

Americas: Pipelines and MLPs

Equity Research

Pipeline/MLPs Essentials: 2014 a “stock pickers market” so far

Performance highlights, news flow and investor sentiment

The Alerian MLP Index outperformed the S&P 500 by 136 bp last week. Buy-rated SXL (+8.0%) was a notable outperformer hitting a new 52-week high. KMI (+3.2%) recovered off a recent 52-week low following an announcement that it would proceed with a \$1b project to expand its CO2 network. Among notable underperformers, RGP (-3.3%) was down in the week following the close of the PVR acquisition, while LNCO (-3.1%) and LINE (-1.8%) declined on continued bearishness around lack of 2014 distribution growth. Feedback from our Cheniere report of March 26, *LNG: A rare opportunity to invest in a US energy export pure play*, was that investors remain bullish on US LNG exports and continue to prefer to play the theme through LNG vs. CQP/CQH. Questions remain focused on the probability of Corpus Christi being developed and the timing of commercial offtake agreement announcements. There was also increased interest on a potential CLMT “mean-reversion” trade on the back of its debt recap and acquisition announcements on Wednesday. However, concerns over asphalt underperformance persist. On 4/2, EEP/MEP will host an analyst day in NY where we look for dropdown and distribution growth commentary.

1Q14 in the rear view mirror – a “stockpickers market” so far

The AMZ underperformed the S&P 500 by 63bps on a price performance basis QTD, likely on interest rate concerns and weakness from index large caps KMP (-9%) and ETP (-6%). Thus far, 2014 has been a “stockpickers market,” with 44% separating the top (LNG, +27%) and bottom (EPB, -17%) performers. Among the Kinder family, KMI (-11%) and EPB lagged due to slower than expected dividend growth guidance. Within our coverage, General Partner (GP) stocks outperformed in 1Q, including LNG and WGP (22%). LNG investors remain bullish on its Corpus Christi project and we look for positive commentary at its April 7 Analyst Day. WGP’s upward momentum accelerated following a larger than expected drop-down from APC to WES, strong earnings and bullish 2014 guidance. Upstream MLPs underperformed, highlighted by LNCO (-11%) on distribution growth concerns. Severe winter weather adversely impacted volumes for Texas- and Oklahoma-exposed G&P companies. Finally, drop-downs were another popular theme during 1Q14 earnings with DKL, DPM, SMLP and WES announcing transactions – all but DPM outperformed in 1Q.

We update estimates and targets for LINE/LNCO.

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TABLE OF CONTENTS

Earnings Summary – pg 2
Important sector news and developments – pg 3
Total return/yield recommendations – pg 4
Sector price performance – pg 5
Natural gas liquids (NGLs) data points – pg 6
Diversified Pipelines valuation overview – pg 7
Local Distribution Cos (LDCs) valuation overview – pg 7
Energy MLPs valuation overview – pg 8 & 9
Upcoming events – pg 10
Company-specific risks – pg 11 & 12

RELATED RESEARCH

Americas: Pipelines and MLPs: *NGL supply surge driving demand solutions, Buy EPD and TRGP* (Mar 28, 2014)
Calumet Specialty Products Partners (CLMT): *Diversifies into higher growth drilling fluid business* (Mar 27, 2014)
Pipelines and MLPs: *LNG: A rare opportunity to invest in a US energy export pure play* (Mar 26, 2014)
Pipelines and MLPs: *Updating estimates for Devon Midstream combination, earnings* (Mar 25, 2014)
Americas: Pipelines/MLPs Essentials: *Southeast investor meeting highlights* (Mar 24, 2014)
Enterprise Product Partners (EPD): *Investor conference highlights diversification, stability and growth* (Mar 19, 2014)
Americas: Pipelines/MLP Essentials: *Feedback on NS/NSH/DKL rating changes* (Mar 17, 2014)
Americas: Pipelines and MLPs: *PAGP/PAA: North American midstream outlook* (Mar 17, 2014)
Americas: Pipelines & MLPs: *NuStar rising, upgrade NS/NSH to Buy; downgrade DKL to Neutral* (Mar 14, 2014)
Memorial Production Partners (MEMPP): *Initiate with Neutral; high upfront yield but uncertain growth visibility* (Mar 14, 2014)
Summit Midstream Partners (SMLP): *Solid 4Q13, dropdown announcement improves growth visibility* (Mar 11, 2014)
Americas: Pipelines and MLPs: *Bullish on crude oil midstream demand* (Mar 10, 2014)
Pipelines and MLPs: *Screening for potential distribution cuts across MLPs* (Feb 26, 2014)

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Earnings Summary

Lack of accretion, uncertainty over Permian acreage keep us Neutral LINE/LNCO

We update estimates for **Linn Energy (LINE/LNCO, Neutral)** following its 4Q13 report and 10-K review. LINE reported adjusted EPU of \$0.28 versus GS/consensus of \$0.09/\$0.26. Key variances to our estimate were higher volumes (+2%) and realized prices, partly offset by higher operating expenses. We increase our 2014 DCF/unit estimate by 3%, but decrease our 2015/2016 DCF/un estimates by 6%/20% as we adjust our model for the recently closed Berry acquisition.

LINE/LNCO completed a tough 2013 with a solid quarter, but issued weaker-than-expected 2014 guidance which implies a flat distribution and 1.01x coverage. We believe the lack of accretion from the Berry acquisition will weigh on the stock and could call into question future M&A accretion. On balance, we view positively the addition of the Berry assets from a commodity perspective, as they increase Linn's exposure to higher margin oil and NGL production. We would prefer Linn increase its oil hedges for 2015+ to match its oilier mix and lock in cash flows, although acknowledge backwardation of the crude curve makes this less attractive.

Going forward, we believe the key catalyst for units/shares remains the result of Linn's stated plan to review strategic alternatives for the Midland basin portion of its Permian position, including a trade, "like-kind-exchange," or development. Linn owns 55k net acres with 17k boe/d of production in the Midland, which bulls argue could fetch a valuation up to \$20k/acre based on recent industry transactions. If Linn could redeploy proceeds from such a sale into a lower-growth, lower-decline rate asset, it could add significant DCF accretion and reduce its consolidated decline rate, which currently sits near 25% annually. However, we note that Linn's acreage position is not contiguous, and does not all match the areas of heavy industry activity and premier well economics, and valuation for its acreage remains highly uncertain. Our model does not assume a Permian asset sale/trade.

We decrease our 12-month yield-based targets by \$3/\$4 to \$31/\$31 for LINE/LNCO, respectively, driven by our lower estimates and expectation of flat 2014 distribution growth. Our target prices assume LINE/LNCO trade to a 9.25% yield, versus LINE's 1/3/5-year average of 9.6%/8.1%/8.8%.

Upside risks to our rating and target price are higher commodity prices/volumes. Downside risks include lower commodity prices/volumes.

Exhibit 1: Linn Energy (LINE)/LinnCo (LNCO) estimate revision table

EPU/EPS/DCF/Distribution/Dividend in \$ per unit/share, Capex/Acquisitions/Equity Issue in millions of \$

LINE	1Q14E	2Q14E	3Q14E	4Q14E	2014E		2015E		2016E		2017E	
					New	Old	New	Old	New	Old	New	Old
EPU	\$0.44	\$0.39	\$0.35	\$0.38	\$1.55	\$0.90	\$1.60	\$1.00	\$1.15	\$0.90	\$1.00	\$1.20
DCF	0.81	0.75	0.69	0.74	3.00	2.90	2.55	2.70	2.00	2.50	1.75	2.55
Distribution	0.73	0.73	0.73	0.73	2.90	2.94	2.96	3.00	3.02	3.06	3.08	3.12
EBITDA	584	588	572	608	2,352	1,669	2,541	1,780	2,572	1,930	2,669	2,131
Coverage	--	--	--	--	1.03x	0.99x	0.86x	0.90x	0.66x	0.82x	0.57x	0.82x
Coverage (company def.)	--	--	--	--	1.00x	1.22x	0.83x	1.11x	0.64x	0.98x	0.54x	0.92x
Capex	367	383	398	398	1,546	794	1,489	860	1,490	928	1,490	928
Acquisitions	0	550	0	550	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100
Equity Issue	0	250	0	300	550	550	550	550	550	550	500	500

LNCO	1Q14E	2Q14E	3Q14E	4Q14E	2014E		2015E		2016E		2016E	
					New	Old	New	Old	New	Old	New	Old
Dividend	0.72	0.72	0.72	0.72	2.88	2.88	2.94	2.94	3.00	3.00	3.06	3.06
Equity Issue	0	0	0	0	0	0	0	0	0	0	0	0

Source: Goldman Sachs Global Investment Research

Important sector news and developments

- **Kinder Morgan Energy Partners (KMP, Neutral rated, 12-month target price \$96, last close \$73.56)** announced plans to invest \$1bn in its CO₂ network. Kinder will build and operate a 213 mile, 16-inch diameter carbon dioxide (CO₂) pipeline (Lobos Pipeline) with 300 mmcf/d of initial capacity and an expected 3Q16 in service date. KMP plans to invest \$300mn on the pipeline and \$700mn in field gathering, treatment, and compression facilities at its St. Johns field.
- **Memorial Production Partners (MEMP, Neutral rated, 12-month target price \$24, last close \$22.54)** announced a \$173mn acquisition in the Eagle Ford area and increased its 2014 financial guidance. MEMP increased its EBITDA guidance by \$5mn, production guidance by 8%, and maintenance capex by \$3mn but maintained its DCF guidance.
- **Regency Energy Partners (RGP, Neutral rated, 12-month target price \$27, last close \$26.47)** filed for a common units offering of up to \$400mn.
- **Calumet Specialty Products Partners (CLMT, Neutral rated, 12 month target price \$30, last close \$25.43)** acquired Anchor Drilling Fluids USA for \$235mn in cash. The deal was financed by a new debt offering. CLMT will also use the debt offering to call the high cost debt maturing in 2019.
- **Williams Partners (WPZ, Neutral rated, 12-month target price \$54, last close \$50.06)** reported key construction milestones and progress on a tieback expansion for its Gulfstar FPS (Floating Production System). Once operational, the Gulfstar's base design will produce up to 60,000 barrels of oil per day and 135 million standard cubic feet of gas per day with additional tieback capacity. Gulfstar is on schedule to start serving anchor customers in the third quarter of 2014 and Gunflint in 2016
- BG Group (BG.L, covered by Michele della Vigna) announced that Trunkline LNG Company, LLC, and Trunkline LNG Export, LLC, each a wholly-owned subsidiary of Energy Transfer Equity (ETE, Not Covered) and **Energy Transfer Partners (ETP, Neutral rated, 12-month target price \$60, last close \$53.34)** have filed an application with the Federal Energy Regulatory Commission (FERC) seeking the Commission's authorization for the siting, construction, ownership and operation of the proposed Lake Charles LNG Export project. BG Group is responsible for the offtake and will operate the proposed facility after completion.

Exhibit 2: Total Return and Yield-focused recommendation

Total Return-Focused Recommendations					
For investors focused on a combination of yield and unit/stock price upside through distribution/dividend growth and attractive relative valuation. These names constitute our top picks, and are most closely aligned with our ratings.					
Ticker	Rating	12-month Target Price	Unit/Stock Upside	Yield	Total Return
KMI	Buy	\$44	37%	5%	42%
KMP	Neutral	\$96	30%	7%	38%
KMR	Neutral	\$92	29%	8%	37%
CLMT	Neutral	\$30	18%	11%	29%
DPM	Buy	\$59	19%	6%	25%
MEP	Buy	\$24	19%	6%	25%
Group average			25%	7%	33%
Universe avg			9%	6%	15%

Yield-Focused Recommendations					
For investors focused primarily on yield and return through cash distributions. We believe these names offer the lowest risk among MLPs with an above-average yield.					
MLP	Rating	Yield	12-month Target Price	Unit Upside	Total Return
NDRO	Buy	13.5%	\$15	19%	32%
QRE	Neutral	10.8%	\$18	0%	11%
CLMT	Neutral	10.8%	\$30	18%	29%
LNCO	Neutral	10.6%	\$31	13%	24%
LINE	Neutral	10.2%	\$31	9%	19%
MEMP	Neutral	9.8%	\$24	7%	17%
Group average		10.9%		11.0%	22%
Energy MLPs avg (ex-GPs)		7.1%		8.6%	16%

Target Prices

- Energy MLP Methodology: Based on our 12-month distribution growth estimate and MLP-specific normalized yield
- Diversified Pipelines Methodology: EV-to-EBITDA cash flow analysis

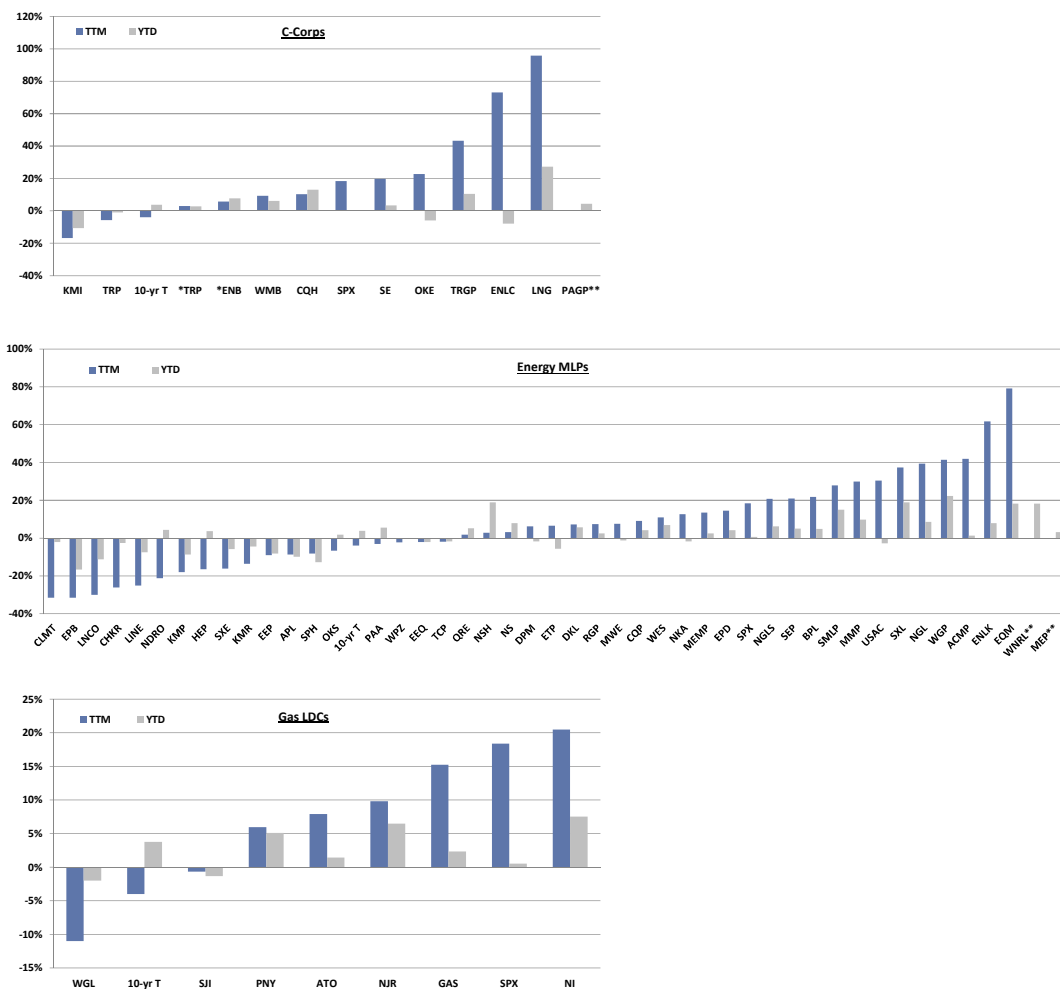
Risks

- Energy MLPs: Access to capital markets and interest rate changes
- GP-focused MLPs: higher/lower-than-expected distribution growth at the underlying MLP would positively/negatively impact GP distribution growth and its valuation

Source: Goldman Sachs Global Investment Research.

Sector price performance

Exhibit 3: Stock price performance by sector



* Prices in Canadian dollars

**PAGP, WNRL, and MEP IPO less than 12-months

Source: FactSet.

Exhibit 4: Alerian MLP Index returns, by month

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
2007	3.9%	2.2%	4.7%	5.5%	-0.9%	0.7%	-1.7%	-6.4%	-3.1%	5.8%	-4.6%	0.8%
2008	-1.5%	-1.1%	-6.3%	6.7%	0.0%	-4.9%	-2.6%	0.8%	-17.2%	-1.3%	-18.0%	-3.7%
2009	14.0%	-5.4%	0.6%	9.9%	8.0%	-1.7%	11.3%	-4.1%	4.8%	1.8%	5.4%	6.6%
2010	-0.2%	3.7%	2.9%	2.5%	-6.2%	5.6%	6.7%	-3.3%	6.1%	4.5%	1.2%	1.7%
2011	2.5%	2.6%	0.5%	2.6%	-5.7%	1.1%	-2.6%	-1.9%	-4.2%	9.6%	-1.1%	5.7%
2012	1.3%	3.3%	-4.0%	1.7%	-8.3%	3.3%	4.5%	0.6%	2.0%	-0.1%	-1.6%	-3.1%
2013	11.9%	0.1%	5.4%	0.4%	-2.9%	3.1%	-1.2%	-3.2%	2.3%	0.9%	0.2%	1.6%
2014	7.7%	-0.9%	0.3%									
Avg	4.2%	-0.5%	0.5%	2.6%	-1.1%	0.8%	2.4%	-0.4%	0.2%	1.3%	-1.5%	1.4%

Source: FactSet

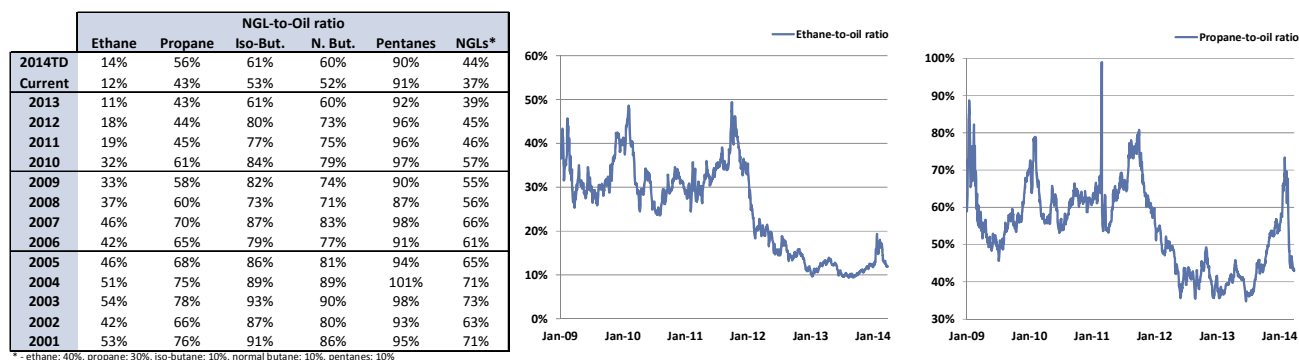
Natural gas liquids (NGLs) data points

Exhibit 5: Natural gas liquids (NGLs) fractionation margins



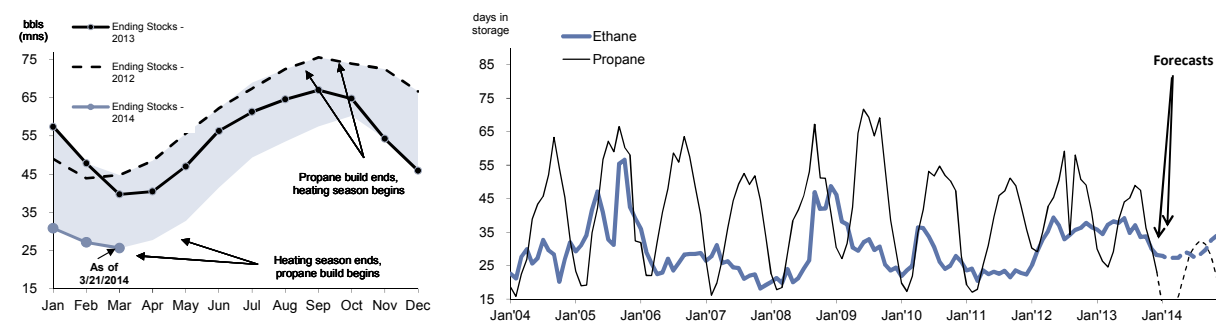
Source: Goldman Sachs Global Investment Research, Bloomberg.

Exhibit 6: Natural Gas liquids (NGLs)-to-Oil ratio



Source: Goldman Sachs Global Investment Research, Bloomberg.

Exhibit 7: Propane inventories, and Ethane-Propane days in storage



Source: Goldman Sachs Global Investment Research, Bloomberg.

Exhibit 8: C-Corp valuation overview

Company	Ticker	Rating	Close 03/28/14	12-mth Target Price	Total Return Potential	Annual Dividend	Current Yield	Market Cap (\$mn)	Ent. Value (\$mn)	Earnings Per Share (EPS)							Price to Earnings (P/E)					
										2012A	2013E	2014E	2015E	2016E	2017E	5-yr CAGR	2012A	2013E	2014E	2015E	2016E	2017E
Cheniere Energy Partners LP Holdings LLC	CQH	Buy	21.21	\$26	22.9%	\$0.07	0.3%	\$4,921	\$4,921	--	(\$0.00)	\$0.08	\$0.08	\$0.08	\$1.10	NM	--	NM	NM	NM	NM	NM
Enbridge Inc. ¹	ENB.TO	Buy	50.03	\$56	14.7%	1.40	2.8%	41,325	66,449	1.59	1.76	1.95	2.40	3.00	3.55	17.4%	31.4	28.5	25.7	20.8	16.7	14.1
Enbridge Inc. (ADR)	ENB**	Buy	45.29	\$52	17.6%	1.25	2.8%	41,325	66,449	1.59	1.76	1.95	2.40	3.00	3.55	17.4%	31.4	28.5	25.7	20.8	16.7	14.1
Cheniere Energy Inc.	LNG	Buy	54.87	\$65	18.5%	--	--	12,161	17,776	(0.92)	(1.45)	(0.76)	(0.58)	1.59	2.19	NM	NM	NM	NM	NM	34.5	25.1
Kinder Morgan Inc.	KMI	Buy	32.14	\$44	42.0%	1.64	5.1%	33,265	44,100	1.18	0.61	1.80	1.70	1.80	1.92	10.3%	27.3	52.9	17.9	18.9	17.9	16.7
ONEOK Inc.	OKE	Neutral	58.49	\$59	3.5%	1.52	2.6%	12,315	14,578	1.66	1.76	1.77	1.91	2.17	2.39	7.6%	35.3	33.2	33.0	30.6	27.0	24.4
Plains GP Holdings	PAGP**	Buy	27.92	\$33	20.5%	0.64	2.3%	18,148	25,463	0.38	0.10	0.43	0.53	0.68	0.82	16.6%	73.2	73.2	284.4	65.6	52.5	40.9
Spectra Energy Corp.	SE	Neutral	36.82	\$36	1.1%	1.22	3.3%	24,743	34,184	1.43	1.64	1.40	1.45	1.50	1.54	1.5%	25.7	22.4	26.4	25.4	24.5	23.9
Targa Resources Corp.	TRGP	Buy	97.46	\$109	14.3%	2.43	2.5%	4,103	4,178	1.20	1.72	2.19	3.15	3.86	3.82	26.0%	81.2	56.8	44.5	30.9	25.2	25.5
TransCanada Corp. ¹	TRP.TO	Neutral	49.92	\$50	4.0%	1.92	3.8%	35,343	60,936	1.92	2.24	2.50	2.55	2.60	2.75	7.5%	26.0	22.3	20.0	19.6	19.2	18.2
TransCanada Corp. (ADR)	TRP	Neutral	45.16	\$46	5.7%	1.72	3.8%	35,343	60,936	1.92	2.24	2.50	2.55	2.60	2.75	7.5%	23.5	20.2	18.1	17.7	17.4	16.4
The Williams Companies	WMB	Buy	40.92	\$46	16.1%	1.52	3.7%	28,141	30,302	1.11	0.82	1.15	1.45	1.60	1.80	10.1%	36.8	50.1	35.7	28.3	25.6	22.7
EnLink Midstream LLC	ENLC	Neutral	33.34	\$39	18.8%	0.60	1.8%	1,592	2,791	(0.26)	0.93	0.07	0.36	0.44	0.54	NM	NM	NM	NM	91.9	76.0	62.2
Pipelines - Average					14.4%		3.1%									12.2%	39.2	36.6	53.1	33.7	29.0	25.4

		Total Return		Last Q	2014E	2014E	EBITDA								5-yr CAGR	EV/EBITDA						
Company	Ticker	YTD	Trailing 12-mths	Debt/ Cap	EBITDA/ Int exp	Debt/ EBITDA	Debt Rating S&P	Moody's	2012A	2013E	2014E	2015E	2016E	2017E		2012A	2013E	2014E	2015E	2016E	2017E	
Cheniere Energy Partners LP Holdings LLC	CQH	13.2%	--	--	NA	0.0	--	--	--	(\$0.5)	\$18.2	\$18.2	\$18.2	\$254.2	--	--	(9,112.4)	271.1	271.1	271.1	19.4	
Enbridge Inc.	ENB	8.6%	8.5%	--	65.7%	3.7	A-	Baa1	3,424	3,874	5,033	5,978	6,812	7,514	17.0%	19.4	17.2	13.2	11.1	9.8	8.8	
Enbridge Inc. (ADR)	ENB**	4.4%	0.0%	--	65.7%	3.7	A-	Baa1	3,424	3,874	5,033	5,978	6,812	7,514	17.0%	19.4	17.2	13.2	11.1	9.8	8.8	
Cheniere Energy Inc.	LNG	27.2%	96.0%	--	352.6%	15.9	B+	WR	44	(268)	32	88	999	2,330	121.4%	19.4	17.2	13.2	11.1	9.8	8.8	
Kinder Morgan Inc.	KMI	-9.6%	-12.8%	--	46.0%	7.8	BB	Baa2	2,113	2,052	3,222	3,018	3,200	3,342	9.6%	20.9	21.5	13.7	14.6	13.8	13.2	
ONEOK Inc.	OKE	8.2%	43.8%	--	49.3%	19.4	1.1	BBB	Baa3	1,023	1,050	1,059	1,162	1,281	1,383	6.2%	14.3	13.9	13.8	12.5	11.4	10.5
Plains GP Holdings	PAGP**	4.8%	--	--	47.9%	56.2	--	--	--	2,462	2,504	2,838	3,208	3,576	9.8%	--	10.3	10.2	9.0	7.9	7.1	
Spectra Energy Corp.	SE	4.3%	23.8%	--	52.1%	7.3	BBB	--	2,825	2,910	2,907	3,080	3,354	3,487	5.8%	13.0	11.7	11.8	11.1	10.2	9.8	
Targa Resources Corp.	TRGP	11.2%	46.7%	--	3.4%	56.8	0.5	--	95	141	182	219	255	297	25.5%	43.8	29.7	23.0	19.1	16.4	14.1	
TransCanada Corp.	TRP.TO	3.8%	6.8%	--	61.3%	4.5	5.3	A-	Baa1	4,469	4,920	5,461	5,804	5,999	6,220	6.8%	13.6	12.4	11.2	10.5	10.2	9.8
TransCanada Corp. (ADR)	TRP	-0.1%	-2.1%	--	61.3%	4.5	5.3	A-	Baa1	4,469	4,920	5,461	5,804	5,999	6,220	6.8%	13.6	12.4	11.2	10.5	10.2	9.8
The Williams Companies	WMB	7.1%	13.2%	--	76.5%	10.8	1.7	BBB	Baa3	1,552	2,095	2,012	2,527	2,742	2,972	59.0%	19.5	14.5	15.1	12.0	11.0	10.2
EnLink Midstream LLC	ENLC	-1.7%	86.4%	--	52.8%	--	6.95	--	24	29	225	255	250	245	13.9%	NM	97.6	12.4	11.0	11.2	11.4	
Pipelines - Average		3.7%	21.4%	--	52.9%	17.5	3.8	--							24.9%	19.7	23.0	13.5	12.0	11.0	10.2	

Notes:

1) denotes figures in Canadian Dollars

** - denotes Conviction List stock

EV = Equity Market Cap + Net Debt + Minority Interest + Preferred + [Other]

NR - Not rated; NC - Not covered

Not covered (NC) company estimates are based on Thomson One Analytics' consensus

Source: Company data, Goldman Sachs Global Investment Research, FactSet, Thomson One Analytics, S&P, Moody's.

Exhibit 9: LDC valuation overview

Company	Ticker	Rating	Close 03/28/14	12-mth Target Price	Total Return Potential	Annual Dividend	Current Yield	Market Cap (\$mn)	Ent. Value (\$mn)	Earnings Per Share (EPS)							Price to Earnings (P/E)					
										2012A	2013E	2014E	2015E	2016E	2017E	5-year CAGR	2012A	2013E	2014E	2015E	2016E	2017E
AGL Resources	GAS	Sell	48.33	\$42	-9.3%	1.84	3.8%	\$5,737	\$10,511	\$2.46	\$2.59	\$3.35	\$3.00	\$3.10	\$3.25	5.8%	19.7x	18.7x	14.4x	16.1x	15.6x	14.9x
Atmos Energy	ATO	Neutral	46.07	\$44	-1.3%	1.48	3.2%	4,227	6,983	2.16	2.51	2.75	3.05	3.30	3.65	11.0%	21.3x	18.3x	16.8x	15.1x	14.0x	12.6x
New Jersey Resources	NJR	NC	49.24	--	--	1.52	3.1%	2,071	3,152	2.69	4.00	3.03	--	--	--	NA	18.3x	12.3x	16.3x	--	--	--
Nisource, Inc.	NI	NC	35.35	--	--	0.96	2.7%	11,088	19,888	1.56	1.67	1.78	--	--	--	NA	22.7x	21.2x	19.9x	--	--	--
Piedmont Natural Gas Co.	PNY	NC	34.84	--	--	1.20	3.4%	2,715	4,443	1.75	1.84	1.91	--	--	--	NA	19.9x	18.9x	18.2x	--	--	--
South Jersey Industries	SJI	NC	55.21	--	--	1.61	2.9%	1,806	2,878	3.00	3.34	3.54	--	--	--	NA	18.4x	16.5x	15.6x	--	--	--
WGL Holdings	WGL	Sell	39.25	\$37	-1.2%	1.76	4.5%	2,034	3,102	2.68	2.31	2.25	2.50	2.69	3.19	3.5%	14.6x	17.0x	17.4x	15.7x	14.6x	12.3x
LDCs - Average					-3.9%		3.4%									6.8%	19.3x	17.6x	16.9x	15.6x	14.7x	13.3x

		Total Return		Last Q	2014E	2014E			EBITDA							5-year	EV / EBITDA				
Company	Ticker	YTD	Trailing 12-mths	Debt/ Cap	EBITDA/ Int exp	Debt/ EBITDA	Debt Rating S&P	Moody's	2012A	2013E	2014E	2015E	2016E	2017E	CAGR	2012A	2013E	2014E	2015E	2016E	2017E
AGL Resources	GAS	3.4%	19.7%	57.3%	5.6x	4.0x	BBB+	--	\$1,025	\$1,093	\$1,270	\$1,218	\$1,247	\$1,296	4.8%	10.3x	9.6x	8.3x	8.6x	8.4x	8.1x
Atmos Energy	ATO	2.2%	11.3%	52.6%	6.3x	3.5x	BBB+	A2	689	737	808	917	1,011	1,099	9.8%	10.1x	9.5x	8.6x	7.6x	6.9x	6.4x
WGL Holdings	WGL	-1.0%	-7.2%	45.1%	6.2x	4.4x	A+	--	362	270	287	400	442	511	7.1%	8.6x	11.5x	10.8x	7.7x	7.0x	6.1x
LDCs - Average		1.5%	7.9%	51.7%	6.0x	4.0x									7.2%	9.7x	10.2x	9.2x	8.0x	7.5x	6.8x

Not covered (NC) company estimates are based on Thomson One Analytics' consensus

Source: Company data, Goldman Sachs Global Investment Research, FactSet, Thomson One Analytics, S&P, Moody's.

Exhibit 10: Energy MLPs valuation overview

											Earnings Per Unit (EPU)							5-year	Distributions Per Unit						5-year					
Partnership	Ticker	Rating	Close 03/28/14	12-mth Target Price	Total Return Potential	Annual Distrib	Current Yield	1-yr Distrib Growth Forecast	Market Cap (\$mm)	Ent. Value (\$mm)	2012A	2013E	2014E	2015E	2016E	2017E	CAGR	2012A	2013E	2014E	2015E	2016E	2017E	CAGR						
Diversified MLPs																														
Enbridge Energy Partners	EEP	Neutral	\$27.43	\$30	17%	\$2.17	7.9%	0.0%	\$6,982	\$13,869	\$0.99	\$0.54	\$1.05	\$1.35	\$1.70	\$1.85	13.2%	\$2.16	\$2.17	\$2.17	\$2.22	\$2.33	\$2.44	2.5%						
Enbridge Energy Management	EEQ	Neutral	27.52	\$30	17%	2.17	7.9%	0.0%	1,756	13,869	0.99	0.54	1.05	1.35	1.70	1.85	13.2%	2.16	2.17	2.17	2.22	2.33	2.44	2.5%						
Energy Transfer Partners	ETP	Neutral	54.01	\$60	18%	3.68	6.8%	5.0%	18,639	35,178	1.32	1.63	3.00	2.80	2.90	3.05	18.3%	3.58	3.61	3.79	3.98	4.17	4.38	4.2%						
Enterprise Products Partners	EPD	Buy	69.04	\$75	13%	2.80	4.1%	6.4%	64,380	82,086	2.62	2.85	2.95	3.00	3.30	3.35	5.0%	2.57	2.74	2.91	3.11	3.33	3.56	6.7%						
Kinder Morgan Energy Partners	KMP	Neutral	73.65	\$96	38%	5.44	7.4%	3.7%	23,238	52,654	2.34	2.40	2.10	2.25	2.50	2.80	3.7%	4.98	5.33	5.58	5.80	6.04	6.28	4.7%						
Kinder Morgan Management	KMR	Neutral	71.06	\$92	37%	5.44	7.7%	3.7%	8,845	52,654	2.34	2.40	2.10	2.25	2.50	2.80	3.7%	4.98	5.33	5.58	5.80	6.04	6.28	4.7%						
NGL Energy Partners ¹	NGL	Neutral	37.49	\$41	15%	2.13	5.7%	15.1%	3,025	4,534	0.38	1.05	1.05	1.20	1.25	1.15	34.4%	0.85	1.70	2.09	2.41	2.57	2.70	12.2%						
<i>Diversified MLPs - Avg</i>																														5.4%
Liquids MLPs																														
Buckeye Partners	BPL	Neutral	\$74.52	\$72	2%	\$4.35	5.8%	4.6%	\$8,504	\$10,870	\$2.97	\$3.06	\$3.80	\$4.20	\$4.50	\$4.75	9.9%	\$4.15	\$4.28	\$4.48	\$4.81	\$5.17	\$5.56	6.0%						
Calumet Specialty Products Partners LP	CLMT	Neutral	25.47	\$30	29%	2.74	10.8%	0.0%	1,766	2,232	3.57	(0.33)	1.60	2.10	3.25	3.20	-2.2%	2.30	2.70	2.74	2.74	2.94	3.14	6.4%						
Delek Logistics Partners	DKL	Neutral	33.45	\$36	13%	1.66	5.0%	9.6%	809	973	0.65	1.90	2.15	2.40	2.45	2.45	30.4%	1.50	1.60	1.76	1.94	2.13	2.34	9.3%						
Holly Energy Partners	HEP	Neutral	33.49	\$33	5%	2.00	6.0%	6.0%	1,964	2,766	1.38	0.86	1.30	1.45	1.50	1.55	2.3%	1.84	1.96	2.08	2.19	2.31	2.44	5.8%						
Magellan Midstream Partners	MMP	Buy	69.41	\$75	11%	2.34	3.4%	18.8%	15,820	18,481	2.05	2.51	2.78	3.17	3.32	3.42	10.8%	1.88	2.18	2.62	3.01	3.31	3.64	14.2%						
NuStar Energy, LP	NS	Buy	55.00	\$62	21%	4.38	8.0%	0.0%	4,284	6,839	0.65	0.74	1.95	2.70	2.90	3.00	NM	4.38	4.38	4.38	4.47	4.65	4.83	2.0%						
Plains All American Pipeline	PAA	Buy	54.66	\$65	23%	2.46	4.5%	10.4%	18,912	25,634	3.37	3.10	2.42	2.57	2.66	2.76	-3.9%	2.16	2.38	2.62	2.88	3.15	3.34	9.1%						
Suburban Propane Partners	SPH	Sell	40.89	\$43	14%	3.50	8.6%	2.3%	2,479	3,722	0.62	1.70	2.05	2.20	2.15	2.05	27.1%	3.41	3.50	3.50	3.58	3.69	3.80	2.2%						
Sunoco Logistics Partners	SXL	Buy	89.80	\$90	3%	2.65	3.0%	21.1%	9,375	11,897	4.12	3.25	2.76	3.16	3.22	3.24	-4.7%	1.96	2.47	3.00	3.45	3.88	4.37	17.4%						
Western Refining Logistics	WNRL	Neutral	30.60	\$29	-1%	1.15	3.8%	19.4%	1,396	1,312	--	0.70	1.05	1.25	1.45	1.80	26.9%	--	1.15	1.15	1.30	1.45	1.63	9.0%						
<i>Liquids MLPs - Avg</i>																													8.1%	
Natural Gas MLPs																														
Cheniere Energy Partners, LP	COP	Neutral	\$29.84	\$32	13%	\$1.70	5.7%	0.0%	\$10,587	\$16,812	\$0.24	(\$4.65)	(\$2.01)	(\$1.72)	\$2.80	\$3.90	NM	\$1.70	\$1.70	\$1.70	\$1.70	\$1.70	\$2.20	5.3%						
El Paso Pipeline Partners	EPB	Neutral	29.99	\$33	19%	2.60	8.7%	0.0%	6,538	10,631	2.23	1.87	1.80	2.00	2.10	2.10	-1.2%	2.25	2.55	2.60	2.60	2.60	2.68	3.5%						
Niska Gas Storage Partners ¹	NKA	Neutral	14.50	\$15	13%	1.40	9.7%	0.0%	512	1,273	0.56	1.19	0.90	0.20	0.60	0.90	10.1%	0.88	0.71	1.40	1.40	1.40	1.44	10.4%						
ONEOK Partners	OKS	Neutral	53.62	\$57	12%	2.92	5.4%	8.2%	12,442	18,360	3.04	2.26	2.70	2.65	2.75	2.75	-2.0%	2.69	2.89	3.07	3.28	3.51	3.76	6.9%						
Spectra Energy Partners	SEP	Neutral	47.61	\$47	3%	2.19	4.6%	7.3%	11,046	16,391	1.69	2.26	2.30	2.30	2.50	2.60	9.0%	1.95	2.07	2.29	2.42	2.57	2.70	6.7%						
TC Pipelines, LP	TCP	Sell	47.59	\$44	-1%	3.24	6.8%	1.2%	2,966	4,519	2.49	2.16	2.25	2.45	2.40	2.75	2.0%	3.11	3.21	3.27	3.40	3.47	3.64	3.2%						
Williams Partners	WPZ	Neutral	50.64	\$54	14%	3.57	7.0%	5.6%	22,212	31,052	1.98	1.74	1.75	2.60	2.50	2.55	5.1%	3.21	3.48	3.70	3.88	4.07	4.28	5.9%						
<i>Natural Gas MLPs - Avg</i>																													6.0%	
Gathering and Processing MLPs																														
Access Midstream Partners LP	ACMP	Buy	\$57.29	\$64	16%	\$2.22	3.9%	15.3%	\$11,578	\$14,810	\$1.02	\$1.49	\$1.70	\$1.97	\$2.12	\$2.08	15.3%	\$1.71	\$2.04	\$2.43	\$2.79	\$3.21	\$3.53	15.6%						
Atlas Pipeline Partners, LP	APL	Neutral	31.57	\$35	19%	2.48	7.9%	4.8%	2,521	4,223	0.95	(0.89)	0.31	0.93	1.48	1.14	3.7%	2.27	2.45	2.54	2.64	2.75	2.83	4.5%						
DCP Midstream Partners, LP	DCP	Buy	49.48	\$59	25%	2.92	5.9%	6.8%	5,056	6,634	1.76	1.81	2.42	3.00	3.00	2.84	10.0%	2.70	2.86	3.04	3.22	3.41	3.61	6.0%						
EQT Midstream Partners LP	EQM	Buy	69.50	\$71	5%	1.84	2.6%	26.1%	3,323	3,292	1.58	2.36	2.95	3.75	3.55	3.30	15.9%	0.70	1.66	2.14	2.68	3.34	4.01	24.7%						
Midcoast Energy Partners	MEP	Buy	20.22	\$24	25%	1.25	6.2%	12.0%	914	914	--	(0.01)	0.36	0.42	0.90	1.16	NM	--	1.25	1.34	1.68	1.96	2.19	15.1%						
MarkWest Energy Partners, LP	MWE	Buy	65.32	\$77	23%	3.44	5.3%	7.0%	11,362	14,300	1.69	0.67	0.94	1.38	2.07	2.65	9.4%	3.22	3.38	3.57	3.89	4.36	4.88	8.7%						
Targa Resources Partners, LP	NGLS	Neutral	55.56	\$59	12%	2.99	5.4%	8.7%	6,026	8,794	1.19	1.21	1.13	1.94	2.53	2.25	13.7%	2.61	2.89	3.16	3.41	3.68	3.97	8.8%						
Regency Energy Partners, LP	RGP	Neutral	26.91	\$27	7%	1.90	7.1%	5.3%	5,892	9,185	0.15	0.20	0.25	0.25	0.37	0.34	17.4%	1.84	1.87	1.97	2.02	2.06	2.11	2.7%						
Summit Midstream Partners	SMLP	Neutral	42.13	\$43	7%	1.92	4.6%	16.7%	2,261	2,828	0.90	0.86	0.92	1.03	0.97	0.87	-0.6%	0.44	1.80	2.12	2.33	2.50	2.67	10.4%						
Southcross Energy Partners, LP	SXE	Sell	16.97	\$18	15%	1.60	9.4%	0.0%	415	679	--	(0.69)	0.21	0.62	0.80	0.94	NM	0.24	1.60	1.60	1.63	1.68	1.73	2.0%						
USA Compression Partners	USAC	Neutral	26.07	\$28	15%	1.92	7.4%	4.2%	964	1,385	--	0.41	0.64	0.84	0.95	1.01	25.5%	--	1.73	1.95	2.03	2.11	2.19	6.1%						
Western Gas Partners, LP	WES	Buy	65.94	\$75	17%	2.40	3.6%	16.7%	7,756	9,074	1.62	1.84	2.41	2.68	2.66	2.58	9.7%	1.96	2.28	2.65	2.99	3.29	3.56	12.7%						
EnLink Midstream Partners, LP	ENLK	Neutral	29.77	\$34	19%	1.44	4.8%	5.6%	2,692	3,814	(1.03)	(0.02)	(0.29)	0.53	0.71	0.91	NM	1.32	1.36	1.47	1.59	1.71	1.85	7.0%						
<i>G&P MLPs - Avg</i>																													9.6%	
GP Focused MLPs																														
NuStar GP Holdings	NSH	Buy	\$33.40	\$36	14%	\$2.18	6.5%	3.7%	\$1,424	\$1,422	\$0.05	(\$0.26)	\$1.56	\$1.89	\$2.05	\$2.22	NM	\$2.11	\$2.18	\$2.18	\$2.29	\$2.47	\$2.72	5.2%						
Western Gas Equity Partners, LP	WGP	Buy	48.32	\$52	10%	0.93	1.9%	33.5%	10,577	10,464	--	0.71	1.05	1.29	1.41	1.50	NM	0.04	0.82	1.12	1.42	1.67	1.90	23.4%						
<i>GP Focused MLPs - Average</i>																													14.3%	
E&P MLPs/Royalty Trusts																														
Linn Energy	LINE	Neutral	\$28.47	\$31	19%	\$2.90	10.2%	0.0%	\$9,310	\$21,225	\$0.74	\$0.54	\$1.55	\$1.60	\$1.15	\$1.00	6.2%	\$2.90	\$2.90	\$2.90	\$2.96	\$3.02	\$3.08	1.2%						
LinnCo	LNCO	Neutral	27.32	\$31	24%	2.90	10.6%	-0.5%	3,508	21,225	0.71	(4.99)	2.88	2.94	\$3.00	3.06	NM	0.71	2.90	2.88	2.94	3.00	3.06	1.4%						
Memorial Production Partners	MEMP	Neutral	22.48	\$24	17%	2.20	9.8%	3.6%	1,377	2,156	0.01	1.29	2.10	1.95	2.35	2.55	18.7%	1.96	2.13	2.24	2.28	2.33	2.38	3.9%						
QR Energy	QRE	Neutral	18.00	\$18	11%	1.95	10.8%	0.0%	1,165	2,037	0.42	0.71	1.05	0.50	1.10	1.30	25.4%	1.94	1.95	1.95	1.95	2.01	2.09	1.5%						
Chesapeake Granite Wash Trust	CHKR	Sell	10.33	\$10	23%	2.67	25.8%	0.1%	483	482	2.36	2.21	2.02	1.91	1.69	1.06	-14.7%	2.57	2.74	2.68	2.54	1.83	1.24	-13.5%						
Enduro Royalty Trust	NDRO	Buy	12.62	\$15	32%	1.70	13.5%	-9.4%	416	416	1.76	1.48	1.52	1.47	1.38	1.40	-4.5%	1.76	1.48	1.52	1.47	1.38	1.40	-4.5%						
<i>E&P MLPs - Average</i>																													-1.7%	
Averages																														
Midstream MLPs	--	--	--	--	14.4%	--	5.9%	8.3%																						
Midstream MLPs (ex-GP MLPs)	--	--	--	--	14.5%	--	6.0%	7.7%																						

		Total Return		Last Q	2014E	2014E	Debt Rating		Distributable							DCF Per Unit /						Return on Equity (ROE)			
Partnership	Ticker	YTD	Trailing 12-mths	Debt/ Cap	EBITDA/ Int exp	Debt/ EBITDA	S&P	Moody's	Cash Flow (DCF) Per Unit							Distribution (coverage ratio)						to the Limited Partner			
									2012A	2013E	2014E	2015E	2016E	2017E	5-year CAGR	2012A	2013E	2014E	2015E	2016E	2017E	2012A	2013E	2014E	2015E
Diversified MLPs																									
Enbridge Energy Partners	EEP	-6%	-2%	41%	4.0	4.8	BBB	Baa2	\$1.75	\$1.35	\$1.95	\$2.25	\$2.60	\$2.75	9.4%	0.81	0.62	0.90	1.01	1.12	1.12	6.7%	3.9%	7.4%	9.0%
Enbridge Energy Management	EEQ	-2%	-2%	41%	4.0	4.8	BBB	Baa2	1.75	1.35	1.95	2.25	2.60	2.75	9.4%	0.81	0.62	0.90	1.01	1.12	1.12	6.7%	3.9%	7.4%	9.0%
Energy Transfer Partners	ETP	-4%	14%	60%	5.3	3.9	BBB-	Baa3	3.59	3.78	5.55	5.55	5.65	5.90	10.4%	1.00	1.05	1.47	1.40	1.35	1.35	4.5%	5.5%	8.7%	8.7%
Enterprise Products Partners	EPD	5%	19%	54%	5.3	3.8	BBB+	NR	3.50	3.92	4.05	4.20	4.50	4.60	5.6%	1.36	1.43	1.39	1.35	1.35	1.29	18.0%	18.0%	17.3%	17.0%
Kinder Morgan Energy Partners	KMP	-7%	-12%	55%	5.0	4.0	BBB	Baa2	4.49	5.22	5.20	5.35	5.55	5.80	5.3%	0.90	0.98	0.93	0.92	0.92	0.92	10.6%	9.1%	9.1%	10.2%
Kinder Morgan Management	KMR	-4%	-14%	55%	5.0	4.0	BBB	Baa2	4.49	5.22	5.20	5.35	5.55	5.80	5.3%	0.90	0.98	0.93	0.92	0.92	0.92	10.6%	9.1%	9.1%	10.2%
NGL Energy Partners ¹	NGL	10%	47%	50%	4.3	4.6	BB-	Ba3	1.05	2.35	2.30	2.55	2.75	2.75	21.3%	1.22	1.38	1.10	1.06	1.07	1.02	5.1%	8.9%	6.9%	6.1%
Diversified MLPs - Average		-1%	7%	51%	4.7	4.3									9.5%	1.00	1.01	1.09	1.10	1.12	1.11	8.9%	8.4%	9.4%	10.0%
Liquids MLPs																									
Buckeye Partners	BPL	6%	29%	43%	4.9	4.1	BBB-	Baa3	\$3.91	\$3.80	\$4.80	\$5.15	\$5.45	\$5.70	7.8%	0.94	0.89	1.07	1.07	1.05	1.03	14.0%	11.7%	12.6%	14.1%
Calumet Specialty Products Partners	CLMT	1%	-24%	105%	3.1	3.1	B+	B1	4.28	(0.79)	2.15	2.60	3.75	3.70	-2.9%	1.86	(0.29)	0.79	0.95	1.28	1.18	24.5%	-2.1%	10.6%	13.8%
Delek Logistics Partners	DKL	7%	12%	73%	8.8	3.3	NR	NR	1.05	2.34	2.80	2.80	2.95	3.10	NA	0.70	1.46	1.59	1.45	1.38	1.32	14.7%	55.1%	77.9%	59.2%
Holly Energy Partners	HEP	5%	-12%	46%	4.6	3.8	BB	Ba3	2.33	1.94	2.35	2.50	2.55	2.60	2.2%	1.27	0.99	1.13	1.14	1.10	1.07	8.5%	5.3%	8.2%	10.1%
Magellan Midstream Partners	MMP	11%	34%	62%	6.2	3.4	BBB+	Baa1	2.30	2.91	3.07	3.52	3.72	3.87	11.0%	1.23	1.33	1.17	1.17	1.12	1.06	30.4%	35.4%	37.4%	41.8%
NuStar Energy, LP	NS	10%	11%	53%	3.9	5.7	BB+	NR	2.77	3.11	3.95	4.60	4.90	5.05	12.7%	0.63	0.71	0.90	1.03	1.06	1.05	1.8%	2.6%	8.3%	12.6%
Plains All American Pipeline	PAA	7%	1%	44%	6.6	3.6	BBB	Baa2	4.21	3.63	2.92	3.11	3.26	3.41	-4.1%	1.95	1.53	1.11	1.08	1.04	1.02	19.0%	15.5%	11.8%	12.3%
Suburban Propane Partners	SPH	-11%	0%	53%	4.0	3.4	BB-	Ba2	1.56	3.76	4.20	4.40	4.40	4.35	22.7%	0.46	1.07	1.20	1.23	1.19	1.14	1.3%	4.7%	4.6%	9.6%
Sunoco Logistics Partners	SXL	20%	41%	29%	6.5	3.9	BBB-	NR	4.96	5.14	4.45	5.30	5.40	5.40	1.7%	2.53	2.09	1.48							

EV = Equity Market Cap + Net Debt + Minority Interest + Preferred + [Other]
 NR - Not rated; NC - Not covered; CS - Coverage Suspended; NC/CS estimates are based on Thomson One Analytics' consensus
 ** - denotes Conviction List stock
 1 - NGL and NKA report 3/31 fiscal year end, debt metrics as of fiscal yearend 2015

Source: Company data, Goldman Sachs Global Investment Research, FactSet, Thomson One Analytics.

Upcoming events

Exhibit 12: Upcoming Events

Monday	Tuesday	Wednesday	Thursday	Friday
31-Mar	1-Apr	2-Apr	3-Apr	4-Apr
		EEP and MEP: Investor Day NYC		
7-Apr	8-Apr	9-Apr	10-Apr	11-Apr
LNG, CQH AND CQP: Investor Day Houston, TX	MMP: Investor Day Houston, TX			
14-Apr	15-Apr	16-Apr	17-Apr	18-Apr

Source: Company press releases

Company specific risks

March 31, 2014

Exhibit 13: Company specific risks

Ticker	Company Name	Rating	Target Price ¹	Target Price Methodology	Risks
C-Corps					
CQH	Cheniere Energy Partners Holdings	Buy	\$26	DDM	Includes project costs overruns and delays, potentially rising interest rates, and high project level debt.
ENB.TO	Enbridge Inc.	Buy	C\$ 56	EV/EBITDA	Lower oil production and pipeline volumes, increased competition, cost overruns or delays
ENLC	Enlink Midstream LLC	Neutral	\$39	SoP	Key risks include (1) higher/lower volumes, (2) sooner/later start-up of Cajun-Sibon pipeline phase 2 and (3) and construction costs under/over budget
KMI	Kinder Morgan Inc.	Buy	\$44	SoP	Lower commodity prices and volume, cost overruns or delays
LNG	Cheniere Inc.	Buy	\$65	SoP	Includes securing long-term contracts, escalating construction costs, slowing US natural gas supply growth, high project level debt and potential delays in DOE export license approval.
OKE	ONEOK Inc.	Neutral	\$59	SoP/NAV	Lower/higher economic growth, lower/higher volumes/pricing for natural gas/NGLs
PAGP**	Plains GP Holdings	Buy	\$33	Yield-based/DCF	Canadian regulatory scrutiny, slowing project backlog growth and tightening (less volatile) crude differentials
SE	Spectra Energy	Neutral	\$36	EV/EBITDA	Lower/higher commodity prices & volumes; project costs overruns or delays
TRGP	Targa Resources Corp.	Buy	\$109	SoP	Downside risks include weaker commodity prices, increased/reduced producer drilling activity, later start-up of growth projects and project construction costs over budget
TRP.TO	TransCanada Corp.	Neutral	C\$ 50	EV/EBITDA	Upside/downside risks include higher/lower natural gas prices/volumes, Keystone XL approval and cost overruns
WMB	The Williams Companies	Buy	\$46	EV/EBITDA	Lower commodity prices, lower margins, lower volumes, higher costs
Local Distribution Companies (LDCs)					
GAS	AGL Resources	Sell	\$42	DDM, P/E	Upside risks include asset restructuring/sales, faster customer/rate base growth, sustained higher Wholesale margins
ATO	Atmos Energy	Neutral	\$44	DDM, P/E	Higher utility rate case revenues, higher pipeline and marketing margins, and accretive acquisitions; downside risks include less favorable rate case decisions, decreased natural gas time and location spreads, and dilutive acquisitions.
WGL	WGL Holdings	Sell	\$37	DDM, P/E	Higher rate case revenues, higher Retail segment margins, an accretive Commonwealth project, and higher natural gas time and location volatility

** - denotes Conviction List Stock

1 - 12-month price target

Source: Goldman Sachs Global Investment Research.

Americas: Pipelines and MLPs

Company specific risks

Exhibit 14: Company specific risks

Ticker	Company Name	Rating	Target Price ¹	Target Price Methodology	Risks
Master Limited Partnerships (MLPs)					
ACMP	Access Midstream Partners LP	Buy	\$64	Yield-based	Concentrated counterparty risk (CHK), lower throughput volumes, and financing overhang
APL	Atlas Pipeline Partners, LP	Neutral	\$35	Yield-based	Major risks include higher/lower commodity prices, plant expansions filling up faster/slower than expected, higher/lower condensate recoveries than forecasted and sooner/delayed start-up of processing facilities under construction
BPL	Buckeye Partners	Neutral	\$72	Yield-based	Refined product throughput trends, on-time budget projects implementation and project announcements, market rate program resolution
CLMT	Calumet Specialty Products Partners, LP	Neutral	\$30	Yield-based	Major risks include higher/lower commodity prices and the timing of future drop downs
CHKR	Chesapeake Granite Wash Trust	Sell	\$10	Yield-based	Higher commodity prices, better than anticipated well results, falling interest rates
CQP	Cheniere Partners	Neutral	\$32	DDM	Includes project costs being higher/lower than expected, execution ahead/behind schedule, potentially rising interest rates, and high project level debt.
DKL	Delek Logistics Partners	Neutral	\$36	Yield-based	Higher/lower than expected re-contracting rates, accretive acquisitions and lower utilizations
DPM	DCP Midstream Partners, LP	Buy	\$59	Yield-based	Key risks include lower volumes, delayed start-up of growth projects over budget and less accretive asset drop downs from parent
EEP	Enbridge Energy Partners	Neutral	\$30	Yield-based	Higher/lower commodity prices, better/worse than anticipated well results and asset/operator concentration risk
EEQ	Enbridge Energy Management	Neutral	\$30	Yield-based	Higher/lower than expected distribution growth, faster/slower-than-expected recovery in energy prices
ENLK	Enlink Midstream Partners LP	Neutral	\$34	Yield-based	Key risks include (1) higher/lower volumes, (2) sooner/late start-up of Cajun-Sibon pipeline phase 2 and (3) and construction costs under/over budget
EPB	El Paso Pipeline Partners	Neutral	\$33	Yield-based	Lower/higher than expected distribution growth, slower/higher-than-expected recovery in energy prices
EPD	Enterprise Product Partners	Buy	\$75	Yield-based	Weaker infrastructure growth, energy prices, capital market volatility, rising interest rates
EQM	EQT Midstream Partners LP	Buy	\$71	Yield-based	Customer concentration, a highly competitive basin and uncertainty around frequency, size, multiple and contractual structure of future dropdown transactions
ETP	Energy Transfer Partners	Neutral	\$60	Yield-based	Lower/higher gas prices/differentials, higher/lower rate of drop downs, more/less accretive acquisitions
HEP	Holly Energy Partners	Neutral	\$33	Yield-based	Higher/lower UNEV spot volumes, third-party acquisitions, and organic growth project announcements
KMP	Kinder Morgan Partners	Neutral	\$96	Yield-based	Higher/lower commodity prices, volume declines, cost overruns, project delays or changes to MLP taxes
KMR	Kinder Morgan Management	Neutral	\$92	Yield-based	Higher/lower commodity prices, volume declines, cost overruns, project delays
LINE	Linn Energy	Neutral	\$31	Yield-based	Upside risk of higher M&A accretion, higher commodity prices, higher volumes. Downside risk of Unfavorable SEC inquiry, lower commodity prices/volumes.
LNCO	LinnCo	Neutral	\$31	Yield-based	Upside risk of higher M&A accretion, higher commodity prices, higher volumes. Downside risk of Unfavorable SEC inquiry, lower commodity prices/volumes.
MEP	Midcoast Energy Partners	Buy	\$24	Yield-based	Geographic concentration and volume risk, lower commodity prices, and the timing of future drop downs
MEMP	Memorial Production Partners	Neutral	\$24	Yield-based	Better/worse well results, higher/lower commodity prices, higher/lower than expected accretive acquisition
MMP	Magellan Midstream Partners	Buy	\$75	Yield-based	Weaker infrastructure growth, energy prices, capital market volatility, rising interest rates
MWE	MarkWest Energy Partners	Buy	\$77	Blend of GP cash flow multiple (85%) and M&A value (15%)	Slower shift to more fee-based earnings, worse than expected returns on capital employed in the Marcellus/Utica, lower NGL prices
NDRO	Enduro Royalty Trust	Buy	\$15	Yield-based	Sustained lower oil and natural gas prices, reduced third-party drilling
NGL	NGL Energy Partners	Neutral	\$41	Yield-based	Larger/smaller than expected acquisitions, higher/lower volumes and basis differentials
NGLS	Targa Resources Partners, LP	Neutral	\$59	Yield-based	Upside/downside risks include better/weaker commodity prices, increased/reduced producer drilling activity, sooner/late start-up of growth projects and project construction costs under/over budget
NKA	Niska Gas Storage	Neutral	\$15	Yield-based	Higher or lower summer-winter spreads, recontracting rates, optimization margins and distribution cut
NS	NuStar Energy L.P.	Buy	\$62	Yield-based	Over budget or project delays, lower asset utilization, and lower storage rates.
NSH	NuStar GP Holdings	Buy	\$36	Blend of GP cash flow multiple (85%) and M&A value (15%)	Over budget or project delays, lower asset utilization, and lower storage rates.
OKS	ONEOK Partners	Neutral	\$57	Yield-based	Wider than expected Conway-Mt. Belvieu NGL price spreads, increased production in the Bakken driving up the need for takeaway capacity
PAA	Plains All American	Buy	\$65	Yield-based	Canadian regulatory scrutiny, slowing project backlog growth and tightening (less volatile) crude differentials
QRE	QR Energy	Neutral	\$18	Yield-based	Higher/lower than expected acquisitions, higher/lower costs, sustained lower long-term commodity prices
RGP	Regency Energy Partners, LP	Neutral	\$27	Yield-based	Key upside/ downside risks include higher/lower commodity prices and higher/lower than expected synergies from recently completed acquisitions
SEP	Spectra Energy Partners	Neutral	\$47	Yield-based	Weaker/stronger infrastructure growth, energy prices, capital market volatility, rising/falling interest rates
SMLP	Summit Midstream Partners	Sell	\$43	Yield-based	Increase/decrease in natural gas production in the Piceance and/or Barnett, asset drop-down from sponsor
SPH	Suburban Propane Partners	Sell	\$18	Yield-based	Warmer weather, margin volatility, conservation trends, competition from other propane retailers and alternative energy sources
SXE	Southcross Energy Partners, LP	Buy	\$90	Yield-based	Faster-than-expected increases in gas volumes processed at plants
SXL	Sunoco Logistics Partners	Buy	\$90	Yield-based	Project execution, crude spread compression, asset utilization rates
TCP	TC Pipelines	Sell	\$44	Yield-based	Risks to our rating and target price are larger, more accretive rate of asset acquisition and a higher level of re-contracted margins than expected
USAC	USA Compression Partners	Neutral	\$28	Yield-based	Key risks are higher/lower prices and margins, increased competition, upside from any potential acquisitions and earlier than expected conversion of PIK units.
WES	Western Gas Partners, LP	Buy	\$75	Yield-based	Key risks include (1) customer concentration as APC comprises approximately 80% of revenues, (2) construction cost overruns or delays and (3) increasing cost of capital from GP burden reducing future growth opportunities
WGP	Western Gas Equity Partners, LP	Buy	\$52	SoP	Key risks include (1) customer concentration as APC comprises approximately 80% of revenues, (2) construction cost overruns or delays and (3) increasing cost of capital from GP burden reducing future growth opportunities
WNRL	Western Refining Logistics	Neutral	\$29	Yield-based	Majority of revenue tied to parent, slower production growth in the Permian could limit organic growth volumes/returns, and timing/price of potential drop downs
WPZ	Williams Partners	Neutral	\$54	Yield-based	Lower NGL prices, higher natural gas prices, lower volumes, project execution, unfavorable government rulings

1 - 12-month price target

Source: Goldman Sachs Global Investment Research.

Definitions

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Disclosure Appendix

Reg AC

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