include a delay in the delivery of newbuilds, concentration of customers, lower-than-expected LNG demand, unforeseen drydocking cost and financial leverage.

**TLLP Basis and Risks:** Our valuation range is based on (1) our three-stage distribution discount model, which assumes a required rate of return of 8.5% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of 15x our 2012 estimate. Risks to the units trading below our valuation range include a slower-than-forecasted rate of acquisitions, dependence on TSO, and geographic concentration.

**TLP Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required ROR of 9.0% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of 9.8x our 2011 estimate. Risks to the stock trading in our valuation range include a weakening economy's impact on petroleum product demand and rising interest rates.

**TOO Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required ROR of 9.0% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of 13.3x our 2011 estimate. Primary risk to TOO achieving our valuation range include a decline in the rate of growth of demand for offshore vessels, dependence on Teekay Corporation to provide future financing, growth through acquisitions, regulatory issues, marine transportation risks and international risks.

**TRGP Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 9.0% and a long-term growth rate of 2.5%, and (2) a price-to-distributable cash flow multiple of about 25x our 2011 estimate. Risks to TRGP trading below our valuation range include execution risk related to integrating acquisitions and completing organic growth projects (at NGLS), a decline in commodity prices, and rising interest rates.

**VNR Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a 10% required rate of return and a long-term 0% growth rate, and (2) a price-to-distributable cash flow multiple of about 10x our 2011 estimate. Risks to the units trading below our range include a decline in commodity prices, dependence upon acquisitions to fuel growth, and the inability to hedge at favorable prices.

**WES Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 8.5% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of about 12x our 2011 estimate. Risks to the units trading below our valuation range include a slower than forecast rate of dropdowns, customer concentration, and rising interest rates.

**WPZ Basis and Risks:** Our valuation range is based on: (1) a three-stage distribution discount model assuming a 8.5% required rate of return and a 1.25% long-term growth rate and (2) a price-to-DCF multiple of about 11.5x our 2011 DCF per unit estimate. Risks to WPZ trading below our valuation range include sensitivity to commodity prices, an adverse regulatory environment, and rising interest rates.

**XTEX Basis and Risks:** Our valuation range is based on: (1) a three-stage distribution discount model assuming a 9.5% required rate of return and a 1.25% long-term growth rate and (2) a price-to-distributable cash flow multiple of about 8x our 2011 estimate. Risks to XTEX trading in our valuation range include: (1) competition in the Texas-Louisiana natural gas market; (2) rising interest rates; and (3) lower processing margins.

**XTXI Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a required rate of return of 8.5% and a long-term growth rate of 2.50%, and (2) a price-to-distributable cash flow multiple of about 23.5x our 2011 estimate. Risks to XTXI trading in our valuation range include (1) potential conflicts of interest; (2) competition in the Texas-Louisiana natural gas market; and (3) lower processing margins.

**NMM Basis and Risks:** Our valuation range is based on our 2011 distribution estimate of \$1.72 and a target forward dividend yield of 8.5%-9.0%, which represents a discount to the MLP universe, reflecting the current dry bulk market weakness and the length of the revaluation process toward the MLP universe. Company-specific risks include potentially volatile day rates and asset values, and cash erosion from NMM's incentive interests. Sector risks include a slowdown in Chinese commodity demand, increasing capacity, and marine disasters.

**CPLP Basis and Risks:** Our valuation range is based on our 2012 EBITDA estimate of \$127 million and a multiple range of 9.25-9.75x. Risks include exposure to volatile shipping rates and asset values, increasing global capacity, and dilution from incentive shares.

## Required Disclosures

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  - Wells Fargo Securities, LLC is acting as financial advisor to EQT Corporation in the announced sale of the company's ownership interests in Big Sandy Pipeline, LLC to Spectra Energy Partners, LP.

**AHGP:** Risks to AHGP trading below the valuation range include: (1) disappointing economic activity, (2) a decline in coal prices, (3) operational and regulatory risk related to development projects, (4) low natural gas prices and (5) rising interest rates.

**APL:** Risks to the stock trading in our range include a decline in commodity prices, a slowdown in drilling activity within APL's operation regions, and/or rising interest rates.

**APU:** Risks to APU trading in the valuation range include: (1) failure to identify and/or integrate attractive acquisitions; (2) unseasonably warm weather; (3) rising interest rates; and (4) profit margin erosion in response to higher energy prices.

**ARLP:** Risks to ARLP trading below our valuation range include: disappointing economic activity, a decline in coal prices, operational risk, regulatory risk, delays in adding production, low natural gas prices and higher interest rates.

**ATLS:** Risks to the stock trading in our range include a decline in commodity prices, a slowdown in drilling activity within APL's operation regions, and/or rising interest rates.

**BBEP:** Risks to the units trading below our valuation range include a decline in commodity prices and the inability to hedge at favorable prices in future periods.

**BKEP:** Risks to our valuation range include counterparty credit risk, lower crude oil and asphalt volumes, and rising interest rates.

**BPL:** Risks to the stock trading below our range include a weak economy, the inability to complete third-party acquisitions to support growth, a potential for Buckeye to venture into higher-risk businesses, and rising interest rates.

**BWP:** Risks to the units trading in our valuation range include recontracting pipeline capacity, execution of identified organic growth projects, and regulatory risk.

**CHKM:** Risks to the units trading below our range include slower-than-forecast rate of acquisitions, dependence on CHK, and geographic concentration.

**CMLP:** Risks to CMLP not achieving our valuation range include the supply and demand fundamentals for natural gas and natural gas liquids, the availability of new sources of natural gas, accretive organic and acquired growth opportunities, customer and geographic concentration risk, and potential environmental liabilities.

**CPLP:** Risks include exposure to volatile shipping rates and asset values, increasing global capacity, and dilution from incentive shares.

**CPNO:** Risks to the units trading below our valuation range include declining production, a decline in commodity prices, and rising interest rates.

**DEP:** Risks to DEP include inability to secure the affirmative vote for the EPD/DEP merger from non-affiliated unit holders, potential conflicts of interest, and rising interest rates.

**DPM:** Risks to the units trading in our range include the inability to find suitable investments, dependence on DCP Midstream for growth, supply risk, liquidity, and rising interest rates.

**ECP:** Risks to units trading in our valuation range include stagnant Canadian and U.S. drilling activity, execution risk on acquisitions and expansion projects, and offloading of volumes to competing pipelines.

**EEQ:** Risks to units trading in our valuation range include stagnant Canadian and U.S. drilling activity, execution risk on acquisitions and expansion projects.

**ENP:** Risks to the units trading below our range include a rejection of the VNR merger proposal, the inability to hedge at favorable prices, and rising interest rates.

**EPB:** Risks to the units trading below our valuation range include a slower-than-forecast rate of dropdown acquisitions, recontracting, and rising interest rates.

**EPD:** Risks to EPD trading in our range include weakness in the petro-chem industry, low or negative frac spreads, and a decline or delay in deepwater GoM production.

**EROC:** Risks to the units trading below our valuation range include: growth dependent upon future acquisitions/investments, competitive Texas/Louisiana natural gas market and commodity price trends.

**ETE:** Risks to ETE trading in the range include (1) execution risk related to completing organic growth projects; (2) weak fundamentals in the natural gas market; and (3) abnormally warm weather.

**ETP:** Risks to ETP achieving our valuation range include: (1) execution risk related to organic growth projects; (2) competition in the Texas-Louisiana natural gas market; and (3) abnormally warm weather.

**EVEP:** Risks to the units trading below our valuation range include uncertainty around drilling results in the Utica Shale, a sustained decline in gas prices, and the dependence upon acquisitions to fuel growth.

**EXLP:** Risks to the units trading below our valuation range include dependence on acquisitions to fuel growth, customer concentration, and rising interest rates.

**FGP:** Risks to FGP trading in our valuation range include: (1) abnormally warm weather; (2) profit margin erosion in response to volatility of energy prices; (3) lower volumes due to customer conservation and (4) rising interest rates.

**GEL:** Risks to GEL trading in the valuation range include the integration of acquisitions, the fact that a significant part of GEL's operations is dependent on DNR's ability to supply oil and CO<sub>2</sub> volumes, competition for volumes of oil and CO<sub>2</sub> and environmental risk inherent in gathering and transporting operations.

**GLP:** Risks to GLP trading below the valuation range include reduced demand for petroleum products, volatile commodity price movements and ineffective hedges, shortage of bank funding for working capital needs, geographic concentration, warm winter weather, the spot market nature of transactions, and environmental/regulatory issues.

**GMLP:** Risks to GMLP trading below the valuation range include the partnership's relatively small fleet (four vessels), options for Petrobras to acquire the two FSRUs, competition in the FSRU market is expected to increase, customer concentration, growth dependent on the successful completion and integration of acquisitions, changes in the long-term outlook for LNG demand and environmental/governmental regulations.

**HEP:** Risks to HEP units falling below our valuation range include: a material downturn in volumes flowing through HEP

**Master Limited Partnerships**

pipelines; increased competition in Southwestern markets; and the overall interest rate environment. Also, HOC and third party obligations under shipping agreements may be reduced or suspended under certain conditions such as the shutdown of one of its refineries.

**KMI:** Risks to KMI trading below our valuation range include execution risk related to integrating acquisitions and completing organic growth projects (at KMP), potential IDR waivers, a decline in crude oil prices, and rising interest rates.

**KMP:** Risks to the units trading in our valuation range include (1) lower crude oil prices, (2) rising interest rates, and (3) narrower basis differentials between gas trading hubs in Texas.

**KMR:** Risks to the units trading in our valuation range include (1) lower crude oil prices, (2) rising interest rates, and (3) narrower basis differentials between gas trading hubs in Texas.

**LGCY:** Risks to the units trading below our range include a sustained decline in crude oil prices and dependence upon acquisitions to fuel growth.

**LINE:** Risks to the units trading below our range include a dependence on acquisitions for growth, decreasing commodity prices, and the inability to hedge at favorable prices.

**MMLP:** Risks to MMLP achieving our valuation range include: weather influencing ocean and river conditions which could delay barge movements and interrupt terminal operations; volatility and lack of visibility for several of MMLP's business segments; the ability to integrate acquisitions; and interest rate sensitivity.

**MMP:** Risks to the units trading in our valuation range include the ability to identify and execute on organic projects, rising interest rates, and a slowing economy.

**MWE:** Risks to the units trading in our range include lower than anticipated Marcellus volume growth, a decline in commodity prices, execution risk related to acquisitions, and rising interest rates.

**NGLS:** Risks to the units trading below our valuation range include execution risk related to integrating acquisitions and completing organic growth projects, a decline in commodity prices, and rising interest rates.

**NKA:** Risks to the units trading below our range include (1) delays/cost overruns on expansion projects, (2) an overbuild of natural gas storage, and (3) reduced gas price volatility.

**NMM:** Company-specific risks include potentially volatile day rates and asset values, and cash erosion from NMM's incentive interests. Sector risks include a slowdown in Chinese commodity demand, increasing capacity, and marine disasters.

**NRGY:** Risks to NRGY trading below the valuation range include (1) failure to identify and/or integrate attractive acquisitions; (2) unseasonably warm weather; (3) profit margin erosion in response to higher energy prices; (4) stagnate new home construction; and (5) rising interest rates.

**NRP:** Risks to NRP trading below the valuation range include (1) a decline in coal prices, (2) delays in developing Cline reserves, and (3) a slowdown in acquisitions.

**NS:** Risks to the units trading in our valuation range include unplanned refinery turnarounds, regulatory, and rising interest rates.

**NSH:** Risks to the units trading in our valuation range include unplanned refinery turnarounds and rising interest rates.

**OKS:** Risks to OKS units trading in our valuation range include (1) execution risk related to completing organic growth projects on time and within budget, (2) ability to re-contract pipeline capacity, and (3) ability to mitigate commodity price risk via hedges.

**OXF:** Risks to OXF trading below the valuation range include coal price volatility which could lead to unit price volatility and future re-contracting risk, economic uncertainty which could result in a decrease in demand for coal, the inherent operational risks that characterize mining coal and changes in coal industry regulations.

**PAA:** Risks to PAA trading in our valuation range include potential losses from hedging activities, crude oil supply shortfalls, and rising interest rates.

**PNG:** Risks to the units trading below our range include (1) delays and/or cost overruns on expansion projects, (2) lower storage rates due to competition and/or an overbuild of natural gas storage capacity, and (3) reduced gas price volatility.

**PSE:** Risks to the units trading below our range include a dependence on acquisitions to fuel growth, decreasing commodity prices, and rising interest rates.

**PVR:** Risks to PVR trading in our valuation range include (1) a decline in commodity prices, (2) adverse political climate towards coal, (3) a slowdown in acquisitions or growth projects, and (4) rising interest rates.

**QRE:** Risks to the units trading below our range include a decline in commodity prices, dependence upon acquisitions to fuel growth, access to capital markets, and the inability to hedge at favorable prices.

**RGNC:** Risks to the units trading below our valuation range include a slower-than-forecasted rate of investments, a decline in commodity prices, and rising interest rates.

**SEP:** Risks to the units trading below our valuation range include recontracting at lower pipeline rates, reduced demand for natural gas, and rising interest rates.

**SPH:** Risks to SPH trading below our valuation range include: (1) abnormally warm weather; (2) economic weakness could negatively impact industrial/commercial demand; (3) profit margin erosion in response to energy prices; and (4) rising interest rates.

**SXL:** Risks to the units trading below our valuation range include customer concentration, refinery turnarounds, and rising interest rates.

**TCLP:** Risks to TCLP trading in the valuation range include excess capacity on its pipeline systems, competitive industry conditions, economic trends, and environmental or regulatory risk.

**TGP:** Risks include a delay in the delivery of newbuilds, concentration of customers, lower-than-expected LNG demand, unforeseen drydocking cost and financial leverage.

**TLLP:** Risks to the units trading below our valuation range include a slower-than-forecasted rate of acquisitions, dependence on TSO, and geographic concentration.



**TLP:** Risks to the stock trading in our valuation range include a weakening economy's impact on petroleum product demand and rising interest rates.

**TOO:** Primary risk to TOO achieving our valuation range include a decline in the rate of growth of demand for offshore vessels, dependence on Teekay Corporation to provide future financing, growth through acquisitions, regulatory issues, marine transportation risks and international risks.

**TRGP:** Risks to TRGP trading below our valuation range include execution risk related to integrating acquisitions and completing organic growth projects (at NGLS), a decline in commodity prices, and rising interest rates.

**VNR:** Risks to the units trading below our range include a decline in commodity prices, dependence upon acquisitions to fuel growth, and the inability to hedge at favorable prices.

**WES:** Risks to the units trading below our valuation range include a slower than forecast rate of dropdowns, customer concentration, and rising interest rates.

**WPZ:** Risks to WPZ trading below our valuation range include sensitivity to commodity prices, an adverse regulatory environment, and rising interest rates.

**XTEX:** Risks to XTEX trading in our valuation range include: (1) competition in the Texas-Louisiana natural gas market; (2) rising interest rates; and (3) lower processing margins.

**XTXI:** Risks to XTXI trading in our valuation range include (1) potential conflicts of interest; (2) competition in the Texas-Louisiana natural gas market; and (3) lower processing margins.

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**WELLS FARGO SECURITIES, LLC  
EQUITY RESEARCH DEPARTMENT**

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**Wells Fargo Securities, LLC Institutional Sales Offices**

Wells Fargo Securities, LLC  
7 Saint Paul Street  
1st Floor, R1230-01J  
Baltimore, MD 21202  
(877) 893-5681

Wells Fargo Securities, LLC  
One Boston Place  
Suite 2700  
Boston, MA 02108  
(877) 238-4491

Wells Fargo Securities, LLC  
230 W. Monroe  
24th Floor  
Chicago, IL 60606  
(866) 284-7658

Wells Fargo Securities, LLC  
375 Park Avenue  
New York, NY 10152-0005  
(800) 876-5670

Wells Fargo Securities, LLC  
550 California Street  
Sacramento Tower, Suite 625  
San Francisco, CA 94104  
MAC A0112-144

Wells Fargo Securities International Limited  
1 Plantation Place  
30 Fenchurch Street  
London, EC3M 3BD  
44-207-962-2879



**Diane Schumaker-Krieg**  
Global Head of Research & Economics  
(212) 214-5070 / (704) 715-8437  
diane.schumaker@wellsfargo.com

**Sam J. Pearlstein**

Co-Head of Equity Research (212) 214-5054  
sam.pearlstein@wellsfargo.com

**Paul Jeanne, CFA**

Associate Director of Research & Economics  
(443) 263-6534 / (212) 214-8054  
paul.jeanne@wellsfargo.com

**Todd M. Wickwire**

Co-Head of Equity Research (410) 625-6393  
todd.wickwire@wellsfargo.com

**CONSUMER**

**Beverage & Tobacco**

Bonnie Herzog (212) 214-5051  
Brendan Metrano (212) 214-8064  
Sophia Ru (212) 214-5026

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Eric Serotta, CFA (212) 214-8035  
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Adam Rudiger, CFA (415) 396-3194  
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Michael Walsh, CFA, CPA (314) 955-6277

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Jason Belcher (804) 697-7352

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Maren Kasper (212) 214-5016

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**Master Limited Partnerships**

Michael Blum (212) 214-5037  
Sharon Lui, CPA (212) 214-5035  
Eric Shiu (212) 214-5038  
Praneeth Satish (212) 214-8056  
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Sam J. Pearlstein (212) 214-5054  
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David H. Lim (443) 263-6565

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Richard Eskelsen (410) 625-6381  
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Samson Lee (617) 603-4266

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Jason Maynard (310) 597-4081  
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Aron Honig (212) 214-8029

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Gina Martin Adams, CFA, CMT (212) 214-8043  
Tim Quinlan (704) 374-4407

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Daniel A. Forth (704) 383-4097

