



North America

Industrials

Natural Gas Pipelines

Industry

Natural Gas Pipelines & MLPs

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Company Update

Quarterly Review/Preview: All About Volatility

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2Q'13 Shows Diverging Fundamentals & Performance

The 2Q'13 price performance, on average, of the Natural Gas sector (down 5.8%) and the MLPs (up 0.6%) before dividends and distributions belies the volatility that was the main feature of the quarter with a rise in interest rates, falling commodity prices and company specific actions and events.

The bellwether ten-year Treasury rose from 1.83% to 2.49% during the quarter but remains at the low end of its range of 1.5%-5.1% of the past ten years (Figure 16 on page 11). In terms of company specific actions, SE/SEP were the best performers in 2Q'13, up 12% and 17% respectively on big MLP drop-downs (See report dated June 12, 2013) and OKE/OKS were the worst performers, down 13% and 14% respectively on guidance reductions and diminished longer term outlook (See report dated June 10, 2013). Complete performance data are shown on Figure 1 and 2 (page 3 and 4). SE, up 12% and SEMG, up 4% led the Natural Gas sector performers and OKE and WMB trailed, each down about 13%. In the MLPs, EQM, up 25%, WGP, up 21% and ACMP, up 18% were the performance leaders and NSH, down 18%, OKS, down 14% trailed.

Commodity Prices In 2Q: Weak NGLs Again

Oil prices fell by about 0.2%, natural gas prices were off by 11% and natural gas liquids prices and margins fell by about 17% during the quarter. From the perspective of our estimates for the quarter compared to 2Q'12, oil was essentially flat at \$94 per barrel, natural gas rose by 70% to \$4.00 per mcf in 2Q'13 from \$2.35 per mcf in 2Q'12 and natural gas liquids fell by 15% from \$44.95 per barrel to \$38.14. Importantly to the liquids leveraged companies is that the NGL fractionation margin fell by 36% from \$36.68 per barrel to \$23.60 per barrel, primarily on weaker ethane and propane. (See Figure 24 on page 15 for the revised DB Commodity price deck and figures 25-27 for commodity pricing charts).

2Q'13 Review

With this report we are introducing our 2Q'13 estimates and reiterating our overall favorable view of the sectors. With committed, contracted infrastructure construction ongoing at peak levels and financing being achieved at low costs, we continue to favor investment in the Natural Gas sector targeting 3.5% average yields and 10% dividend growth and in the MLPs with 5.8% average yields and 7% distribution growth. We recognize the uptick in interest rates during the quarter with the point of emphasis that the peak capex are still occurring at historically low costs of capital. The benefits of the spread between WACC and project returns will generate growth for years to come. Our Buy ratings in Natural Gas are ENB, KMI, SE and SEMG. Our Buys in the MLPs include ACMP, EPD, KMP, PAA, RRMS and WES.

See page 2 for notes on Quarterly Detailed Comparison, Distribution Coverage and Commodity Price Update

Valuation and Risks

For the Natural Gas sector, we use SoTP valuation models. We make adjustments based on visibility and sustainability of dividend growth, fee based business and commodity leverage. In the MLPs, our three-stage dividend-discount-models are based on current distributions, distribution growth rates over time, decay to 2% growth rate for the rest of a ten-year period. Risks: include commodity prices, given the reliance on producers to continue drilling and producing oil and gas; capital markets, due to the need for equity and debt capital to fund capital expenditures; regulatory or legislative actions that could slow drilling in shale plays or change the favorable and attractive tax structure of the sector.

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Quarterly Comparisons Detailed

For the Natural Gas sector companies in our coverage, our 2Q eps estimates along with full year estimates are shown in Figures 5-8. For the MLPs, 2Q ebitda estimates along with full year estimates are shown in Figures 9-14. We expect the best quarterly EPS comparisons to be shown by SEMG (2Q'13 \$0.41 vs \$0.12, consensus \$0.45) and KMI (\$0.32 vs \$0.24, consensus \$0.33). The worst comparison is expected from WMB (\$0.14 vs \$0.22, consensus \$0.16). We show the largest difference from consensus in our estimate for TRGP (\$0.35 vs \$0.21, consensus \$0.27). In the MLPs, we expect the best quarterly ebitda comparisons from DPM (\$83 million vs \$36 million, consensus \$80 million), ACMP (\$190 million vs \$109 million, consensus \$188 million) and KMP (\$1.220 billion vs \$810 million, consensus \$1.212 billion). The worst comparison and our largest difference from consensus is expected from WPZ (\$508 million vs \$632 million, consensus \$566 million). Additional details and comments are shown in Figure 15.

Distribution Coverage Update

Figure 19 shows our estimates for distribution coverage ratios for the MLPs based on our current estimates. We expect to update this as earnings reports are made. In our opinion, the highest coverage and most consistent coverage point to underlying fundamental strengths for our Buy rated MLPs. We are most concerned about the MLPs showing coverage below 1.0x, especially if they are leveraged to commodity prices.

Commodity Price Update

Figure 24 shows the updated DB commodity pricing deck and guides our estimates for the Natural Gas and MLPs leveraged to oil or natural gas or natural gas liquids. Ongoing weakness, especially in natural gas liquids, is the factor that we consider as generating the most significant ongoing risk. Combining low coverage ratios with commodity risk indicates concern for the viability of distribution growth.



Price Performance Summary

C-Corp summary

Figure 1: C-Corp As of cob June 28, 2013

	Tickers	1W	1M	LTM	QTD	YTD
Index	SPX	0.9%	-2.6%	20.9%	2.4%	12.6%
	AMZ	4.7%	0.1%	23.4%	0.6%	18.7%
Comdty	WTI	3.6%	4.2%	24.9%	-0.2%	5.7%
	Brent	1.9%	0.4%	12.5%	-6.5%	-7.5%
	Nat Gas	-5.1%	-14.5%	30.8%	-11.1%	6.3%
C-corps	ENB	1.2%	-5.2%	7.3%	-9.6%	-2.9%
	KMI	5.2%	-3.6%	22.2%	-1.4%	8.0%
	OKE	-0.4%	-9.9%	-0.6%	-13.3%	-3.4%
	SE	2.4%	11.9%	19.5%	12.1%	25.9%
	SEMG	2.6%	0.8%	71.0%	4.1%	37.8%
	TRGP	4.3%	-3.7%	53.2%	-5.3%	21.7%
	TRP	-2.1%	-8.0%	4.5%	-10.0%	-8.9%
	WMB	0.6%	-9.5%	15.8%	-13.3%	-0.8%
Underlying MLPs	DPM	8.3%	10.5%	30.6%	16.1%	29.6%
	EEP	4.0%	1.2%	1.0%	1.2%	9.3%
	EPB	6.5%	3.6%	30.6%	-0.4%	18.1%
	KMP	5.9%	-1.0%	10.7%	-4.9%	7.0%
	NGLS	9.4%	4.9%	43.9%	9.6%	35.0%
	OKS	2.7%	-6.6%	-6.4%	-13.7%	-8.3%
	RRMS	0.5%	-2.3%	50.7%	-7.6%	16.4%
	SEP	7.0%	26.9%	52.8%	16.9%	47.3%
	TCP	5.3%	8.0%	16.0%	-0.4%	19.6%
	WPZ	5.6%	-0.5%	1.7%	-0.4%	6.0%

Source: Deutsche Bank and Factset



MLPs

Figure 2: MLP As of cob June 28, 2013

Ticker	1W	1M	LTM	QTD	YTD
SPX	0.9%	-2.6%	20.9%	2.4%	12.6%
AMZ	4.7%	0.1%	23.4%	0.6%	18.7%
WTI	3.6%	4.2%	24.9%	-0.2%	5.7%
Brent	1.9%	0.4%	12.5%	-6.5%	-7.5%
Nat Gas	-5.1%	-14.5%	30.8%	-11.1%	6.3%
ACMP	1.0%	7.9%	75.3%	18.2%	42.2%
BBEP	1.9%	-4.4%	10.5%	-8.9%	-1.2%
BPL	5.3%	3.6%	36.3%	14.7%	54.5%
BWP	0.8%	-3.5%	10.6%	3.0%	21.3%
DPM	8.3%	10.5%	30.6%	16.1%	29.6%
EEP	4.0%	1.2%	1.0%	1.2%	9.3%
EPB	6.5%	3.6%	30.6%	-0.4%	18.1%
EPD	5.8%	1.2%	24.1%	3.1%	24.1%
EQM	-2.0%	-1.3%	101.9%	25.9%	56.8%
ETE	7.5%	1.0%	50.2%	2.3%	31.5%
ETP	6.3%	1.0%	15.9%	-0.3%	17.7%
GEL	6.7%	-0.3%	80.3%	7.5%	45.1%
KMP	5.9%	-1.0%	10.7%	-4.9%	7.0%
KMR	6.5%	-0.5%	24.2%	-3.4%	14.2%
MMP	6.0%	3.5%	56.0%	2.0%	26.2%
NGLS	9.4%	4.9%	43.9%	9.6%	35.0%
NS	4.1%	-4.3%	-14.0%	-14.4%	7.5%
NSH	9.5%	-4.5%	-13.0%	-17.8%	-3.5%
OKS	2.7%	-6.6%	-6.4%	-13.7%	-8.3%
PAA	4.8%	-3.1%	40.5%	-1.2%	23.4%
RRMS	0.5%	-2.3%	50.7%	-7.6%	16.4%
SEP	7.0%	26.9%	52.8%	16.9%	47.3%
TCP	5.3%	8.0%	16.0%	-0.4%	19.6%
WES	6.3%	6.5%	49.4%	9.2%	36.2%
WGP	8.6%	6.8%	#N/A	20.5%	37.5%
WPZ	5.6%	-0.5%	1.7%	-0.4%	6.0%

Source: Deutsche Bank and Factset



Financial Characteristics

C-Corp

Figure 3: C-Corp as of June 28, 2013

Ticker	Company Name	Share Price (US\$)	52-Week Range (US\$)		Target Price US\$	Rec	Share count	Market Cap (\$bn)	Dividend Yield (%)		Projected Dividend 2013e	Dividend Growth	Payout ratio 2013e
			High	Low					Current	2013e			
ENB.N	Enbridge Inc (USA)	42.07	48.65	38.14	52	Buy	795	41.7	2.9%	2.9%	1.28	10%	71%
KMI.N	Kinder Morgan Inc	38.15	41.09	32.03	48	Buy	1039	39.5	4.0%	4.2%	1.58	10%	134%
OKEN	ONEOK, Inc.	41.31	52.13	41.16	47	Hold	209	8.5	3.4%	3.6%	1.48	8%	95%
SE.N	Spectra Energy Corp.	34.46	34.66	26.74	36	Buy	658	23.1	3.6%	3.7%	1.26	9%	81%
SEMG.N	SemGroup Corp	53.86	57.21	31.78	66	Buy	42	2.3	1.4%	1.1%	0.59	25%	38%
TRGP.N	Targa Resources Corp	64.33	69.19	42.23	70	Hold	42	2.7	3.1%	3.3%	2.10	28%	142%
TRP.N	TransCanada Corporation (USA)	43.11	50.79	42.67	52	Hold	705	32.6	4.1%	4.1%	1.84	5%	86%
WMB.N	Williams Companies, Inc.	32.47	38.38	28.78	34	Hold	632	22.2	4.3%	4.4%	1.44	20%	240%
Average									3.3%	3.4%	1.45	14%	111%

Ticker	Company Name	EPS			P/E			EV/EBITDA			Net debt/Capital		
		2012a	2013e	2014e	2012a	2013e	2014e	2012a	2013e	2014e	2012a	2013e	2014e
ENB.TO	Enbridge Inc (USA)	1.60	1.81	1.83	24.7	24.1	23.9	23.2	16.7	16.2	39%	37%	40%
KMI.N	Kinder Morgan Inc	1.01	1.18	1.29	34.0	31.7	29.0	20.7	16.5	15.7	56%	56%	56%
OKEN	ONEOK, Inc.	1.64	1.56	2.13	26.5	26.5	19.5	16.8	18.6	15.2	40%	47%	48%
SE.N	Spectra Energy Corp.	1.44	1.55	1.46	20.6	21.9	23.3	13.3	15.2	13.7	40%	39%	40%
SEMG.N	SemGroup Corp	0.94	1.55	2.95	34.5	33.9	17.8	16.7	17.2	11.9	9%	10%	16%
TRGP.N	Targa Resources Corp	0.91	1.48	2.06	50.4	42.7	30.8	16.9	18.6	16.1	55%	50%	54%
TRP.TO	TransCanada Corporation (USA)	1.85	2.14	2.51	23.7	21.1	18.0	12.4	12.1	11.0	37%	38%	38%
WMB.N	Williams Companies, Inc.	1.09	0.60	1.07	28.7	54.0	30.2	15.7	20.7	15.8	34%	35%	37%
Average				30.4	32.0	24.1	17.0	17.0	14.5	39%	39%	41%	

Ticker	Company Name	Debt/EBITDA			ROCE			Cash from MLP as % of total cash flow		EBITDA contribution from			
		2012a	2013e	2014e	2012a	2013e	2014e	2013e	2014e	Crude/NGL Pipeline	Gas Pipeline	Gas Midstream	Storage & Utilities
ENB.TO	Enbridge Inc (USA)	7.5	5.1	5.4	4.7%	4.8%	4.6%	13%	12%	63%	2%	3%	28%
KMI.N	Kinder Morgan Inc	7.0	5.3	5.1	2.6%	2.0%	3.8%	83%	85%	6%	80%	0%	5%
OKEN	ONEOK, Inc.	4.1	5.7	4.9	8.0%	6.6%	5.7%	67%	77%	0%	15%	61%	35%
SE.N	Spectra Energy Corp.	4.7	5.1	4.8	6.5%	4.8%	5.3%	7%	38%	0%	54%	22%	23%
SEMG.N	SemGroup Corp	1.2	1.6	1.6	1.0%	4.8%	9.2%	15%	13%	33%	0%	43%	17%
TRGP.N	Targa Resources Corp	4.5	4.3	4.1	7.8%	2.6%	3.7%	100%	100%	0%	0%	82%	0%
TRP.TO	TransCanada Corporation (USA)	4.4	4.3	3.9	4.0%	3.5%	4.4%	2%	2%	22%	52%	0%	27%
WMB.N	Williams Companies, Inc.	4.2	5.7	4.6	5.1%	3.4%	6.4%	102%	86%	0%	0%	100%	0%
Average				4.7	4.6	4.3	5.0%	4.1%	5.4%	15%	25%	39%	17%

Ticker	Company Name	Share Price (MXN)	52-Week Range (US\$)		Target Price (MXN)	Rec	Share count	Market Cap (MXN in bn)	Dividend Yield (%)		Projected Dividend 2013e	Dividend Growth	Payout ratio 2013e
			High	Low					Current	2013e			
IENOV.MX	Infraestructura Energetica Nova	46.67	51.08	38.66	48	Buy	1154	52.5	na	3.3%	0.14	7%	75%

Source: Deutsche Bank and Company Data



MLPs

Figure 4: MLP as of cob June 28, 2013

Ticker	Share Price US\$	52 Week range High-Low	Price Target US\$	Rec	Yield Current	Market Cap (\$bn)	DPU (\$) 2013e	DPU Growth 2013e	Distributable Cash Flow (\$m) 2012	Distributable Cash Flow (\$m) 2013e	Cover -age 2013e	Maintenance capex (\$m) 2012	Maintenance capex (\$m) 2013e	Growth Capex (\$m) 2012	Growth Capex (\$m) 2013e	Percent EBITDA Fee-based or Hedged	Percent EBITDA Commodity Exposed	% of cash flow to LP holders
Big Diversified																		
EEL.N	30.49	31 - 27	32.0	Hold	7.1%	9.6	2.22	3%	606	737	0.8	124	110	1702	1500	75%	25%	81%
EPD.N	62.15	63 - 49	70.0	Buy	4.4%	57.2	2.74	7%	4138	3563	1.5	366	350	3975	4000	90%	10%	100%
KMP.N	85.40	92 - 76	102.0	Buy	6.1%	32.5	5.28	6%	3186	3700	1.0	285	350	1805	2670	91%	9%	55%
OKS.N	49.52	61 - 47	55.0	Hold	5.8%	10.9	2.89	7%	784	624	1.0	102	108	1459	2534	52%	48%	72%
PAA.N	55.81	59 - 40	66.0	Buy	4.1%	18.9	2.38	10%	1547	1602	1.5	170	180	1150	1400	80%	20%	69%
WPZ.N	51.60	55 - 46	50.0	Hold	6.6%	20.5	3.48	9%	1079	1299	0.9	403	328	1321	2900	67%	33%	71%
Subgroup Average					5.7%						1.1	242	238	1902	2501	76%	24%	75%
Gathering and Processing																		
WES.N	64.89	65 - 44	70.0	Buy	3.3%	7.0	2.28	16%	264	338	1.0	36	52	407	520	97%	3%	86%
NGLS.N	50.45	50 - 35	48.0	Hold	5.6%	5.2	2.88	10%	354	370	0.8	68	80	582	1100	30%	70%	78%
DPM.N	54.10	54 - 39	50.0	Hold	5.3%	4.2	2.86	6%	186	263	1.1	16	31	169	468	60%	40%	78%
ACMP.N	47.70	48 - 27	57.0	Buy	3.9%	8.1	1.97	15%	223	566	1.4	75	118	233	1251	100%	0%	96%
EQML.N	48.85	51 - 24	40.0	Hold	2.9%	1.7	1.60	na	59	77	1.4	18	20	140	28	100%	0%	98%
Subgroup Average					4.2%						1.1	49	70	348	835	72%	28%	84%
Pipeline																		
BWP.N	30.20	32 - 24	31.0	Hold	7.0%	7.7	2.13	0%	499	530	1.0	80	100	147	300	na	na	92%
EPB.N	43.67	44 - 34	45.0	Hold	5.6%	9.6	2.54	13%	740	753	1.0	46	77	60	651	100%	0%	76%
SEP.N	46.00	46 - 27	40.0	Hold	4.3%	4.9	2.06	6%	230	249	1.0	21	17	42	40	100%	0%	87%
TOP.N	48.28	50 - 39	50.0	Hold	6.4%	2.6	3.24	4%	205	211	1.2	24	19	43	43	100%	0%	98%
TEP.N	21.00	23 - 21	24.0	Hold	5.5%	0.5	0.74	na	55	54	0.7	9	11	32	15	77%	23%	98%
Subgroup Average					5.8%						1.0	43	53	73	258	100%	0%	88%
Liquids focused																		
BPL.N	70.16	70 - 45	70.0	Hold	6.0%	7.4	4.28	3%	390	467	1.1	54	70	277	320	90%	10%	100%
MMP.N	54.50	55 - 35	55.0	Hold	3.7%	12.4	2.09	11%	540	570	1.2	64	75	365	900	85%	15%	100%
GEL.N	51.83	54 - 29	46.0	Hold	3.8%	4.2	1.99	7%	179	217	1.3	4	4	146	137	30%	70%	100%
NS.N	45.65	55 - 39	55.0	Hold	9.4%	3.6	4.40	0%	220	301	0.7	39	40	374	500	75%	25%	87%
RRMS.N	36.62	42 - 24	44.0	Buy	4.0%	0.6	1.78	23%	34	43	1.2	4	7	24	53	80%	20%	98%
Subgroup Average					5.4%						1.1	33	39	237	382	72%	28%	97%
E&P																		
BBEP.OQ	18.25	22 - 17	22.0	Hold	10.4%	1.8	1.93	5%	151	218	1.4	60	60	70	50	0%	100%	98%
GPs and i-units																		
NSH.N	26.73	34 - 24	34.0	Hold	8.1%	1.1	2.18	3%	91	89	0.9	na	na	na	na	75%	25%	98%
KMR.N	83.59	89 - 68	99.0	Buy	5.6%	9.8	5.28	6%	975	1160	1.0	na	na	na	na	91%	9%	55%
WGP.N	41.17	42 - 27	43.0	Hold	2.4%	9.0	0.81	na	113	179	1.0	na	na	na	na	97%	3%	98%
Overall LP Average					5.5%				743	818	1.1	94	100	660	972	75%	25%	87%

Source: Deutsche Bank and Company Data



Estimate Revision Summary

C-Corp summary

Figure 5: EPS Q-o-Q comparison vs consensus

EPS	Actuals	DB Estimate	Y-o-Y Change (%)	Consensus
	2Q12	2Q13E		2Q13E
ENB.N	0.36	0.40	11%	0.39
KMI.N	0.24	0.32	33%	0.33
OKEN	0.29	0.29	1%	0.30
SEN	0.33	0.32	-2%	0.33
SEMG.N	0.12	0.41	234%	0.45
TRGP.N	0.21	0.35	70%	0.27
TRP.N	0.46	0.53	17%	0.52
WMB.N	0.22	0.14	-35%	0.16

Source: Deutsche Bank, Company data, Bloomberg Finance LP

Figure 6: EPS 2012 vs DB estimates and Consensus

EPS	DB Estimate			Consensus	
	2012	2013E	2014E	2013E	2014E
ENB.N	1.60	1.81	1.83	1.83	2.09
KMI.N	1.01	1.18	1.29	1.27	1.47
OKEN	1.64	1.56	2.13	1.69	2.16
SEN	1.44	1.55	1.46	1.53	1.62
SEMG.N	0.94	1.55	2.95	2.05	2.67
TRGP.N	0.91	1.48	2.06	1.47	1.95
TRP.N	1.85	2.14	2.51	2.23	2.53
WMB.N	1.09	0.60	1.07	0.77	1.24

Source: Deutsche Bank, Company data, Bloomberg Finance LP

Figure 7: EPS 2Q13 estimate DB Old vs New

EPS	DB estimate - 2Q13e		Change (%)
	New	Old	
ENB.N	0.40	0.4442	-10.6%
KMI.N	0.32	0.35	-10.4%
OKEN	0.29	0.31	-5.5%
SEN	0.32	0.32	0.6%
SEMG.N	0.41	0.40	0.8%
TRGP.N	0.35	0.33	6.4%
TRP.N	0.53	0.53	-
WMB.N	0.14	0.15	-6.4%

Source: Deutsche Bank, Company data

Figure 8: EPS 2012 and 2013 estimate DB Old vs New

EPS	New DB estimate			Old DB estimate		
	2012	2013E	2014E	2012	2013E	2014E
ENB.N	1.60	1.81	1.83	1.60	1.86	1.89
KMI.N	1.01	1.18	1.29	1.01	1.28	1.42
OKEN	1.64	1.56	2.13	1.64	1.68	2.18
SEN	1.44	1.55	1.46	1.44	1.55	1.48
SEMG.N	0.94	1.55	2.95	0.94	1.57	2.44
TRGP.N	0.91	1.48	2.06	0.91	1.55	2.03
TRP.N	1.85	2.14	2.51	1.85	2.14	2.51
WMB.N	1.09	0.60	1.07	1.09	0.61	1.03

Source: Deutsche Bank, Company data



MLPs Summary

Figure 9: Key Changes to our 2Q13 DPU estimates

DPU	DB estimate - 2Q13e		Change
	New	Old	
RRMS.N	0.44	0.42	4%
EQM.N	0.39	0.38	3%
SEP.N	0.51	0.51	1%
GEL.N	0.50	0.50	-1%
NSH.N	0.55	0.56	-2%

Source: Deutsche Bank, Company Data

Figure 10: Key Changes to 2Q13 EBITDA estimates (\$mm)

EBITDA	DB estimate - 1Q13		Change (%)
	New	Old	
EQM.N	22	18	18.8%
ACMP.N	190	174	9.2%
BWP.N	202	187	8.1%
PAA.N	487	453	7.6%
BPL.N	160	149	7.4%
GEL.N	59	55	6.3%
EPD.N	1190	1149	3.6%
KMP.N	1220	1184	3.0%
MMP.N	181	185	-2.2%
NGLS.N	147	150	-2.4%
EEP.N	307	316	-3.0%
DPM.N	83	86	-3.5%
EPB.N	267	286	-6.6%
BBEP.OQ	76	85	-10.0%
NS.N	107	124	-14.1%
TCP.N	37	47	-20.4%
WPZ.N	508	706	-28.0%
RRMS.N	16	22	-29.2%

Source: Deutsche Bank, Company Data

Figure 11: EBITDA QoQ comparison vs Consensus (\$mm)

EBITDA	Actuals	DB Estimate	Y-o-Y	Consensus
	2Q12	2Q13	Change%	2Q13
ACMP.N	109	190	75%	188
BBEP.OQ	65	76	18%	86
BPL.N	118	160	36%	155
BWP.N	169	202	19%	182
DPM.N	36	83	130%	80
EEP.N	310	307	-1%	306
EQM.N	19	22	14%	22
EPB.N	251	267	7%	259
EPD.N	1021	1190	17%	1131
GEL.N	44	59	33%	61
KMP.N	810	1220	51%	1212
MMP.N	175	181	3%	184
NGLS.N	133	147	10%	138
NS.N	85	107	26%	113
OKS.N	308	305	-1%	300
PAA.N	523	487	-7%	477
RRMS.N	9	16	81%	16
SEP.N	64	70	10%	70
TCP.N	41	37	-9%	50
WES.N	77	113	46%	105
WPZ.N	632	508	-20%	566

Source: Deutsche Bank, Company data, Bloomberg Finance LP

Figure 12: EBITDA annual DB estimates vs Consensus

(\$mm)

EBITDA	DB Estimate			Consensus	
	2012	2013E	2014E	2013E	2014E
ACMP.N	476	807	1028	779	1003
BBEP.OQ	276	375	468	339	425
BPL.N	551	651	699	642	720
BWP.N	727	842	894	787	835
DPM.N	253	363	469	367	496
EEP.N	1116	1223	1332	1268	1533
EQM.N	91	98	108	104	138
EPB.N	1068	1164	1303	1144	1213
EPD.N	4214	4946	5171	4753	5080
GEL.N	189	241	272	258	309
KMP.N	3777	4893	5437	5039	5680
MMP.N	700	788	761	781	899
NGLS.N	540	640	783	626	817
NS.N	352	431	506	481	577
OKS.N	1283	1226	1421	1230	1531
PAA.N	2128	2306	2511	2237	2282
RRMS.N	38	65	87	58	81
SEP.N	263	285	1549	319	879
TCP.N	171	212	277	193	220
WES.N	338	442	671	450	622
WPZ.N	2179	2022	2802	2315	3072

Source: Deutsche Bank, Company data, Bloomberg Finance LP



Figure 13: EBITDA 2Q13 estimate –DB New vs Old (\$mm)

EBITDA	DB estimate - 2Q13		Change (%)
	New	Old	
ACMP.N	190	174	9%
BBEP.OQ	76	85	-10%
BPL.N	160	149	7%
BWP.N	202	187	8%
DPM.N	83	86	-4%
EEP.N	307	316	-3%
EQM.N	22	18	19%
EPB.N	267	286	-7%
EPD.N	1190	1149	4%
GEL.N	59	55	6%
KMP.N	1220	1184	3%
MMP.N	181	185	-2%
NGLS.N	147	150	-2%
NS.N	107	124	-14%
OKS.N	305	305	-
PAA.N	487	453	8%
RRMS.N	16	22	-29%
SEP.N	70	70	-
TCP.N	37	47	-20%
WES.N	113	113	-
WPZ.N	508	706	-28%

Source: Deutsche Bank, Company data

Figure 14: EBITDA annual estimates DB Old vs New (\$mm)

EBITDA	New DB estimate		Old DB estimate	
	2013E	2014E	2013E	2014E
ACMP.N	807	1028	725	924
BBEP.OQ	375	468	346	421
BPL.N	651	699	651	699
BWP.N	842	894	806	843
DPM.N	363	469	372	474
EEP.N	1223	1332	1271	1381
EQM.N	98	108	98	108
EPB.N	1164	1303	1165	1335
EPD.N	4946	5171	4802	5178
GEL.N	241	272	237	255
KMP.N	4893	5437	4785	5286
MMP.N	788	761	747	885
NGLS.N	640	783	640	810
NS.N	431	506	493	565
OKS.N	1226	1421	1226	1451
PAA.N	2306	2511	2147	2298
RRMS.N	65	87	77	139
SEP.N	285	1549	283	298
TCP.N	212	277	182	210
WES.N	442	671	442	671
WPZ.N	2022	2802	2815	3622

Source: Deutsche Bank, Company data



2013 Comments

Figure 15: Quarterly Pointers

S.No	Tickers	Comments
1	ACMP	Expect to recognize closer to \$40mn this year on Barnett MVC; Though MVC impact would be recognized in the respective quarterly EBITDA, consolidated payment is only in the fourth quarter
2	BBEP	In June 2013, acquired Whiting's interests in the Postle and North East Hardesty oil fields and the related midstream assets for approx. \$860mn.
3	DPM	Have better NGL hedges vs Current prices
4	EEP	Recent decline in North Dakota system volumes attributable to rail options available to shippers. However, volumes are coming back to pipeline as Brent-WTI differential continues to narrow. Also EEP is looking to spin-off its NGL related businesses.
5	EPB	Expected a drop down in 2Q13 hence revised the estimates downwards
6	EPD	Gas processing margin is dropping with NGL prices; impacted by lowering drilling program at Pinedale and Jonah. Price impact on NGL production & transportation? In 1Q13 Mont Belvieu was benefited from higher NGL volumes. However, increase Onshore pipelines volumes would offset most of these declines.
7	KMP	First quarter after CPNO integration
8	MMP	Higher Butane blending margin; acquisition of PAA pipeline was expected to be closed in 2Q13
9	NGLS	EBITDA impacted by lowering NGL prices. However future increase driven by Badlands expansion, hedging gains, CBF capacity addition.
10	PAA	Higher than high-end of guidance range again but could be impacted by narrowing Brent-WTI differential & forward curve in backwardation
11	RRMS	Non fee-based storage impacted by backwardation
12	TCP	Drop down of GTN & Bison to be completed in July 2013 and distribution increase of \$0.03 post closing quarter
13	ENB	Higher pipeline volumes (vs railing) due to lowering Brent WTI spread, so expecting improved performance, partially offset by lower Canadian production due floods towards the end of 2Q13
14	SEMG	Lower processing volume as well as lower Asphalt margins

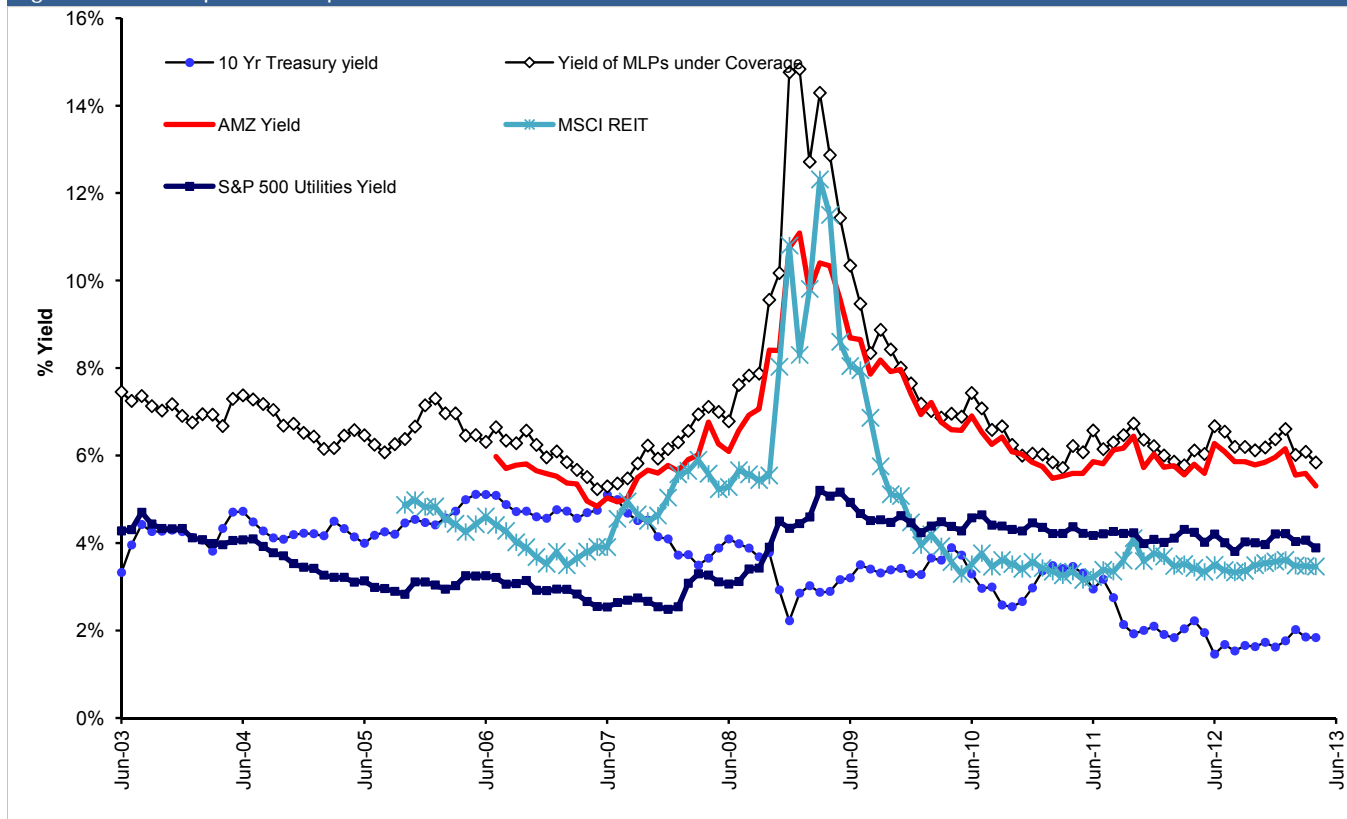
Source: Deutsche Bank and Company Data



Yield Comparison

Current MLP Spread Of 320 bps Makes MLPs Attractive

Figure 16: MLP Spread Comparisons



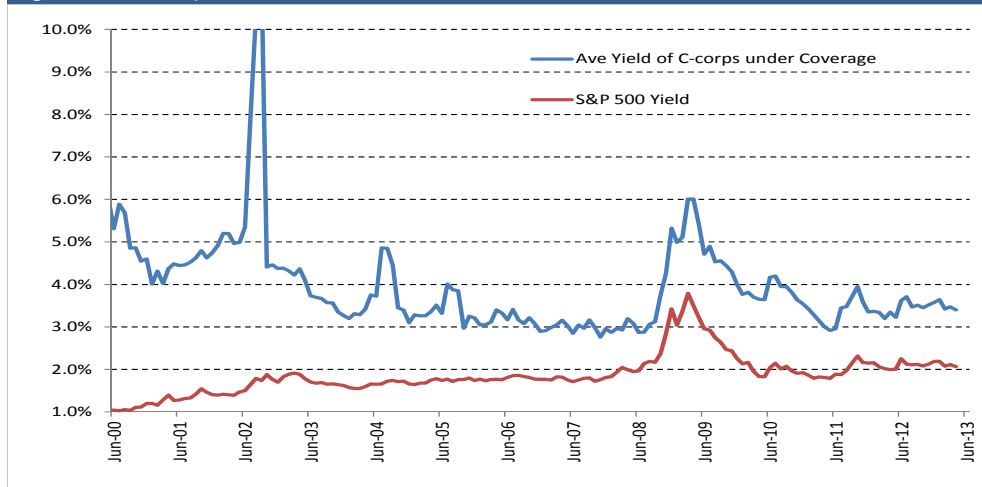
Source: Deutsche Bank, Bloomberg LP and Factset

MLP premium to 10-yr has averaged 300bps since 2000. The spread narrowed to 130bps in 2006-2007 before widening out to nearly 1000bps in the financial crisis. Since 2010 the average spread has been 350bps.



Current Premium Yield Of 152bps vs. S&P Yield

Figure 17: C-Corp vs. S&P Yields

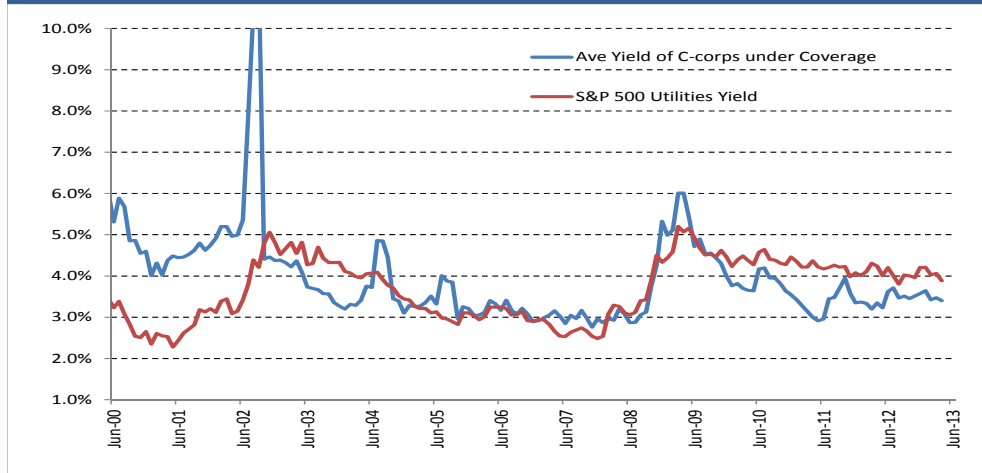


Source: Deutsche Bank, Bloomberg LP and Factset

Natural gas sector average of 270bps higher spread vs. S&P 500 in 2000-2005 period. The spread narrowed to 30bps in 2006-2007 and then rose to 110bps in the crisis years. The spread has been about 110bps since 2010

Current Discounted Yield Of 54bps vs. S&P Utilities

Figure 18: C-Corp vs. S&P Utilities



Source: Deutsche Bank, Bloomberg LP and Factset

Natural gas sector average of 60bps higher spread vs. S&P 500 Utilities group in 2000-2005 period. The spread reduced to minus 30bps in 2006-2007, and gain to minus 40bps in the crisis years. The spread average has been about minus 130bps since 2010.



Distribution Coverage Ratio

Figure 19: Distribution Coverage

Tickers	2011	1Q12	2Q12	3Q12	4Q12	2012	1Q13	2Q13e	3Q13e	4Q13e	2013e	2014e	
Big Diversified													
EEP	1.03	0.90	0.75	0.76	0.60	0.75	0.80	0.84	0.87	0.82	0.82	0.45	
EPD	1.85	3.01	1.60	1.32	1.54	1.86	1.51	1.45	1.52	1.49	1.49	1.48	
KMP	1.00	1.13	0.87	1.02	1.03	1.01	1.13	0.69	0.68	0.62	0.76	0.78	
OKS	1.67	1.76	1.28	1.34	1.04	1.34	0.81	1.01	1.01	0.94	0.94	0.89	
PAA	3.62	3.74	4.09	1.79	1.97	1.92	2.41	1.29	1.47	1.41	1.63	1.70	
WPZ	1.56	1.55	0.72	0.71	0.88	0.94	1.18	0.69	0.42	0.45	0.67	0.79	
Subgroup Average						1.30						1.05	1.01
Gathering & Processing													
WES	1.46	1.65	1.23	1.12	1.02	1.24	1.08	1.21	1.15	1.05	1.06	1.38	
NGLS	1.49	1.67	1.20	1.01	1.03	1.22	0.82	0.92	1.17	1.01	0.98	1.03	
DPM	1.11	1.51	0.51	0.59	1.32	0.97	1.25	0.94	0.87	1.17	1.09	1.21	
ACMP	1.22	1.38	1.33	1.29	0.98	1.23	1.41	1.33	1.48	1.84	1.52	1.43	
EQM	0.00	0.00	0.00	0.94	1.19	1.06	1.90	1.21	1.20	1.23	1.37	1.24	
Subgroup Average						1.14						1.21	1.26
Pipeline and NGLs													
BWP	0.95	1.14	1.16	0.79	1.14	1.06	1.23	1.01	0.84	1.17	1.06	1.06	
EPB	1.32	1.39	1.19	1.23	1.24	1.26	1.24	0.88	0.91	1.14	1.04	0.97	
SEP	1.10	1.29	0.99	1.04	0.93	1.06	1.23	0.94	0.92	0.89	0.97	1.91	
TCP	1.41	1.22	1.25	1.13	1.23	1.21	1.03	1.05	1.14	1.15	1.10	1.16	
Subgroup Average						1.15						1.05	1.27
Liquids Focused													
BPL	0.92	0.80	0.86	1.19	1.32	1.05	1.24	1.09	1.00	1.06	1.12	1.12	
MMP	1.27	1.32	1.26	0.92	1.58	1.27	1.08	1.16	1.19	1.42	1.19	1.01	
GEL	1.19	1.20	1.18	1.21	1.28	1.22	1.24	1.29	1.41	1.47	1.35	1.34	
NS	1.10	0.55	0.22	0.69	0.67	0.53	0.64	0.60	0.67	0.61	0.63	0.73	
RRMS	1.42	1.65	1.08	1.24	0.96	1.27	1.46	1.32	1.33	1.35	1.36	1.33	
Subgroup Average						1.07						1.13	1.10
E&P													
BBEP	1.33	1.31	1.24	1.19	0.64	1.07	0.68	0.87	1.24	1.25	1.02	1.43	
Overall Average						1.17						1.11	1.16

Source: Deutsche Bank, company data



Figure 20: DPU Q-o-Q comparison vs consensus

DPU	Actuals	DB Estimate	Consensus
	2Q12	2Q13E	2Q13E
ACMP.N	0.42	0.49	0.49
BBEP.OQ	0.46	0.48	0.48
BPL.N	1.04	1.06	1.06
BWP.N	0.53	0.53	0.53
DPM.N	0.67	0.71	0.71
EEP.N	0.54	0.55	0.55
EQM.N	0.00	0.39	0.39
EPB.N	0.55	0.63	0.63
EPD.N	0.64	0.68	0.68
GEL.N	0.46	0.50	0.51
KMP.N	1.23	1.32	1.32
MMP.N	0.47	0.52	0.52
NGLS.N	0.64	0.71	0.72
NS.N	1.10	1.10	1.10
NSH.N	0.51	0.55	0.55
OKS.N	0.66	0.72	0.72
PAA.N	0.53	0.59	0.59
RRMS.N	0.38	0.44	0.44
SEP.N	0.49	0.51	0.51
TCP.N	0.78	0.80	0.80
WES.N	0.48	0.56	0.56
WPZ.N	0.79	0.86	0.86

Source: Deutsche Bank, Company data, Bloomberg Finance LP

Figure 21: DPU annual estimates DB vs Consensus

DPU	DB Estimate			Consensus	
	2012	2013E	2014E	2013E	2014E
ACMP.N	1.71	1.97	2.25	1.97	2.27
BBEP.OQ	1.85	1.93	2.03	1.92	2.00
BPL.N	4.15	4.28	4.48	4.25	4.39
BWP.N	2.13	2.13	2.17	2.13	2.16
DPM.N	2.70	2.86	3.02	2.86	3.08
EEP.N	2.16	2.22	2.30	2.20	2.26
EQM.N	0.70	1.60	1.87	1.57	1.86
EPB.N	2.25	2.54	2.73	2.55	2.70
EPD.N	2.57	2.74	2.90	2.74	2.93
GEL.N	1.87	1.99	2.14	2.06	2.27
KMP.N	4.98	5.28	5.51	5.29	5.59
MMP.N	1.88	2.09	2.30	2.09	2.32
NGLS.N	2.61	2.88	3.07	2.89	3.17
NS.N	4.38	4.40	4.40	4.38	4.39
NSH.N	2.11	2.18	2.22	2.18	2.23
OKS.N	2.69	2.89	3.12	2.89	3.11
PAA.N	2.16	2.38	2.57	2.37	2.61
RRMS.N	1.55	1.78	1.94	1.76	2.03
SEP.N	1.95	2.06	2.32	2.04	2.19
TCP.N	3.11	3.24	3.38	3.17	3.25
WES.N	1.96	2.28	2.65	2.28	2.66
WPZ.N	3.21	3.48	3.72	3.49	3.75

Source: Deutsche Bank, Company data, Bloomberg Finance LP

Figure 22: DPU 2Q13 estimate DB Old vs New

DPU	DB estimate - 2Q13e		Change
	New	Old	
ACMP.N	0.49	0.49	-
BBEP.OQ	0.48	0.48	-
BPL.N	1.06	1.06	-
BWP.N	0.53	0.53	-
DPM.N	0.71	0.71	-
EEP.N	0.55	0.55	-
EQM.N	0.39	0.38	2.6%
EPB.N	0.63	0.63	-
EPD.N	0.68	0.68	-
GEL.N	0.50	0.50	-1%
KMP.N	1.32	1.32	-
MMP.N	0.52	0.52	0%
NGLS.N	0.71	0.71	0.4%
NS.N	1.10	1.10	0%
NSH.N	0.55	0.56	-1.8%
OKS.N	0.72	0.72	-
PAA.N	0.59	0.59	0.4%
RRMS.N	0.44	0.42	4%
SEP.N	0.51	0.51	0.7%
TCP.N	0.80	0.80	-
WES.N	0.56	0.56	-
WPZ.N	0.86	0.86	-

Source: Deutsche Bank, Company data

Figure 23: DPU annual estimates DB Old vs New

DPU	New DB estimate		Old DB estimate	
	2013E	2014E	2013E	2014E
ACMP.N	1.97	2.25	1.97	2.25
BBEP.OQ	1.93	2.03	1.93	2.03
BPL.N	4.28	4.48	4.28	4.48
BWP.N	2.13	2.17	2.13	2.17
DPM.N	2.86	3.02	2.86	3.02
EEP.N	2.22	2.30	2.22	2.30
EQM.N	1.60	1.87	1.54	1.70
EPB.N	2.54	2.73	2.54	2.73
EPD.N	2.74	2.90	2.74	2.90
GEL.N	1.99	2.14	2.04	2.16
KMP.N	5.28	5.51	5.28	5.51
MMP.N	2.09	2.30	1.05	2.30
NGLS.N	2.88	3.07	2.88	3.07
NS.N	4.40	4.40	4.38	4.38
NSH.N	2.18	2.22	2.22	2.26
OKS.N	2.89	3.12	2.89	3.12
PAA.N	2.38	2.57	2.38	2.57
RRMS.N	1.78	1.94	1.71	1.87
SEP.N	2.06	2.32	2.04	2.12
TCP.N	3.24	3.38	3.18	3.26
WES.N	2.28	2.65	2.28	2.65
WPZ.N	3.48	3.72	3.48	3.72

Source: Deutsche Bank, Company data



Commodities Outlook

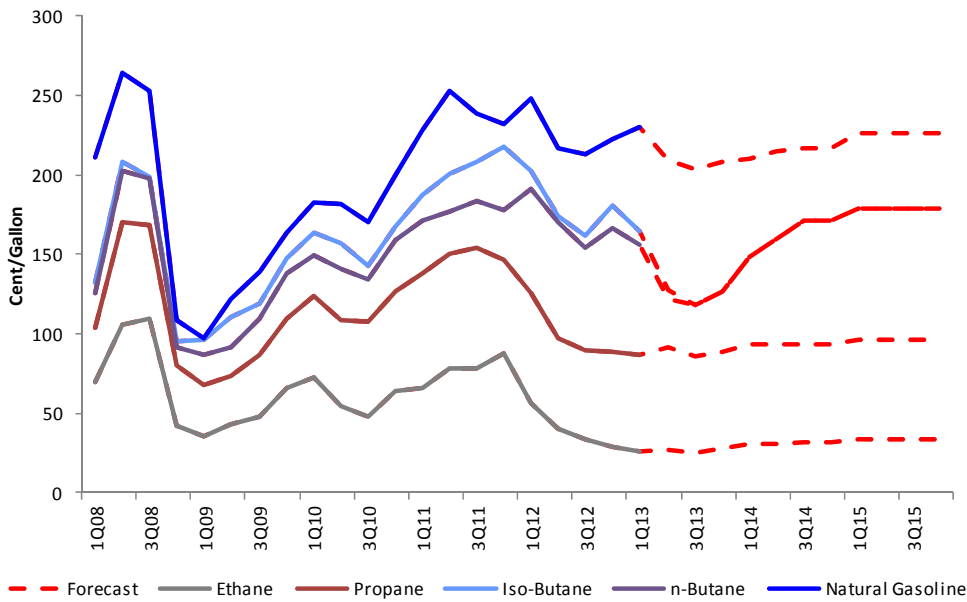
Figure 24: DB Commodities price forecast

Year	WTI (USD/bbl)	Brent (USD/bbl)	WTI- Brent Spread (USD/bbl)	Nymex Gas (USD/mm Btu)	WTI/Gas Ratio	y-o-y WTI	y-o-y US Gas	NGL Price (USD/Bbl)	NGL Frac Spread (USD/Bbl)	NGL Frac Spread (Cents/Gal)
2000	30.26	28.53		4.32				N/A	N/A	
2001	25.95	24.86		4.05				N/A	N/A	
2002	26.15	25.03		3.37				N/A	N/A	
2003	30.99	28.48		5.49				N/A	N/A	
2004	41.48	38.04		6.18				32.03	10.28	24
2005	56.70	55.25		9.02				37.45	5.16	12
2006	66.25	66.11		6.98	9.5	17%	-23%	41.18	16.85	40
2007	72.36	72.66		7.12	10.2	9%	2%	48.80	23.57	56
2008	99.65	98.52	1.59	8.87	11.2	38%	25%	57.63	25.63	61
2009	62.09	62.67	-0.58	4.16	14.9	-38%	-53%	34.51	20.28	48
2010	79.61	80.34	-0.73	4.38	18.2	28%	5%	46.75	30.94	74
2011	95.14	110.91	-15.77	4.03	23.6	20%	-8%	59.37	44.84	107
Q1 2012A	102.93	118.35	-15.42	2.51	41.0	9%	-40%	54.71	45.87	109
Q2 2012A	94.24	110.18	-15.94	2.35	40.1	-8%	-46%	44.95	36.68	87
Q3 2012A	92.22	109.48	-17.26	2.90	31.8	3%	-28%	41.28	30.88	74
Q4 2012A	88.18	110.08	-21.90	3.54	24.9	-6%	2%	42.17	29.88	71
2012	94.39	112.02	-17.63	2.83	33.4	-1%	-30%	45.78	35.83	85
Q1 2013A	94.37	112.64	-18.27	3.48	27.1	-8%	39%	40.99	28.35	68
Q2 2013A	94.00	103.00	-9.00	4.00	23.5	0%	70%	38.14	23.60	56
Q3 2013E	95.00	105.00	-10.00	3.80	25.0	3%	31%	36.11	22.37	53
Q4 2013E	97.00	107.00	-10.00	4.00	24.3	10%	13%	37.82	23.35	56
2013E	95.09	106.91	-11.82	3.82	24.9	1%	35%	38.26	24.42	58
Q1 2014E	98.00	107.00	-9.00	4.30	22.8	4%	24%	41.26	25.72	61
Q2 2014E	97.00	106.00	-9.00	4.15	23.4	3%	4%	41.90	26.90	64
Q3 2014E	94.00	107.00	-13.00	4.20	22.4	-1%	11%	42.23	27.04	64
Q4 2014E	95.00	108.00	-13.00	4.35	21.8	-2%	9%	42.85	27.12	65
2014E	96.00	107.00	-11.00	4.25	22.6	1%	11%	42.06	26.69	64
2015E	92.00	105.00	-13.00	4.50	20.4	-4%	6%	42.40	26.13	62

Source: Bloomberg Finance LP, Deutsche Bank, and CMAI

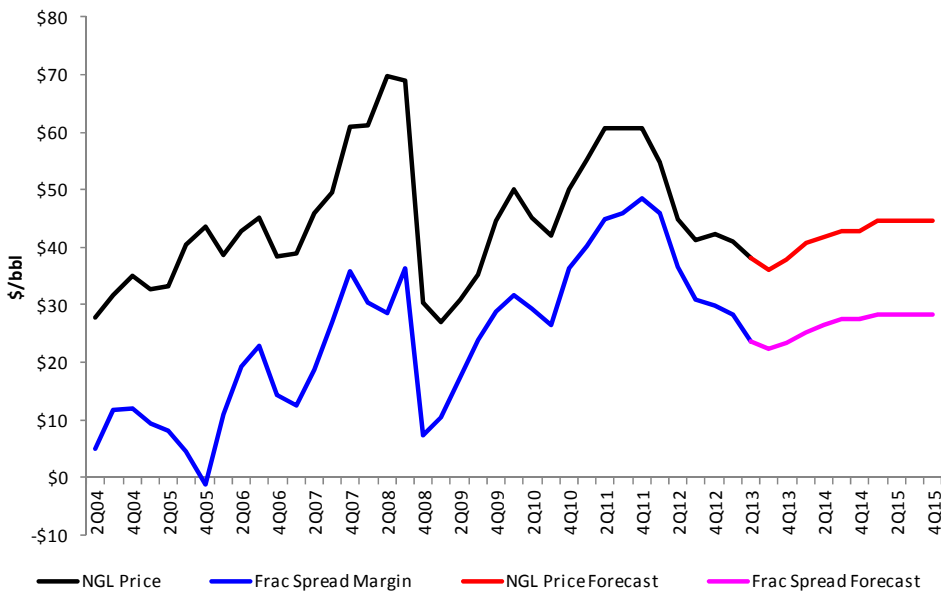


Figure 25: NGL Price forecast (cent/gallon)



Source: Deutsche Bank, Bloomberg Finance LP

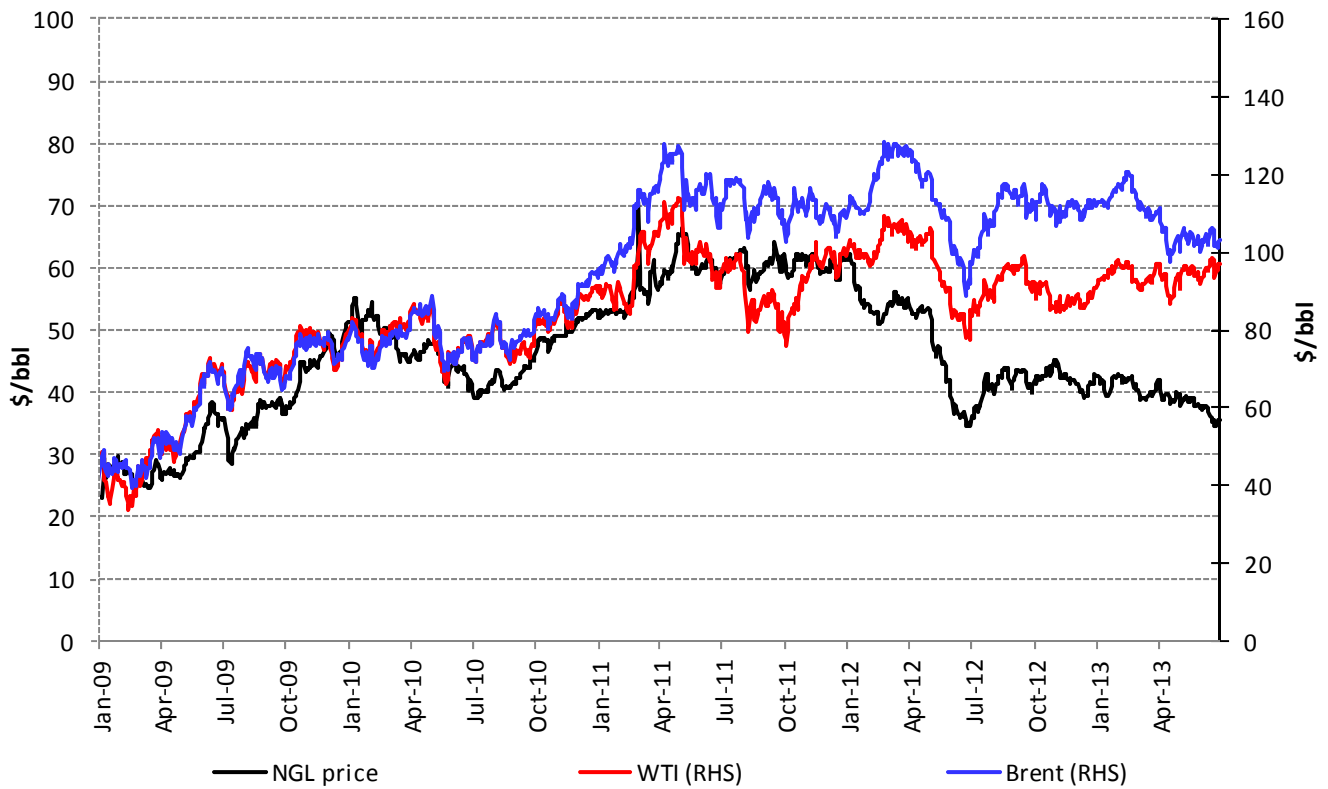
Figure 26: NGL Price and Frac Spread Margin Forecast (\$/bbl)



Source: Deutsche Bank, Bloomberg Finance LP



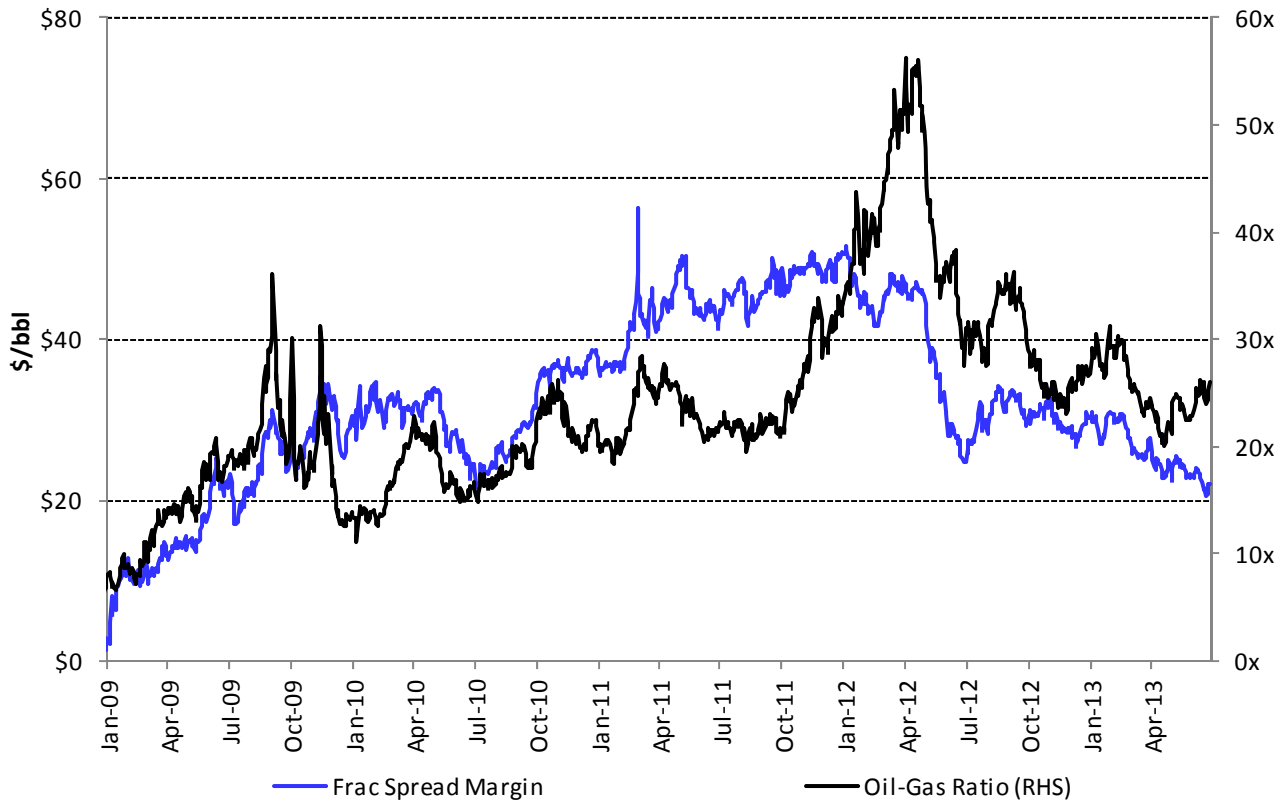
Figure 27: NGL Price (\$/bbl) vs Crude oil Prices (\$/bbl)



Source: Deutsche Bank, Bloomberg Finance LP



Figure 28: Frac Spread Margin vs Oil-Gas ratio



Source: Deutsche Bank, Bloomberg Finance LP



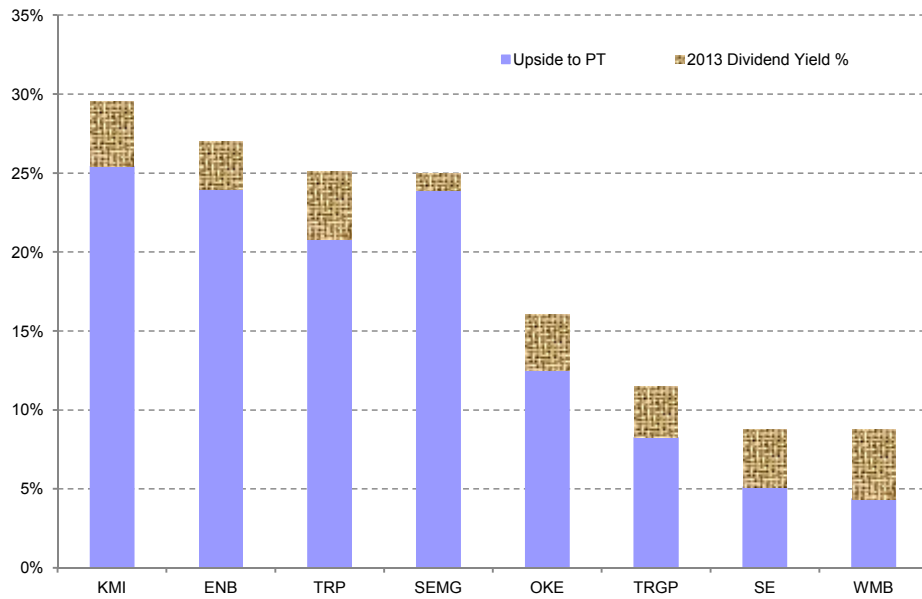
Figure 29: Summary of SoTP valuations and PT

Tickers	Segment	Value (US\$/sh)	Current Target Price (US\$/sh)	Current Share Price (US\$/sh)	New PT upside To share price	Recommendation
ENB.N	Liquids Pipeline	34.68	52.00	42.07	24%	Buy
	Gas Distribution	6.29				
	Gas Pipelines, Processing and Energy Services	7.81				
	EEP	8.51				
	Other sponsored investments	4.15				
	Corporate and others	(9.26)				
KMI.N	KMP	49.95	48.00	38.15	25%	Buy
	EPB	8.29				
	EP Pipelines ex EPB	(2.88)				
	Corporate expenses and others	(7.63)				
SEMG.N	SemCrude	22.90	66.00	53.86	24%	Buy
	SemStream	8.16				
	SemGas	4.90				
	SemCAMS	7.66				
	RRMS	14.48				
	Others	(1.25)				
	Corporate expenses and others	9.58				
SEN	Distribution	6.45	36.00	34.46	5%	Buy
	Western Canada Transmission and Processing	(0.33)				
	Liquids	0.81				
	SEP	24.97				
	Field Services - DCP Midstream	8.02				
	Corporate expenses and others	(3.99)				
OKE.N	Distribution	10.28	47.00	41.31	12%	Hold
	Energy Services	0.19				
	OKS	46.24				
	Corporate expenses and others	(9.53)				
TRGP.N	NGLS (Based on Discounted Cashflow)	70.00	70.00	64.33	8%	Hold
TRP.N	Natural gas Pipeline	18.03	52.00	43.11	21%	Hold
	Oil Pipeline	19.72				
	Power Distribution	18.38				
	Natural Gas Storage	0.82				
	TCP	1.80				
	Corporate and others	(6.59)				
WMB.N	Midstream Canada & Olefins	1.40	34.00	32.47	4%	Hold
	Williams Partners	35.10				
	ACM LP & GP	2.24				
	Corporate expenses and others	(4.36)				

Source: Deutsche Bank estimates



Figure 30: Upside potential to Price target



Source: Deutsche Bank estimates



Figure 31: PT Table as of June 28, 2013 (MLP)

Ticker	Cost of Equity	Discount/(Premium) for			Adjusted Cost of Equity	Current Target Price	Current Share Price	PT upside To share price	Recommendation
		GP split	Business risk	Parent Quality					
EPD	8.0%	-1.0%	0.0%	0.0%	7.0%	70.00	62.15	13%	BUY
KMP	7.3%	1.0%	0.0%	0.0%	8.3%	102.00	85.40	19%	BUY
KMR	7.0%	1.0%	0.5%	0.0%	8.5%	99.00	83.59	18%	BUY
RRMS	7.4%	0.0%	0.5%	0.0%	7.9%	44.00	36.62	20%	BUY
WES	6.7%	1.0%	0.0%	0.0%	7.7%	70.00	64.89	8%	BUY
ACMP	8.1%	0.5%	0.0%	0.0%	8.6%	57.00	47.70	19%	BUY
PAA	6.0%	1.0%	0.0%	0.0%	7.0%	66.00	55.81	18%	BUY
BBEP	8.7%	0.0%	3.0%	0.0%	11.7%	22.00	18.25	21%	HOLD
BPL	9.4%	0.0%	0.0%	0.0%	9.4%	70.00	70.16	0%	HOLD
BWP	7.8%	0.8%	0.0%	0.0%	8.5%	31.00	30.20	3%	HOLD
DPM	8.2%	1.0%	0.0%	0.0%	9.2%	50.00	54.10	-8%	HOLD
EEP	8.4%	1.0%	0.0%	0.0%	9.4%	32.00	30.49	5%	HOLD
EQM	8.1%	0.0%	0.0%	0.0%	8.1%	40.00	48.85	-18%	HOLD
EPB	7.6%	1.0%	0.0%	0.0%	8.6%	45.00	43.67	3%	HOLD
GEL	7.7%	-1.0%	1.0%	0.0%	7.7%	46.00	51.83	-11%	HOLD
MMP	8.1%	-1.0%	0.0%	0.0%	7.1%	55.00	54.50	1%	HOLD
NGLS	8.1%	1.0%	0.0%	0.0%	9.1%	48.00	50.45	-5%	HOLD
NS	7.2%	1.0%	2.0%	0.0%	10.2%	55.00	45.65	20%	HOLD
OKS	6.9%	1.0%	0.0%	0.0%	7.9%	55.00	49.52	11%	HOLD
SEP	6.7%	1.0%	0.0%	0.0%	7.7%	40.00	46.00	-13%	HOLD
TCP	6.9%	0.0%	2.0%	0.0%	8.9%	50.00	48.28	4%	HOLD
WPZ	9.2%	1.0%	0.0%	0.0%	10.2%	50.00	51.60	-3%	HOLD
NSH	7.8%	0.0%	2.0%	0.0%	9.8%	34.00	26.73	27%	HOLD
WGP	6.6%	0.0%	0.0%	0.0%	6.6%	43.00	41.17	4%	HOLD

Source: Deutsche Bank and Factset



Appendix 1

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Notes:

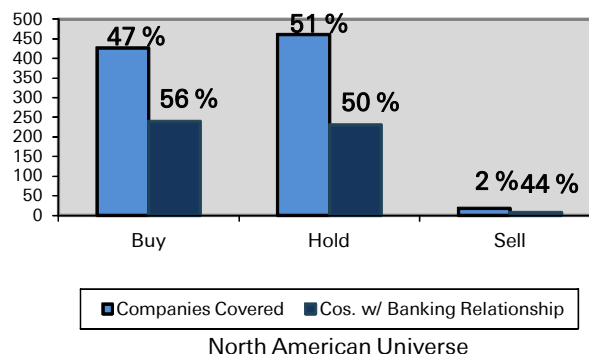
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