

December 1, 2010

## Equity Research

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### MLP Monthly: December 2010

#### Outlook For 2011 – Risk/Reward Appears Balanced

- **Much To Be Thankful For In November.** Master limited Partnerships (MLP) continued their positive streak, up 1.5% in November, which was ahead of the S&P 500's loss of 0.2%. Year to date, MLPs are up 26.2%, compared to 5.9% for the S&P 500. MLPs have now outperformed the market for 9 out of 11 months in 2010. November performance was driven by continued positive fund flow and solid earnings results. Investors continue to gravitate to high-yielding securities in an environment of low interest rates and a modest economic recovery.
- **Outlook 2011--Mid- To High-Single-Digit Total Return Potential.** Looking to 2011, risk/reward appears balanced for the MLP sector as a whole, in our view. We are forecasting a median sector total return of 8.6%, consisting of a 6.7% forward yield and capital appreciation of 1.9%. This includes distribution growth of 5% and valuation multiple contraction of 3%, which partially offset one another, resulting in capital appreciation of approximately 2%. Bottom line, there are still several catalysts for continued positive price performance for the sector, offset by potential risks that could pressure prices. We expect these factors to largely offset one another, resulting in MLPs being somewhat range bound in 2011. We would continue to own MLPs, but would wait for dips before adding to positions.
- **Still Much To Like About MLPs.** MLPs continue to have exposure to several macro drivers, which could push valuations even higher, in our view. The Wells Fargo economics team forecasts an environment of modest economic growth and low interest rates for all of 2011. Within this context, MLPs' median yield of 6.5% is still attractive and could continue to attract fund flow to the sector. In addition to the macro environment, MLPs valuations should be supported by (1) solid underlying fundamentals and (2) visible and accelerating distribution growth.
- **But Risk/Reward Appears Balanced.** While we acknowledge the aforementioned factors, we believe these catalysts could be offset by the following potential headwinds. (1) MLPs look fairly valued relative to historical levels, (2) the sector is susceptible to a potential widening of credit spreads, (3) an increase in interest rates could affect MLPs, and (4) the pace of new fund flows entering the sector could be slowing given the steady issuance of new MLP products (plus the record amount capital raised in secondary offerings). As MLP valuations continue to climb, the sector's sensitivity to a move in interest rates and/or credit spreads increases, in our view.
- **Selectivity Should Be Key--Buy Growth, In Our View.** Thematically, we would focus on MLPs with above-average visible distribution growth prospects relative to peers. Growth visibility could be tied to (1) organic infrastructure opportunities to support shale development (natural gas and crude oil), (2) better acquisition opportunities, including drop-down potential, and (3) NGL infrastructure development.
- **Top Picks.** EPB (\$33.12), EPD (\$42.08), EXLP (\$24.17), GEL (\$24.43), OXF (\$21.66), and VNR (\$26.43).

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## Table of Contents

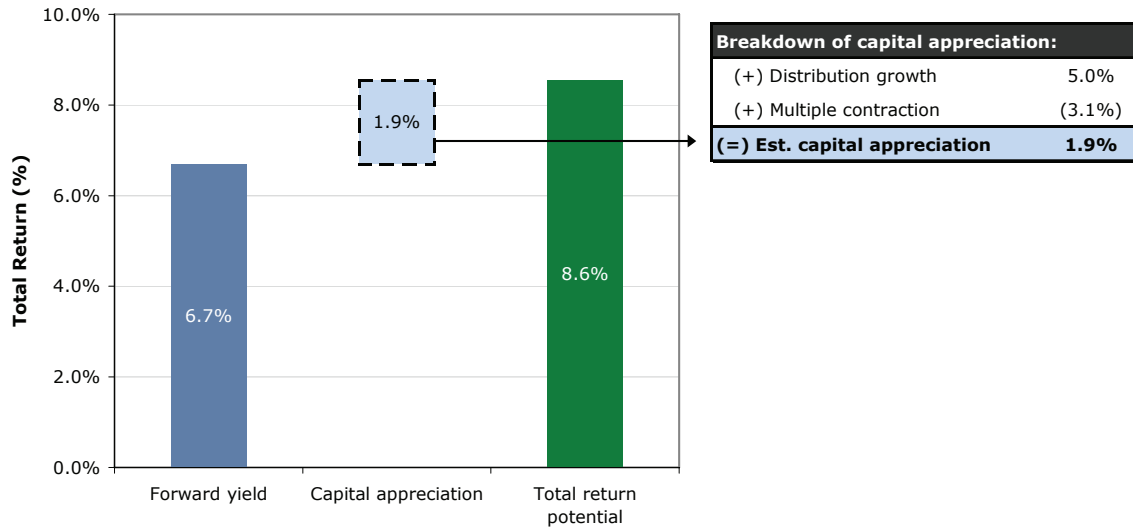
<b>MLP Outlook 2011 -- Mid- To High-Single-Digit Total Return Potential .....</b>	<b>5</b>
Selectivity Should Be Key -- Buy Growth, In Our View.....	5
Why MLPs Could Remain In Vogue In 2011.....	6
MLP Fundamentals Should Remain Solid In 2011 - Distribution Growth Is Accelerating.....	7
Distribution Growth Drivers For 2011 And Beyond.....	7
Growth Opportunities Remain Plentiful - Themes For 2011.....	7
Supporting U.S. Natural Gas Shale Development.....	8
Oil Shale Development And Shifting Pipeline Flow Driving Crude Infrastructure Development.....	12
Demand For Refined Products Storage Also Healthy.....	16
Utilization Of NGL Assets Trending Toward Capacity.....	16
Renewable Energy.....	20
Acquisitions Markets (Including Drop-Downs) Should Remain Active In 2011.....	21
Monetization Of Conventional Reserves To Fund Shale Development.....	22
<b>Risk/Reward Appears Balanced .....</b>	<b>23</b>
Valuations Within A Historical Context.....	23
Spread Analysis - MLPs Trading Slightly Wider Than Historical Average.....	24
Stress Testing Price Performance For Valuation.....	24
Spread Between MLP And REIT Yields Back To Five-Year Historical Levels.....	26
A Potential Widening In Credit Spreads.....	26
A Potential Increase In Interest Rates Could Pressure MLPs.....	28
Pace Of New Fund Flow Could Be Slowing.....	29
<b>Outlook By Commodity And Asset Class .....</b>	<b>30</b>
<b>Q3 Earnings Wrap -- In Line With Expectations .....</b>	<b>33</b>
<b>Q3 2010 Distribution Scorecard .....</b>	<b>35</b>
<b>MLP Price Performance .....</b>	<b>36</b>
<b>Short Interest Data Increased In November .....</b>	<b>37</b>
<b>Update On Factors Driving MLP Performance .....</b>	<b>38</b>
High-Yield Spreads Widened In November, While Investment Grade Spreads Contracted.....	38
MLP Yield Spread To Treasuries Contract In November.....	39
MLP CDS Spreads Declined In November.....	39
Trading Volume Increased During November.....	40
MLPs Priced Nine Public Offerings In November For \$2.0 Billion.....	43
Average Size Of MLP Secondary Issuance Increasing.....	43
MLPs Issued \$2.3 Billion Of Debt In November.....	45
Ten Acquisitions Were Announced In November.....	46
MLP Closed-End Fund Update.....	48
MLP ETN / ETF Update.....	48
MLP Open-End Fund Update.....	49
<b>Commodity Overview And Forecast.....</b>	<b>50</b>
Natural Gas Prices Increase 8% In November.....	50
Basis Differentials Narrowed In November.....	50
Seasonal Storage Spreads Increase Slightly In November.....	53
Park And Loan Opportunities Weak In Q3 2010, But Showing Signs Of Improvement In Q4.....	53
Average Crude Oil Price Increases In November.....	55
Crude Oil Futures Contango Spread Narrowed In November.....	55
Natural Gas Liquids Outlook.....	56
NGL Composite Prices Increase In November.....	56
Frac Spreads Increase In November.....	56
NGL-To-Crude Oil Ratio Increases To About 60% In November.....	57
Overview Of Wells Fargo Commodity Price Forecasts.....	59
U.S. Economy Continues To Recover Albeit At A Modest Pace.....	59
Near-Term Inflation And Interest Rate Environment Should Remain Benign.....	59
European Debt Crisis Heightens – De-Risking By Investors Could Follow Suit.....	60
<b>Supporting Tables .....</b>	<b>61</b>
<b>Comp Tables.....</b>	<b>67</b>
<b>Risks .....</b>	<b>78</b>

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## MLP Outlook 2011--Mid- To High-Single-Digit Total Return Potential

Looking to 2011, risk/reward appears balanced for the MLP sector as a whole, in our view. We are forecasting a median sector total return of approximately 8.6%, consisting of a forward yield of approximately 6.7% and capital appreciation of 1.9%. Our capital appreciation estimate of roughly 2% is made up of two components: (1) distribution growth of 5% (i.e., assuming no change in yield, 5% distribution growth would equal 5% of price performance), and (2) valuation multiple contraction of 3% (i.e., we have assumed a slight increase in the median yield of the sector, to 6.9% from 6.5%). Bottom line, there are still several catalysts for continued positive price performance for the sector, offset by potential risks that could pressure prices. We expect these factors to largely offset one another, resulting in MLPs being somewhat range bound in 2011. We would continue to own MLPs, but would wait for dips before adding to positions.

**Figure 1. MLP Value Proposition**

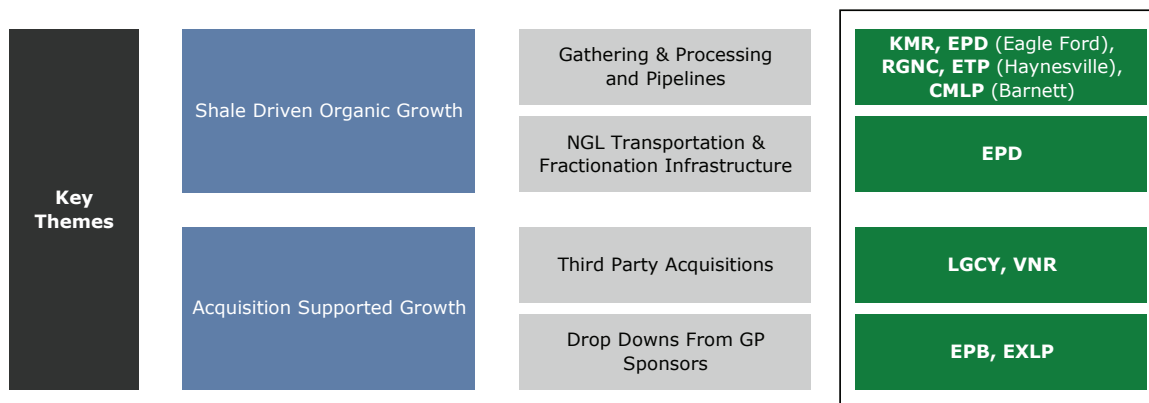


Source: FactSet and Wells Fargo Securities, LLC estimates

### Selectivity Should Be Key--Buy Growth, In Our View

Thematically, we would focus on MLPs with above-average visible distribution growth prospects relative to peers. Growth visibility could be tied to (1) organic infrastructure opportunities to support shale development (natural gas and crude oil), (2) better acquisition opportunities, including drop-down potential, and (3) NGL infrastructure development.

**Figure 2. Investable Themes**



Note: The MLPs listed above represent some of our Outperform-rated stocks by theme.  
Source: Wells Fargo Securities, LLC

**Master Limited Partnerships**

**Top Picks. Our top Outperform rated picks are as follow:** EPB (\$33.12), EPD (\$42.08), EXLP (\$24.17), GEL (\$24.43), OXF (\$21.66), and VNR (\$26.43). 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 3.

**Figure 3. Top Sector Picks**

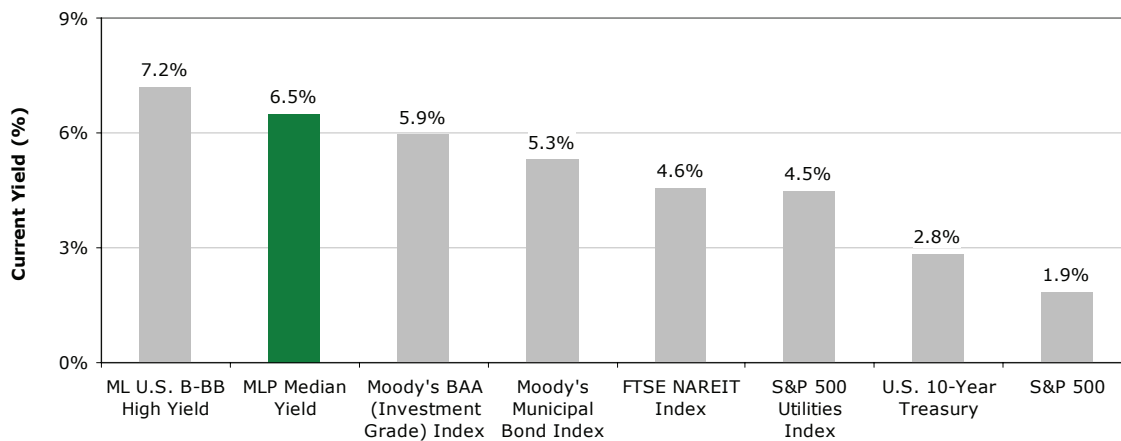
	<b>Price 11/30/10</b>	<b>Current Yield</b>	<b>Valuation Range</b>		<b>Total Return Potential</b>
			<b>Low</b>	<b>High</b>	
<b>Large Cap Pipeline MLPs</b>					
El Paso Pipeline Partners L.P. (EPB)	\$33.12	5.0%	\$35	\$38	19%
Enterprise Products Partners L.P. (EPD)	\$42.08	5.5%	\$42	\$45	13%
Kinder Morgan Management L.L.C. (KMR)	\$63.99	6.9%	\$67	\$71	20%
<b>Small Cap Pipeline &amp; Compression MLPs</b>					
Exterran Partners L.P. (EXLP)	\$24.17	7.7%	\$27	\$30	32%
Genesis Energy L.P. (GEL)	\$24.43	6.3%	\$26	\$28	22%
<b>Gathering and Processing MLPs</b>					
Crestwood Midstream Partners, L.P. (CMLP)	\$26.59	6.3%	\$28	\$30	21%
Regency Energy Partners L.P. (RGNC)	\$25.65	6.9%	\$26	\$29	20%
<b>Upstream MLPs</b>					
Legacy Reserves L.P. (LGCY)	\$26.11	8.0%	\$27	\$29	21%
Vanguard Natural Resources LLC (VNR)	\$26.43	8.3%	\$27	\$30	23%
<b>Propane MLPs</b>					
Inergy L.P. (NRGY)	\$39.02	7.2%	\$41	\$43	20%
<b>Coal MLPs</b>					
Oxford Resource Partners, L.P. (OXF)	\$21.66	8.1%	\$23	\$25	25%
<b>General Partnerships</b>					
Energy Transfer Equity L.P. (ETE)	\$39.56	5.5%	\$40	\$44	16%

Source: FactSet and Wells Fargo Securities, LLC estimates

**Why MLPS Could Remain In Vogue In 2011**

**A very hospitable macro environment, in our opinion.** The Wells Fargo economics team forecasts 2011 GDP growth of 2.3%, and the Fed Funds Rate and U.S. 10-Year Treasury yields to end the year at 0.25% and 2.65%, respectively, compared to the current rates of 0.25% and 2.79%, respectively. Within this context, MLPs' median yield of 6.5% is still attractive and could continue to attract fund flow to the sector. Notably, even after strong 2010 performance, MLPs' yield still stacks up favorably relative to other investment alternatives, in our view.

**Figure 4. Comparative Yield Chart**



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

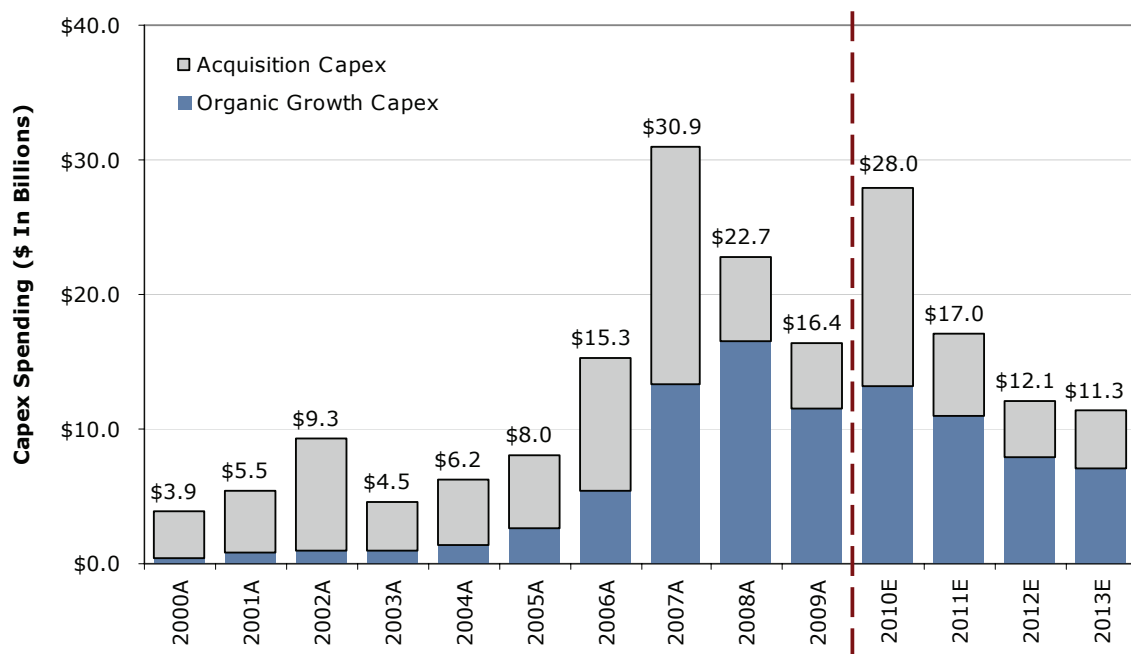
**MLP Fundamentals Should Remain Solid In 2011 -- Distribution Growth Is Accelerating**

By and large, we expect fundamentals to remain solid in 2011. Though it is hard to imagine a better year than 2010, capital markets should remain open and hospitable for both debt and equity. As noted, on a relative basis, MLPs’ yields and underlying risk profile and business fundamentals should continue to attract capital to the sector. Distribution growth is likely to accelerate in 2011, to 5.0% from an estimated 3.1% in 2010, and could remain at this roughly 5% level for the next four years, in our view. We forecast a median three- and five-year distribution compound annual growth rate (CAGR) of 5.0% and 4.9%, respectively, for the MLP sector (excluding General Partnerships).

**Distribution Growth Drivers For 2011 And Beyond**

For 2011, we forecast an acceleration of distribution growth to 5.0% from an estimated 3.1% in 2010. For our MLP coverage universe, our distribution estimate is primarily supported by a total of \$28 billion spent in 2010 for acquisitions and organic expansions, and \$17 billion of assumed investments in 2011 (including \$11 billion for organic expansions and \$6 billion for forecasted acquisitions). We estimate an average return on organic capex investments of 6.4x EBITDA (with a range of 5.0x for upstream MLPs and 6.8x for pipeline MLPs). For our acquisition assumptions, we assume an average return of 7.0x EBITDA (with a range of 5.1x for upstream MLPs and 8.7x for large-cap pipeline MLPs).

**Figure 5. MLP Organic Capital Expenditures And Acquisitions**



Source: Wells Fargo Securities, LLC estimates

**Growth Opportunities Remain Plentiful -- Themes For 2011**

While we do not expect many new major long-haul pipelines to be built in the near term, we still see the need for midstream (e.g., gathering and processing, NGL logistics and crude oil and refined products storage) infrastructure in support of ongoing shale development. In addition, we expect the acquisition market to remain robust in 2011, supported by oil majors divesting non-core assets, independent E&P operators monetizing mature reserves to fund shale development, private equity monetizing investments, and sponsors continuing to drop assets into their MLP subsidiaries to maximize value.



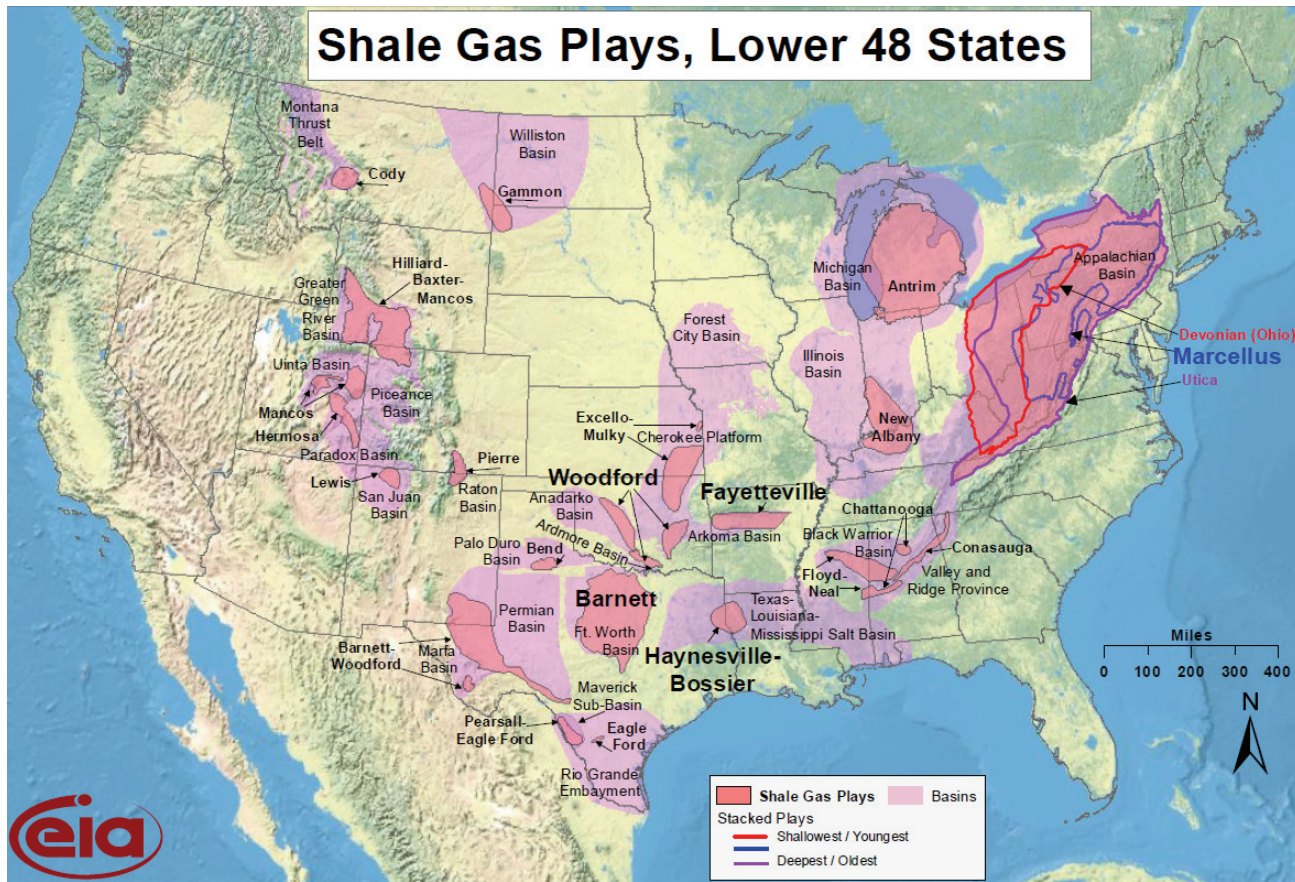
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Supporting U.S. Natural Gas Shale Development

According to the Energy Information Administration (EIA), natural gas production from U.S. unconventional sources is expected to increase to 6.4 trillion cubic feet per day (Tcf/d) in 2020 from 4.8 Tcf/d in 2010. Based on this level of production growth, the Interstate Natural Gas Association (INGAA) estimates that 25,800-33,300 miles of transmission pipeline, 13,500-15,600 miles of gathering pipeline, and 35.7 Bcf/d of processing capacity would need to be constructed over the next 20 years. In total, the agency estimates infrastructure expenditure of \$102-126 billion over this time period.

The majority of this growth will likely support shale play development primarily in the Gulf Coast and Northeast (e.g., Haynesville, Marcellus, Barnett, Fayetteville, Eagle Ford, and Woodford Shales). The emergence of these shale plays has created a need for new infrastructure investments as these new supply sources are located in areas with insufficient midstream logistics to ultimately deliver the natural gas and natural gas liquids (NGLs) to consuming markets.

Figure 6. Major U.S. Natural Gas Shale Plays

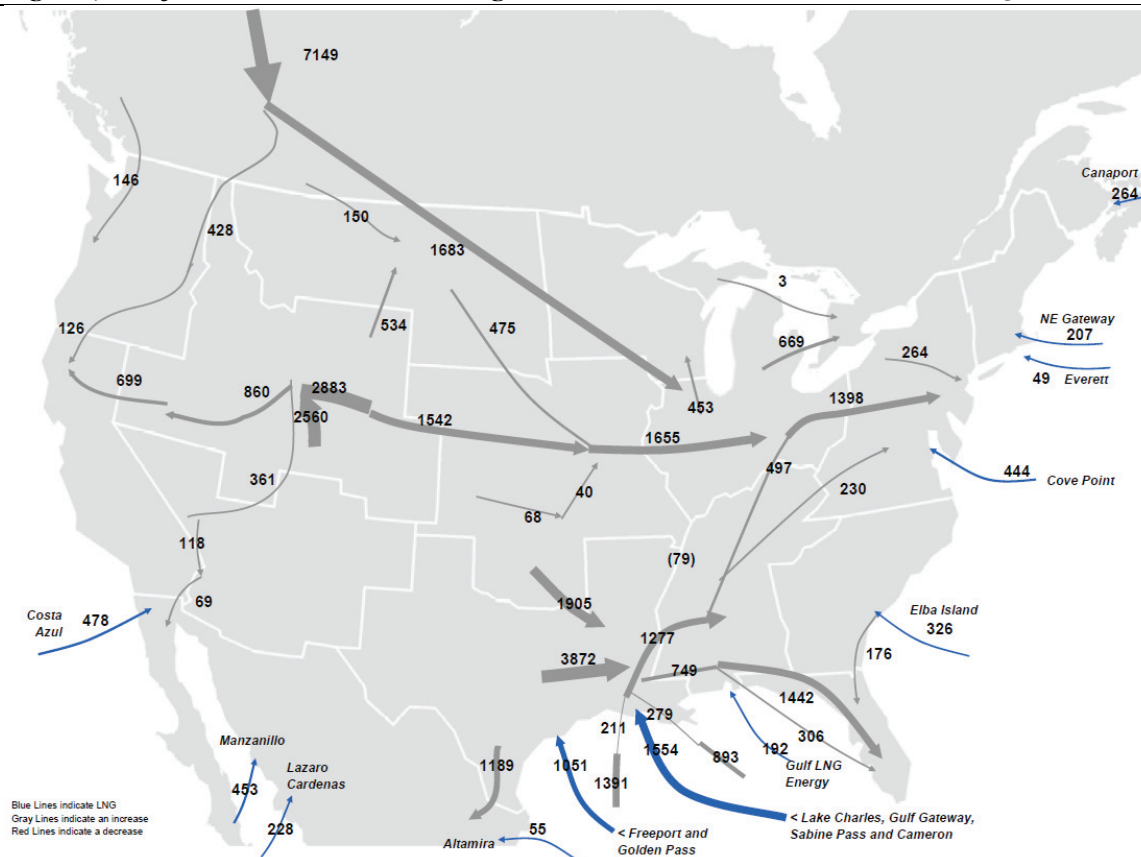


Source: Energy Information Administration

Over the next 20 years, INGAA forecasts that interregional natural gas flows will increase primarily around growing unconventional natural gas production in the Mid-Century, Northern Rockies, and Arctic region. The following figure shows estimated incremental natural gas volume flow over the next 20 years based on announced and potential pipeline projects.



Figure 7. Projected Increases In Interregional Flow – INGAA Base Case (2008-2030E)



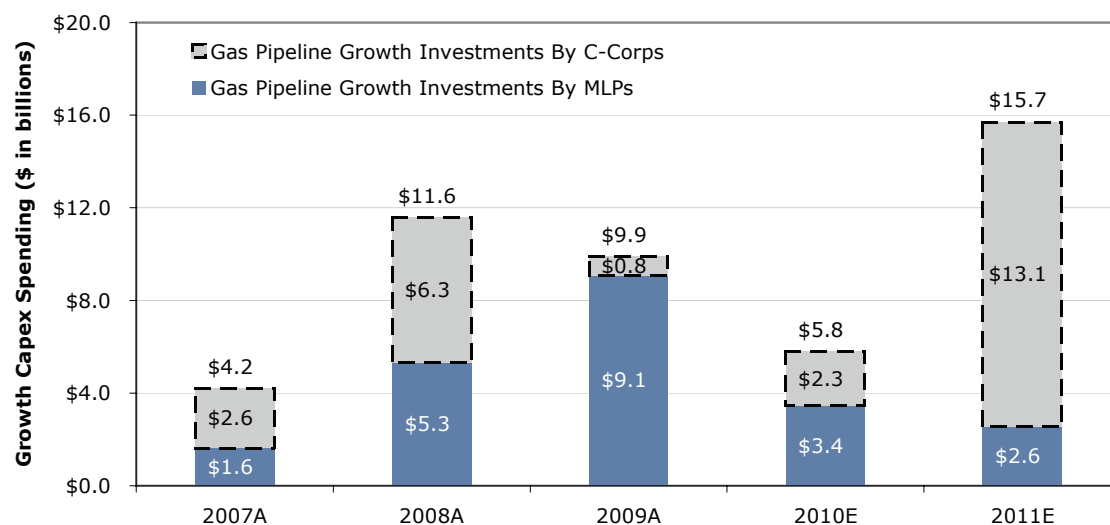
Units in MMcf/d

Note: The complete study (“Natural Gas Pipeline and Storage Infrastructure Projections Through 2030”) prepared for the INGAA Foundation by ICF International can be accessed at <http://www.ingaa.org/cms/31/7306/7828.aspx>

Source: The INGAA Foundation

**MLPs should continue to be major participants in the buildout of U.S. energy infrastructure.** For 2010-11, we estimate that MLPs are involved in 28%, or \$6.0 billion out of a projected \$21.5 billion of U.S. natural gas pipeline infrastructure projects. According to the EIA, the natural gas industry is projected to add 62.1 billion cubic feet per day of pipeline capacity and construct 6,598 miles of pipeline in 2010-11. Based on EIA and partnership data, we estimate that MLPs could account for 19% of these totals.

Figure 8. Historical And Forecasted U.S. Natural Gas Pipeline Infrastructure Investments



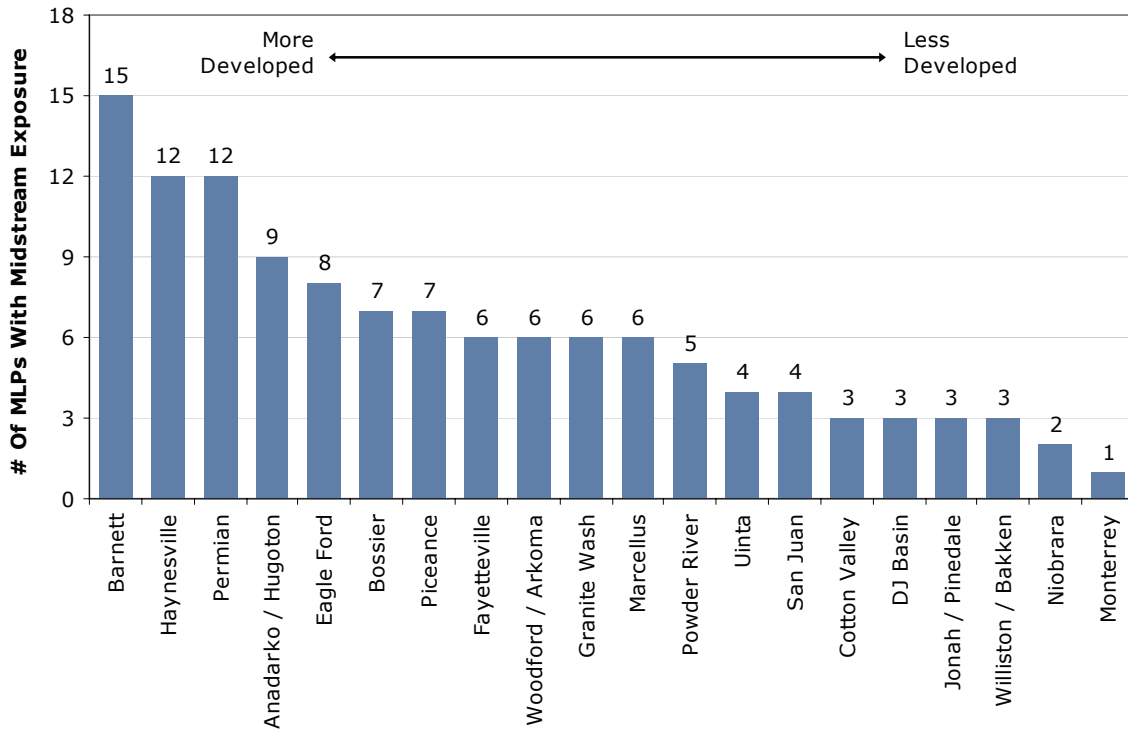
<i>\$ in billions</i>	2007A	2008A	2009A	2010E	2011E
Capex spending by MLPs	\$1.6	\$5.3	\$9.1	\$3.4	\$2.6
Capex spending by C-Corps	\$2.6	\$6.3	\$0.8	\$2.3	\$13.1
<b>Total U.S. gas pipeline investments</b>	<b>\$4.2</b>	<b>\$11.6</b>	<b>\$9.9</b>	<b>\$5.8</b>	<b>\$15.7</b>
<i>MLPs as a % of total</i>	39%	46%	92%	59%	16%
Bcf/d added by MLPs	5.2	14.0	15.3	7.4	4.7
Bcf/d added by C-Corps	9.7	30.6	16.5	17.2	32.8
<b>Total gas pipeline capacity additions</b>	<b>14.9</b>	<b>44.6</b>	<b>31.9</b>	<b>24.6</b>	<b>37.4</b>
<i>MLPs as a % of total</i>	35%	31%	48%	30%	12%
Miles added by MLPs	691	2,219	2,092	820	441
Miles added by C-Corps	972	1,674	896	1,250	4,087
<b>Total gas pipeline miles added</b>	<b>1,663</b>	<b>3,893</b>	<b>2,988</b>	<b>2,070</b>	<b>4,528</b>
<i>MLPs as a % of total</i>	42%	57%	70%	40%	10%

Note: The 2009 capacity addition of 31.9 Bcf/d is based on the EIA's forecast that it published in a September 2009 report entitled, "Expansion of the U.S. Natural Gas Pipeline Network: Additions in 2008 and Projects through 2011" as the EIA did not provide the actual capacity addition figure in its "Natural Gas Year-In-Review 2009" that was released in July 2010. As a result, we believe 2009 MLP-related Bcf/d additions as a percent of total additions could be understated since actual 2009 U.S. natural gas pipeline investments (of \$9.9 billion) and pipeline miles added (of 2,988 miles) were below the EIA's forecast of \$11.9 billion and 3,643 miles, respectively (published in September 2009).

Source: EIA and Partnership reports

A significant portion of the capital invested in the natural gas sector between 2005 and 2008 was associated with growing production in the Barnett Shale region. Given the rapid pace of capital deployment during this time period, midstream companies were able to quickly construct the necessary gathering, processing, and transportation capacity to support the ramp-up in production. According to our calculations, 15 MLPs provide gathering, processing, and/or transportation services in the Barnett Shale. This implies that more MLPs have a midstream presence in the Barnett Shale than any other major producing region in the United States.

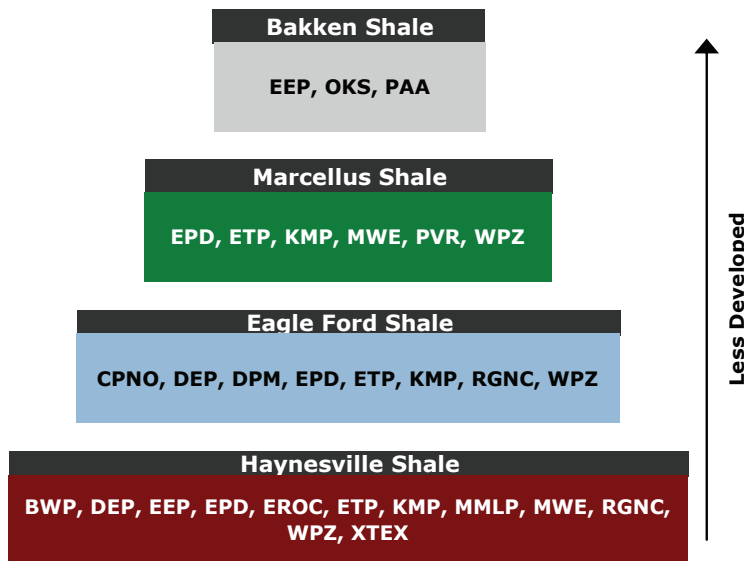
Figure 9. MLP Midstream Exposure By Region



Source: Partnership reports and Wells Fargo Securities, LLC

Similarly, MLPs are taking the lead in the development of many of the newer natural gas and NGL plays such as the Marcellus, Haynesville, Eagle Ford, and Bakken Shales. We count 12 MLPs involved with gathering, processing, and/or transportation infrastructure buildout in the Haynesville Shale, 8 MLPs involved with the Eagle Ford Shale, 6 MLPs involved with the Marcellus Shale, and 3 MLPs involved with the Bakken Shale.

Figure 10. MLP Investments In New Unconventional Natural Gas And Crude Oil Shales



Source: Partnership reports and Wells Fargo Securities, LLC

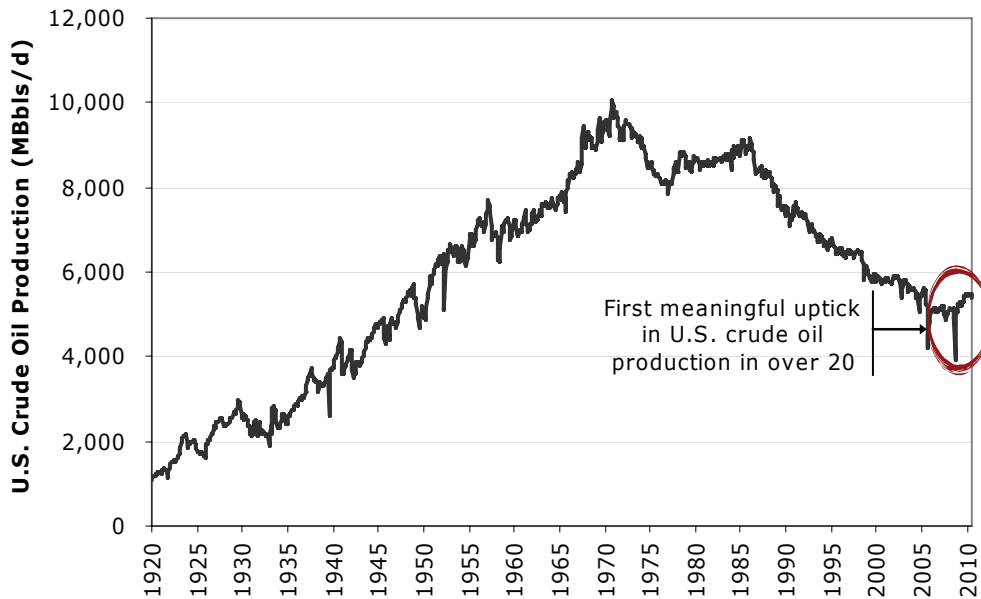
**Oil Shale Development And Shifting Pipeline Flow Driving Crude Infrastructure Development**

Domestic onshore crude oil production has increased for the first time in more than 20 years and the U.S. oil rig count is at its highest level since January 1988. The improvement is driven by horizontal drilling technology being applied to emerging oil shale plays (e.g., Bakken Shale, Alberta Basin, Eagle Ford Shale, Niobrara Shale, and Barnett Shale Combo). These new plays will require significant new infrastructure to transport the production to end markets. For example, several MLPs have announced organic expansion for crude gathering, pipeline, natural gas gathering and processing, and NGL pipeline assets in support of Bakken development. For 2011, we see MLPs continuing the buildout of infrastructure primarily in support of development in both oil and gas reserves in the Eagle Ford, Marcellus, Bakken, Barnett Combo play, Granite Wash, and Permian basin.

**Shale development driving next wave of investment.** Recent advancements in drilling technology have made commercial production of crude oil from shale plays economic. Specifically, the success of horizontal drilling and fracturing efforts in unconventional natural gas shale plays is prompting a reevaluation of earlier assessments of technically recoverable reserve potential in crude oil shale plays. For example, in 1995, the United States Geological Survey (USGS) performed a study on the Bakken Shale (fairway, intermediate, and outlying regions of the play). The agency indicated that resources within the play were large, but only 151 million barrels (midpoint of range) were technically recoverable. In contrast, the USGS updated its assessment of the Bakken Shale in 2008 and increased its technically recoverable reserve estimate to 3,650 million barrels (midpoint of range), which represents a nearly twenty-fivefold increase in recoverable reserves.

Domestic onshore crude oil development could be the next “big thing” for U.S. independent E&P companies, in our view. New crude oil plays, including the Bakken Shale, Alberta Basin, Eagle Ford Shale, Niobrara Shale, and Barnett Shale Combo, will require significant new infrastructure to transport the production to end markets. To note, after declining for more than two decades, U.S. crude oil production increased in 2009 and is on pace to increase in 2010.

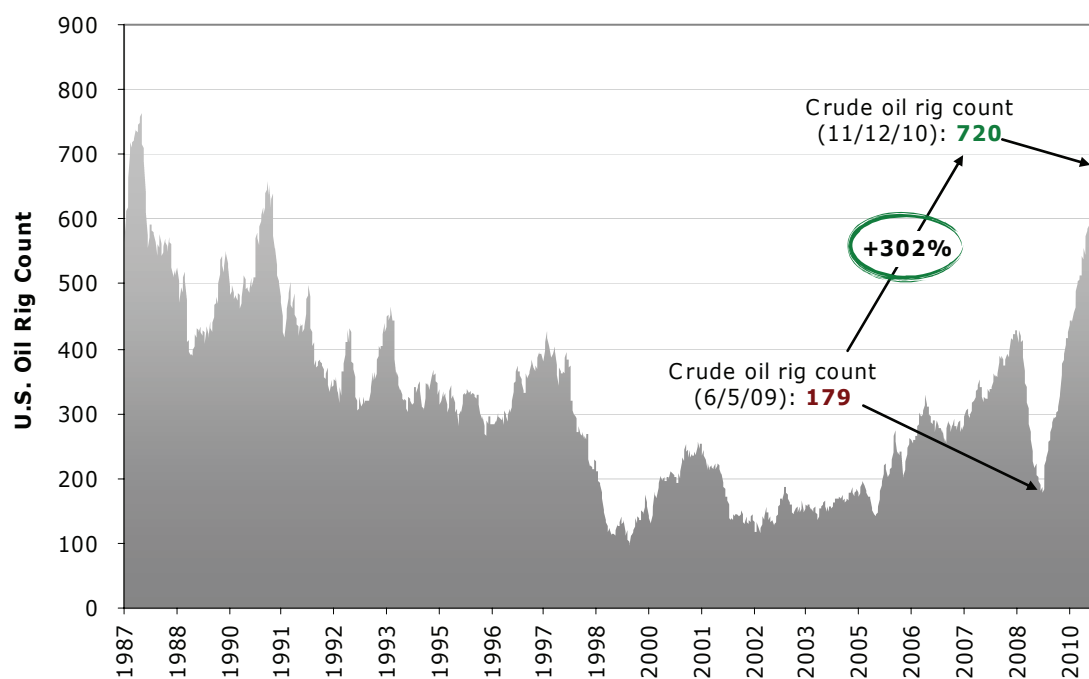
**Figure 11. Historical U.S. Crude Oil Production**



Source: Energy Information Administration

The uptick in domestic crude oil production is likely to continue, in our view, as oil rig count levels have reached highs last experienced in the late 1980s. As of November 12, 2010, the domestic crude oil rig count stood at 720, which represents an approximate 302% increase from the rig count at June 5, 2009.

Figure 12. Domestic Crude Oil Rig Count



Source: Baker Hughes

**MLPs playing a major role in Bakken infrastructure development.** The development of emerging oil shale plays could represent a meaningful opportunity for MLPs in the crude oil space (e.g., BKEP, EEP, EPD, GEL, MMP, NS, PAA, and SXL). Infrastructure opportunities have already manifested in the Bakken shale play in North Dakota. We estimate that MLPs have announced organic projects totaling \$1.8 billion in aggregate to develop the infrastructure to bring Bakken production to markets. We expect similar trends to develop around other emerging oil and NGL plays.

Figure 13. MLP Infrastructure Projects In The Bakken Shale

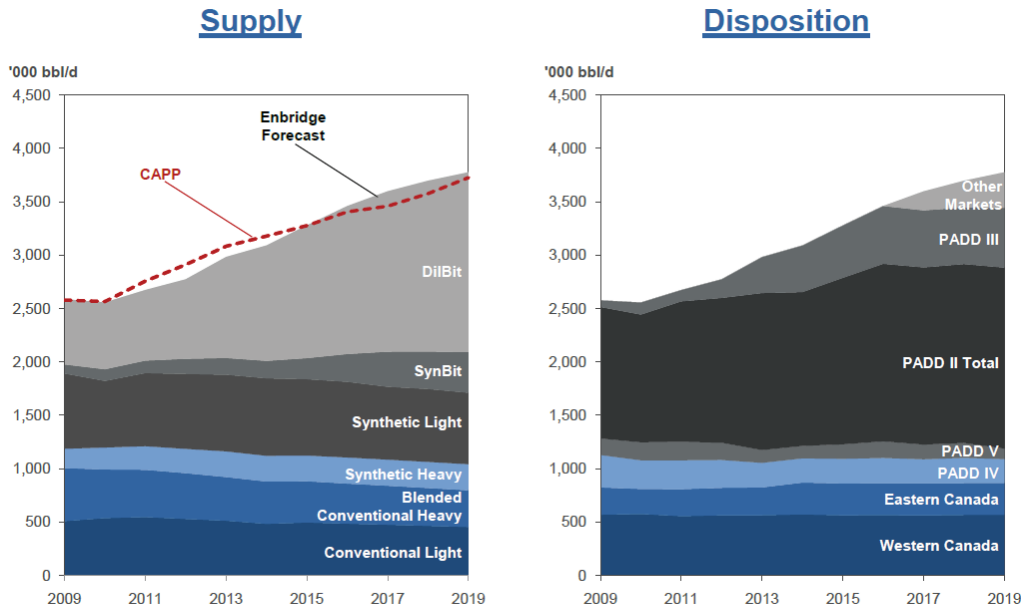
Ticker	Project Name	Description	Resource Play	Investment (MM)
EEP	North Dakota Expansion Program	For U.S. portion of project	Bakken Shale	\$370.0
OKS	Bakken Pipeline	525 – 615 mile NGL pipeline with a capacity of up to 60,000 Bbls/d	Bakken Shale	\$475.0
OKS	Overland Pass Expansion	To increase the pipeline's capacity to 255,000 Bbls/d	Bakken Shale	\$37.5
OKS	Bushton Fractionator Upgrade	To increase the capacity to 210,000 Bbls/d from 60,000 Bbls/d	Bakken Shale	\$125.0
OKS	Garden Creek Processing Plant	A new 100 MMcf/d natural gas processing facility	Bakken Shale	\$180.0
OKS	Stateline I Processing Plant	A new 100 MMcf/d natural gas processing facility	Bakken Shale	\$192.5
OKS	TBD - Stateline II Processing Plant	A new 100 MMcf/d natural gas processing facility	Bakken Shale	\$192.5*
PAA	Bakken North Project	103-mile crude oil pipeline with a capacity of 50 MBbls/d (expandable to 75 MBbls/d)	Bakken Shale	\$180.0

Note \*: Represents Wells Fargo Securities, LLC estimates

Source: Partnership reports and Wells Fargo Securities, LLC estimates

**Impact of rising Canadian oil sands production.** With the stabilization of crude oil prices above \$70 per bbl, a lower cost environment, and improved access to capital, the fundamental outlook for Canadian oil sands projects has improved. Western Canada Sedimentary Basin (WCSB) production is expected to increase by 1.25-1.50 million barrels per day (MMBbls/d) (or at a 4-5% CAGR) over the next ten years, which should support continued volume growth on pipeline systems designed to transport Canadian heavy oil production into the United States. This would include Enbridge Energy Partners (EEP)'s Lakehead system, Kinder Morgan (KMP)'s Express and Trans Mountain pipelines, and TransCanada's Keystone pipeline.

**Figure 14. Projected WCSB Production Supply And Demand**



Source: Enbridge Inc. and CAPP 2010 Forecast

**Keystone pipeline could disrupt volume flow and present infrastructure opportunities.** The construction of TransCanada's \$12 billion Keystone Pipeline system, coupled with continued oil sands growth in Western Canada, could present midstream MLPs with new growth opportunities, in our view. According to the Canadian Association of Petroleum Producers, Western Canadian Sedimentary Basin production is expected to increase at a 4-5% CAGR over the next ten years. A significant portion of this incremental production will likely be imported into the United States through the Keystone pipeline system. Because Keystone will touch major crude oil market centers (e.g., Cushing, Patoka, and Port Arthur), the pipeline has the potential to disrupt volume flow across a number of U.S. pipelines and storage terminals. In turn, this could present opportunities for MLPs with crude oil assets (particularly storage).

The first phase of Keystone delivers crude oil directly to Patoka. The second phase of Keystone expands the pipeline's reach to Cushing. Finally, the last phase of Keystone (Keystone XL) extends the pipeline all the way down to the Gulf Coast region. To note, upon completion, the Keystone System will be the only pipeline capable of transporting crude oil from Western Canada straight down to the Gulf Coast.



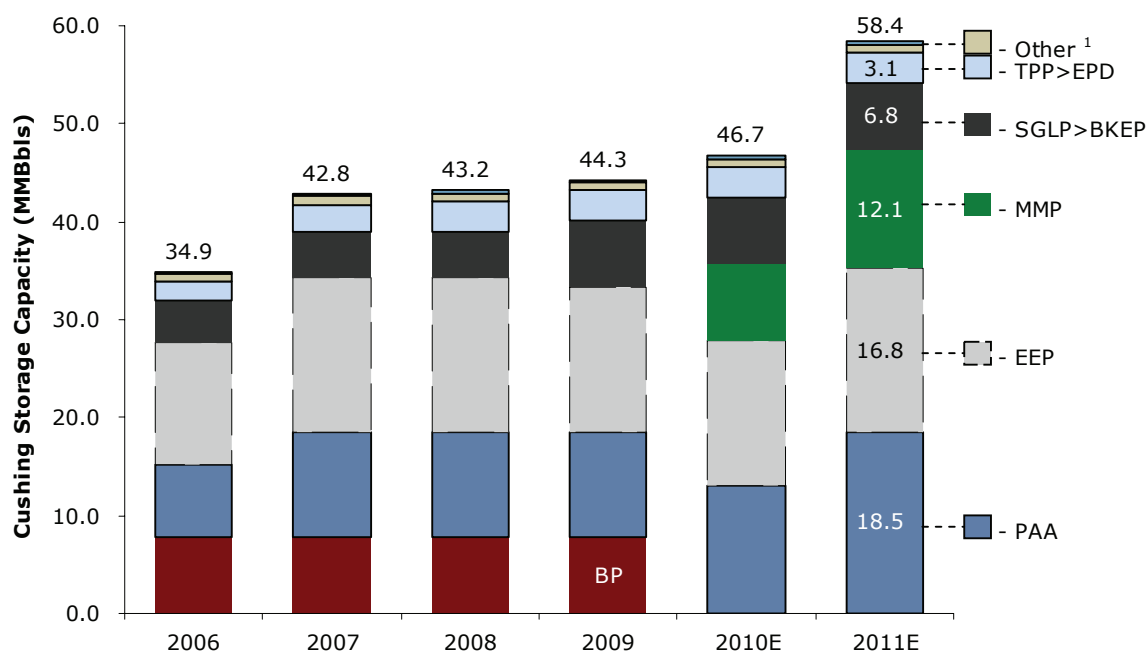
Figure 15. Overview Of Keystone Phases

	Starting Point	Key Delivery Points	PADD Region	Capacity (MMbbls/d)	Contracted (MMbbls/d)	Expected Full Service
Phase I	Hardisty	Patoka	PADD II	435	218-340	Q3'10
		Steele City	PADD II			
Phase II	Steele City	Cushing	PADD II	591	530	Q1'11
Phase III	Cushing	Port Arthur	PADD III	500	380	Q1'13
		Nederland	PADD III			
Phase IV	Hardisty	Steele City	PADD II	700	380	Q1'13
Keystone (Final)	Hardisty	Port Arthur	PADD III	1090	910	Q1'13
		Patoka	PADD II			
		Cushing	PADDII			

Source: Wells Fargo Securities, LLC

**Aforementioned supply trends spurring demand for storage.** Crude oil storage at Cushing, Oklahoma (i.e., the pricing hub for U.S. crude oil futures) is expected to increase 29% in 2011, due to a number of recently announced projects by midstream MLPs. In comparison, over the past four years, storage capacity increased at a much more modest CAGR of 7%. Demand for crude oil storage at Cushing has been supported by the aforementioned supply trends (e.g., Canadian crude oil imports via Keystone and rising domestic crude oil production), as well as temporarily lower demand (i.e., lower refinery utilization, due to the impact of the economic downturn and governmental policies directed at emission reduction).

Figure 16. Storage Capacity At Cushing, Oklahoma



Note 1: Other consists of Sunoco Logistics (0.3 MMBbls) and ConocoPhillips (0.8 MMBbls)

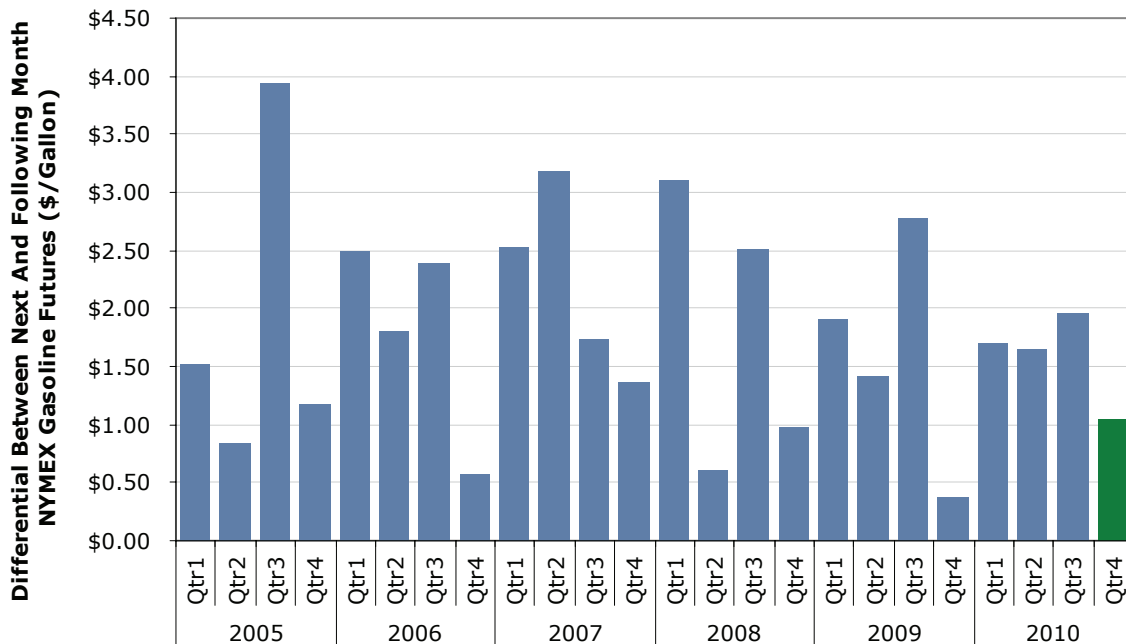
Source: Company data and Wells Fargo Securities, LLC

**Demand For Refined Products Storage Also Healthy**

In the refined products market, demand for storage is being driven by increased volatility in product prices. As a result, traders see arbitrage opportunities and are willing to commit to long-term storage contracts to capture value. Likewise, end users of refined products are demanding more storage as they wish to control more of their supply needs to mitigate market volatility. Finally, the increase in bio-diesel and ethanol blending has increased demand for segregated storage for these products.

The following figure depicts the difference between the prompt and following month NYMEX futures contract for gasoline. Because storage operators can earn money under both a contango (following month gasoline price is greater than prompt month price) and backwardated (following month gasoline price is less than prompt month price) market environment, we have simplistically shown just the absolute value of differentials over time. Notably, the spread between the next-two-month NYMEX natural gasoline futures contracts has widened substantially quarter to date relative to Q4 2009 and historical Q4 levels.

**Figure 17. Value Of Refined Products Storage As Measured By Near-Term Storage Spreads**

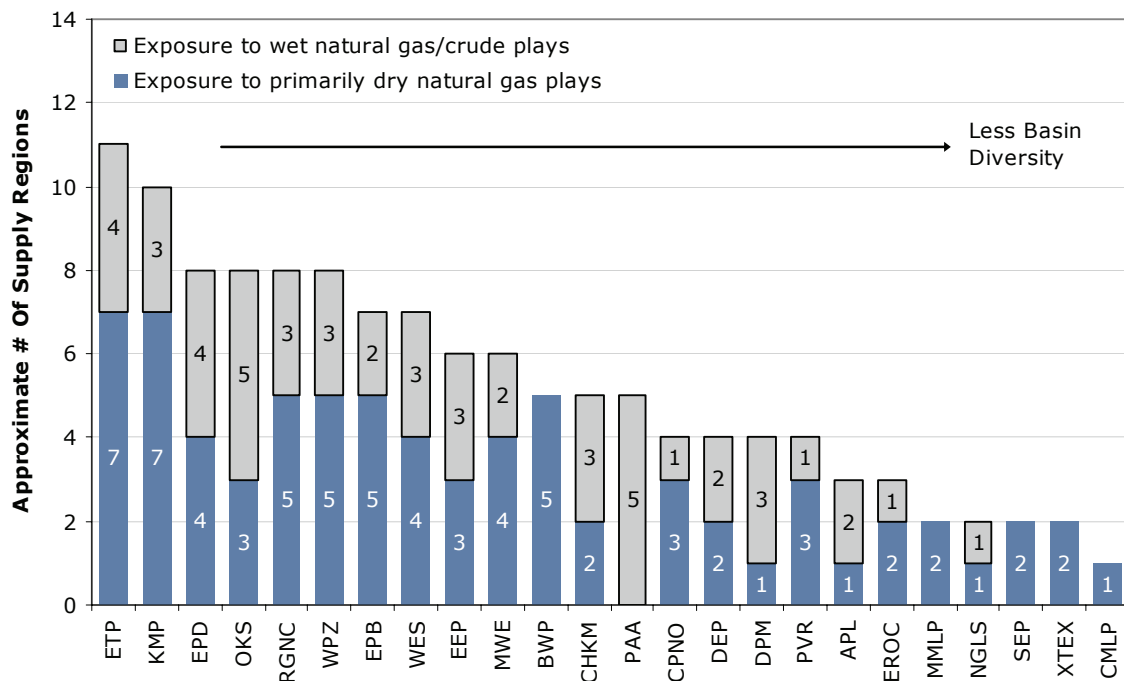


Note: Chart depicts absolute value difference between HUCL2 and HUCL1  
Source: Bloomberg and Wells Fargo Securities, LLC

**Utilization Of NGL Assets Trending Toward Capacity**

**Wide crude oil-to-natural gas ratio encourages producers to pursue liquids-rich plays.** The divergence between crude oil and natural gas prices has incentivized exploration and production (E&P) producers to divert capital to oil and liquids-rich gas plays, resulting in an uptick in crude oil and NGL production. In turn, this has resulted in gathering, processing, and fractionation expansion opportunities for midstream companies. Notably, NGL production from processing plants is currently at levels last achieved in 2001. In addition, NGL fractionation volume is at record levels, with plants running at near 100% utilization. The following figure summarizes gathering, processing, and transportation exposure by MLP separated by dry natural gas plays and wet natural gas and crude oil plays.

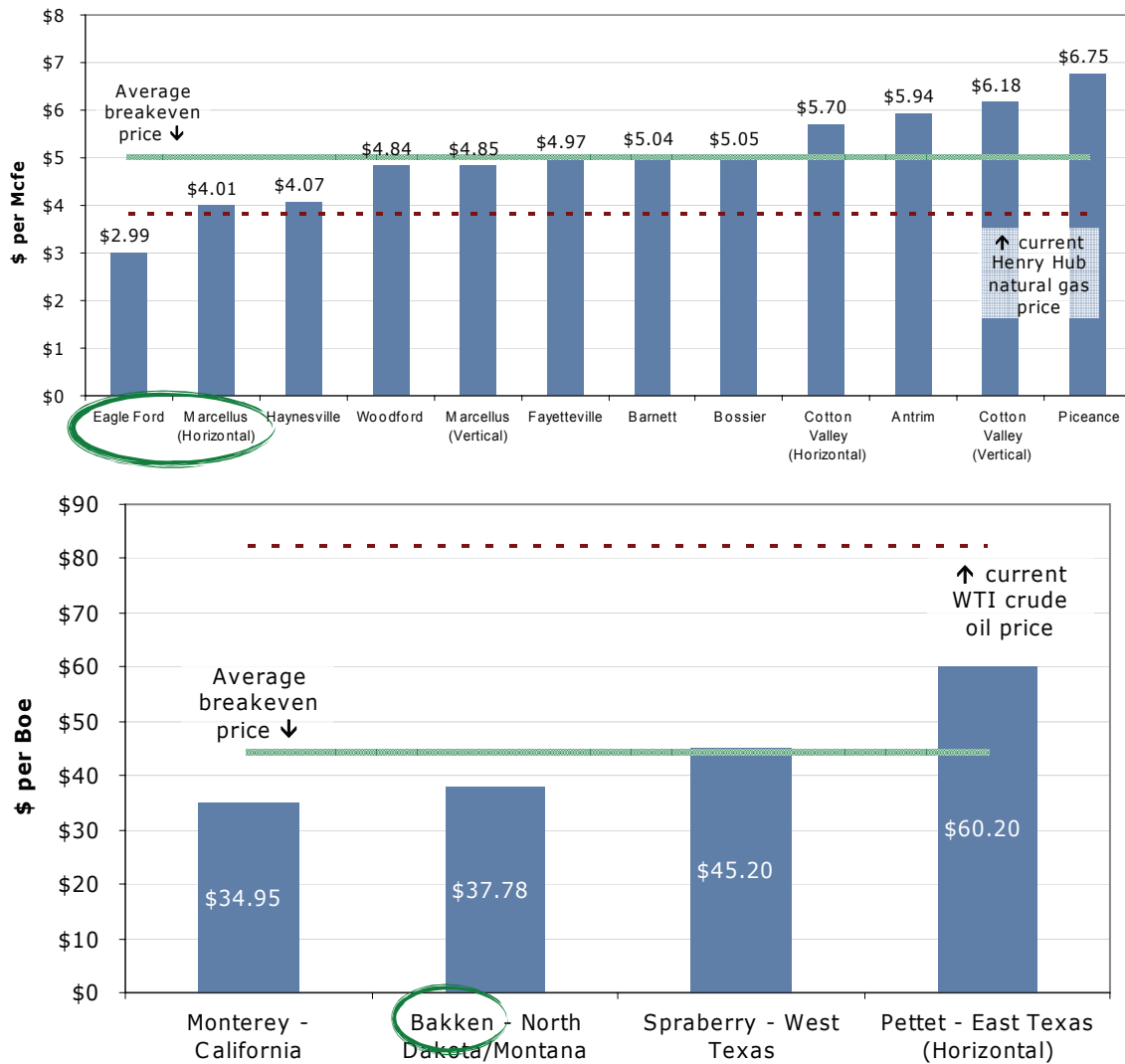
Figure 18. MLP Midstream Exposure To Wet Natural Gas And Crude Plays



Source: Partnership reports and Wells Fargo Securities, LLC

As noted, producers are focusing more on resource plays that contain higher levels of crude oil and wet gas (i.e., NGLs), due to the enhanced value for crude oil and natural gas liquids (i.e., higher prices) relative to natural gas. Based on Wells Fargo Securities' Exploration and Production Equity Research Team, the average breakeven natural gas price for the liquids-rich Eagle Ford shale is \$2.99, versus \$6.00-7.00 per million British thermal unit (MMBtu) for the more conventional and drier producing regions.

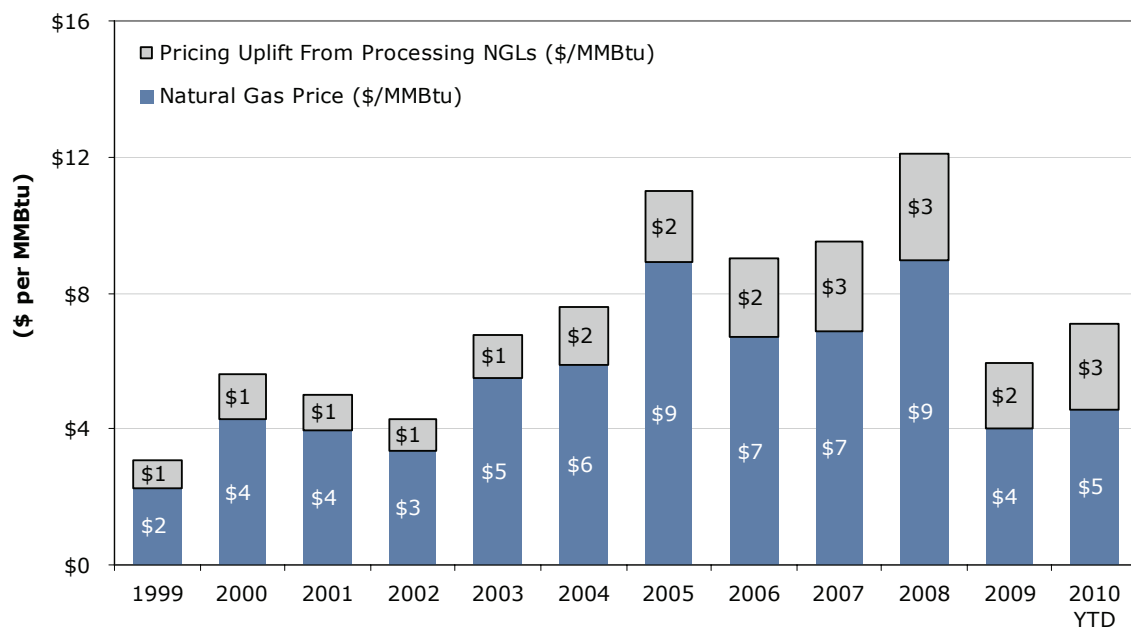
Figure 19. Natural Gas And Crude Oil Breakeven Price Forecasts



Source: FactSet and Wells Fargo Securities, LLC estimates

Even higher-cost natural gas plays can be made economic after factoring in the pricing uplift from processing NGLs. As shown in the following figure, we estimate that producers could realize a \$3 per MMBtu uplift on realized natural gas prices by processing NGLs based on Mont Belvieu pricing and ratios. In contrast, we estimate that the pricing benefit from processing NGLs was just \$1 per MMBtu ten years ago. NGL content is so rich in certain regions that many producers have indicated they could economically drill new wells even if natural gas prices collapse to zero.

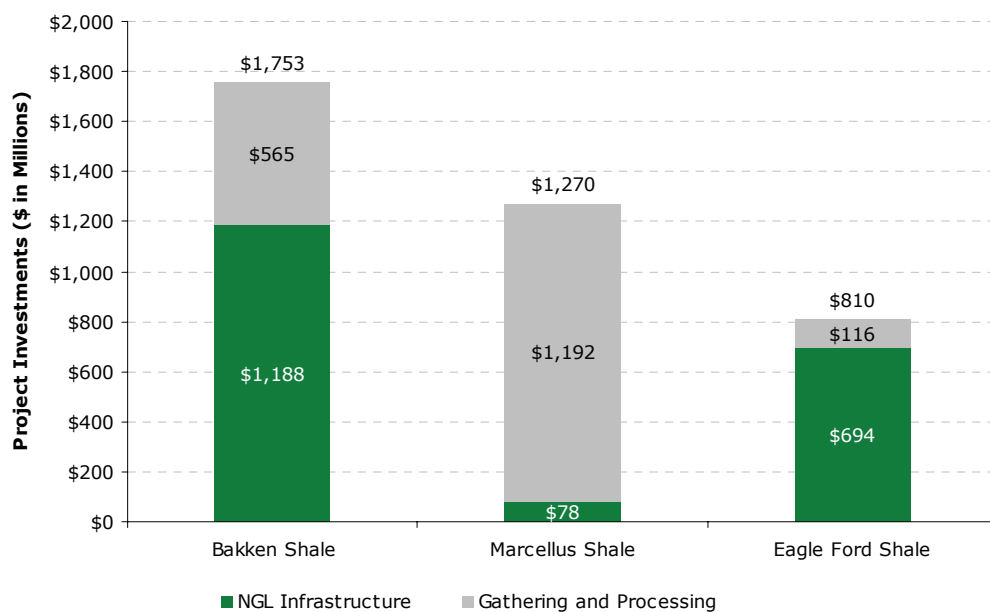
Figure 20. NGL Pricing Uplift



Source: Partnership reports and Wells Fargo Securities, LLC

**Infrastructure buildout in liquids-rich plays.** Over the past 12-18 months, a number of energy MLPs have announced organic expansion and greenfield projects to further develop the infrastructure in these oil and liquids-rich plays. Based primarily on identified organic growth opportunities, we estimate that MLPs have invested, or plan to invest, at least \$3.8 billion of capital in these plays. We suspect the level of investments in these regions is likely to increase considerably given that producers have only recently begun to deploy significant capital in these areas. (Please refer to the Supporting Tables section for a list of announced liquids-focused midstream projects.)

Figure 21. Overview Of Announced Liquids-Focused Midstream Projects



Note: NGL Infrastructure includes NGL pipelines and fractionation projects.

Source: Company data and Wells Fargo Securities, LLC estimates

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Renewable Energy

In addition to providing midstream services handling traditional hydrocarbons, many MLPs are involved in the transportation and blending of renewable fuels (e.g., ethanol). MLPs that own refined products pipelines and/or liquids terminals are typically able to modify existing assets to handle ethanol at only modest incremental costs. We expect refined product pipeline and storage MLPs to continue to spend capital to handle renewable fuels as this market develops. MLPs involved with the transportation and blending of ethanol include BPL, GLP, KMP, MMP, NS, PAA, SXL, and TLP.

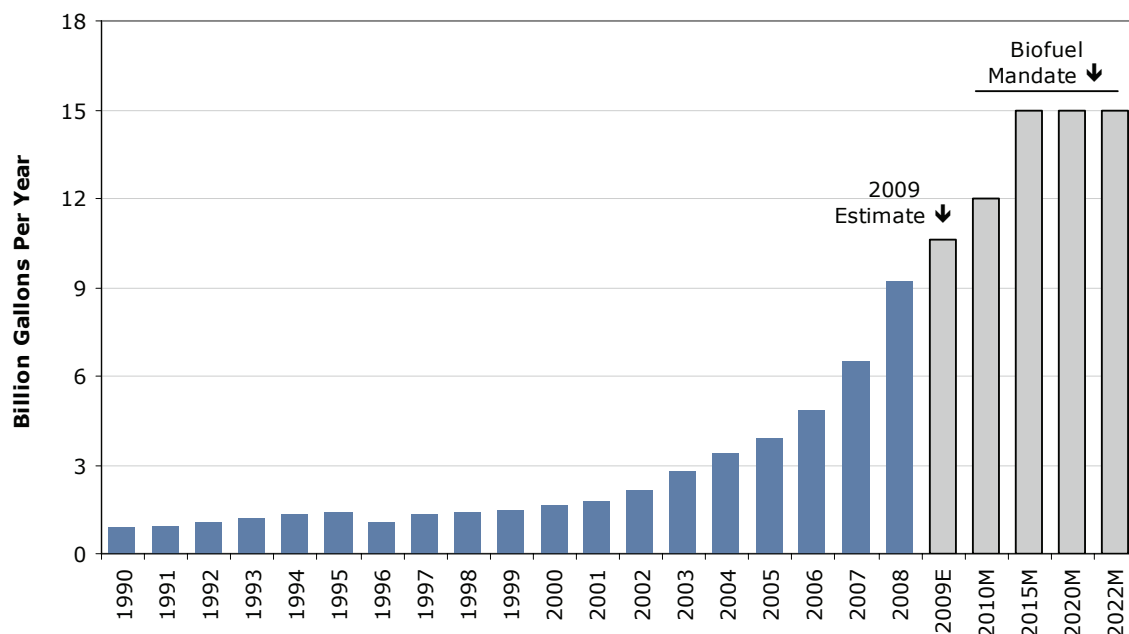
Figure 22. MLPs With Ethanol Exposure

	Storage Of Ethanol-Gasoline Blends	Ethanol Blending	Ethanol Transportation
BPL	✓	✓	
GLP	✓	✓	✓
KMP	✓	✓	✓
MMP	✓	✓	Evaluating
NS	✓	✓	
PAA	✓		
SXL	✓	✓	
TLP	✓	✓	

Source: Partnership reports

**Government mandates provide visible long-term demand for biofuels.** On December 19, 2007, the Renewable Fuel Standard (RFS) was revised with the signing of the *Energy Independence and Security Act of 2007*. The law requires the minimum production levels of approximately 15.2 billion gallons of ethanol by 2012. According to the Renewable Fuel Association, production of ethanol was estimated to be 10.6 billion gallons in 2009. The expected increase in ethanol supply between 2009 and 2012 will likely be supported by increased use of ethanol as an additive in gasoline production. Notably, on October 13, 2010, the Environmental Protection Agency agreed to let refiners add as much as 15% ethanol (up from 10% previously) to new gasoline blends for vehicles produced in 2007 and later. The EPA indicated a decision on whether to extend the higher ethanol ratio for vehicles made in 2001-06 will be made after further testing.



**Figure 23. Historical And Future Ethanol Production**

Source: RFA

**Acquisitions Markets (Including Drop-Downs) Should Remain Active In 2011**

We expect the active acquisition market of 2010 to continue into 2011. Crude oil and refined product MLPs should be well positioned as the oil majors continue to monetize non-core midstream assets. In addition, we expect E&P companies and private equity players to consider monetization of midstream assets as they look to fund shale development and exit investments, respectively.

The acquisition market for drop-downs should remain robust in 2011 as general partner (GP) sponsors look to maximize the value of their assets and GP interests. Year to date, MLPs have announced approximately \$5 billion of acquisitions from their GP sponsors. During this time frame, drop-downs have made up 32% of total acquisition capital in the MLP sector (\$15.7 billion), according to our analysis. Given the capital markets' healthy appetite for MLP debt and equity and the GPs' desire to maximize the value of its GP and limited partnership (LP) interests, we anticipate drop-downs to continue in 2011. In total, we count 18 MLPs with GP sponsors that have MLP appropriate assets that could potentially be sold to the underlying partnerships.

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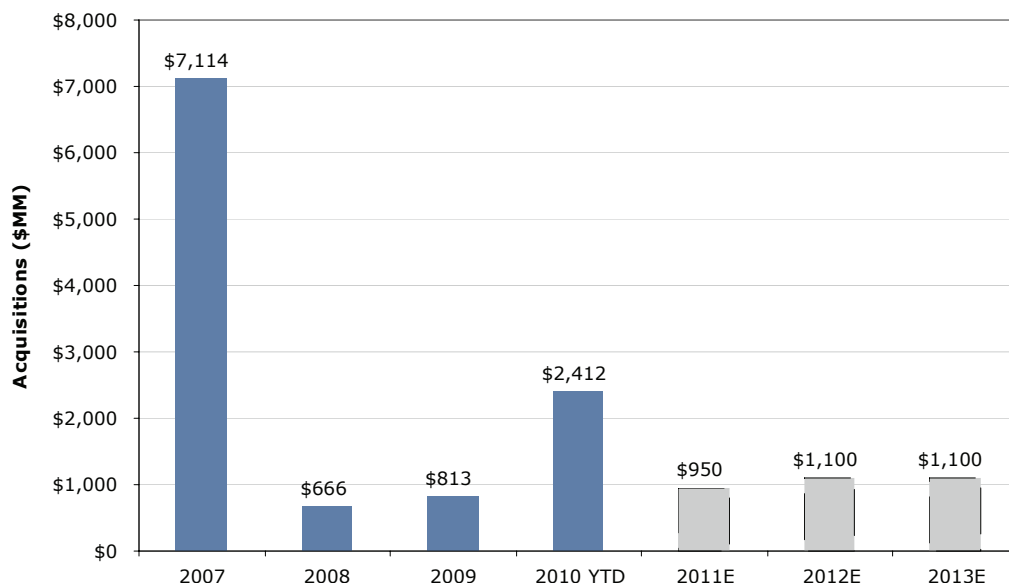
Figure 24. MLPs With Drop-Down Potential From GP Sponsors

MLP Name	Ticker	GP Sponsor	Ticker
Blueknight Energy Partners, L.P.	BKEP	Vitol and Charlesbank Capital	Private
Capital Products Partners, L.P.	CPLP	Capital Maritime & Trading Corp.	Private
Chesapeake Midstream Partners, L.P.	CHKM	Chesapeake Energy Corp.	CHK
DCP Midstream Partners, L.P.	DPM	DCP Midstream, LLC	Private
Duncan Energy Partners, L.P.	DEP	Enterprise Products Partners, L.P.	EPD
El Paso Pipeline Partners, L.P.	EPB	El Paso Corporation	EP
Enbridge Energy Partners, L.P.	EEP	Enbridge, Inc.	ENB
EV Energy Partners, L.P.	EVEP	Envest and EnCap	Private
Exterran Energy Partners, L.P.	EXLP	Exterran Holdings Inc.	EXH
Holly Energy Partners, L.P.	HEP	Holly Corporation	HOC
Navios Maritime Partners L.P.	NMM	Navios Maritime Holdings Inc.	NM
Pioneer Southwest Energy Partners, L.P.	PSE	Pioneer Natural Resources	PXD
Spectra Energy Partners, L.P.	SEP	Spectra Energy	SE
TC Pipelines, L.P.	TCLP	TransCanada Corp.	TRP
Teekay LNG Partners, L.P.	TGP	Teekay Shipping Corporation	TK
Teekay Offshore Partners, L.P.	TOO	Teekay Shipping Corporation	TK
Western Gas Partners, L.P.	WES	Anadarko Petroleum Corp.	APC
Williams Partners, L.P.	WPZ	Williams Companies	WMB

Source: Partnership reports

Monetization Of Conventional Reserves To Fund Shale Development

E&P companies (C-corps.) are monetizing conventional, more mature oil and gas reserves in order to re-deploy capital into faster-growing shale development. Upstream MLPs are poised to capitalize on this trend as they seek to acquire mature reserves with lower decline rates, higher PDP ratios, and long reserve lives. With the capital markets open and improvement in upstream MLPs' cost of capital (due to higher unit prices), we anticipate that continued acquisitions could drive future distribution growth. Year to date, upstream MLPs have announced \$2.4 billion of acquisitions, which is up 197% from 2009 levels and 262% from 2008 levels. Notably, we forecast roughly \$1 billion of annual acquisitions for the upstream MLP sector in 2011-13. However, if the A&D and capital markets remain as active as they have been in 2010, this forecast will likely prove conservative.

**Figure 25. Historical And Forecasted Acquisitions By Upstream MLPs**

Note: Totals are based on when acquisitions were announced.  
Source: Partnership reports and Wells Fargo Securities, LLC estimates

## Risk/Reward Appears Balanced

While we acknowledge the aforementioned factors, we believe these catalysts could be offset by the following potential headwinds: (1) MLPs look fairly valued relative to historical levels, (2) the sector is susceptible to a potential widening of credit spreads, (3) an increase in interest rates could affect MLPs, and (4) the pace of new fund flow entering the sector could be slowing given the steady issuance of new MLP products (plus the record amount capital raised in secondary offerings). As MLP valuations continue to climb, the sector's sensitivity to a move in interest rates and/or credit spreads increases, in our view.

## Valuations Within Historical Context

After the strong year-to-date performance of MLPs, the sector looks fairly valued relative to historical levels, in our view. We have compared current valuations with those of the Wells Fargo Securities MLP index over a five-year period to better frame the current valuation discussion. The median MLP yield currently stands at 6.5%, versus the five-year historical average of 7.6%. In addition, MLPs are trading at a premium on a 2011 enterprise value (EV)-to-adjusted EBITDA multiple of 12.3x, versus the historical average of 11.0x. On a 2011 price-to-distributable cash flow (P-to-DCF) basis, MLPs are also trading at a premium of 12.6x, versus the five-year average of 12.0x.

**Figure 26. MLP Valuation Metrics--Current Versus Historical**

	Current	5-Year Average	Premium / (Discount) To 5-Yr Avg.
Yield	6.5%	7.6%	15%
Price-to-DCF	12.6x	12.0x	5%
EV-to-EBITDA	12.3x	11.0x	12%
Spread-to-10-year Treasury	370	338	-

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

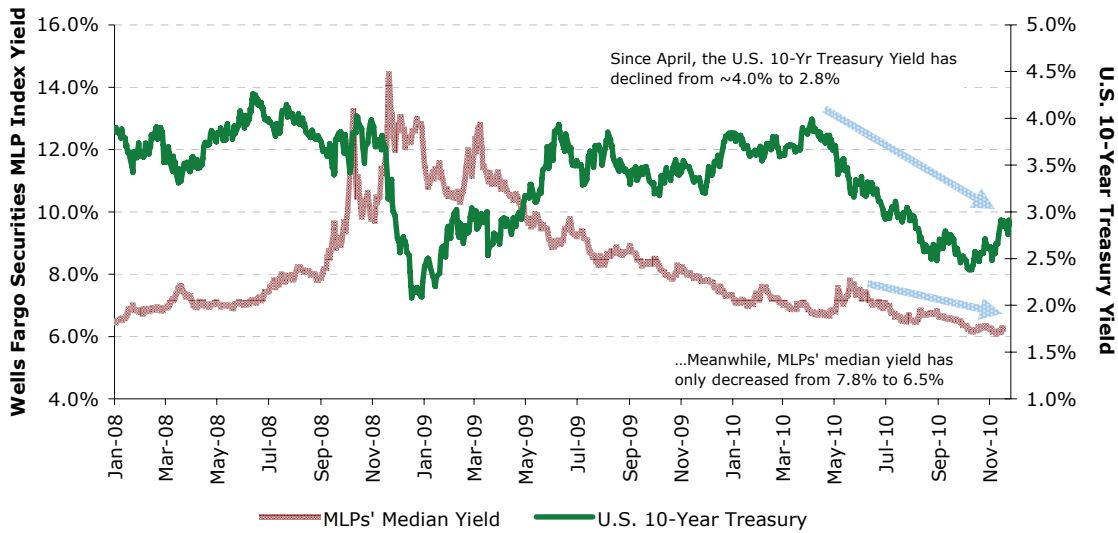
Note 2: EV-to-EBITDA adjusted to reflect percent of cash flow to GP.

Source: Partnership reports, FactSet, and Wells Fargo Securities, LLC estimates

**Spread Analysis -- MLPs Trading Slightly Wider Than Historical Average**

The spread between the MLPs' median yield and the U.S. 10-Year Treasury is approximately 370 basis points (bps), which is slightly above the five-year (2005-09) average of 341 bps. We believe MLPs appear roughly in line with historical levels on a spread basis, but are trading above them on other valuation metrics, due to technical factors that are keeping U.S. Treasury rates low. Treasury yields have declined by almost 120 bps since the start of April, primarily due to Fed actions (such as quantitative easing) and other technical factors. The Treasury's continued issuance of new debt has kept supply ample, driving rates lower. The yield on the 10-year U.S. Treasury stands at 2.79%, versus the three- and five-year historical averages of 3.84% and 4.12%. Thus, comparing the three- and five-year historical 10-year U.S. Treasury averages to the current MLP yield of 6.50%, the spreads would be 266 bps and 238 bps, respectively, or 22.0% and 30.2% below the average historical basis point spreads, respectively. Notably, the current spread between MLPs and the U.S. 10-Year Treasury of 370 bps compares to the seven- (2003-09) and ten-year (2000-09) averages of 328 bps and 334 bps.

**Figure 27. MLP Historical Yield Versus U.S. 10-Year Treasury Yield**



Source: FactSet and Wells Fargo Securities, LLC

**Stress Testing Price Performance For Valuation**

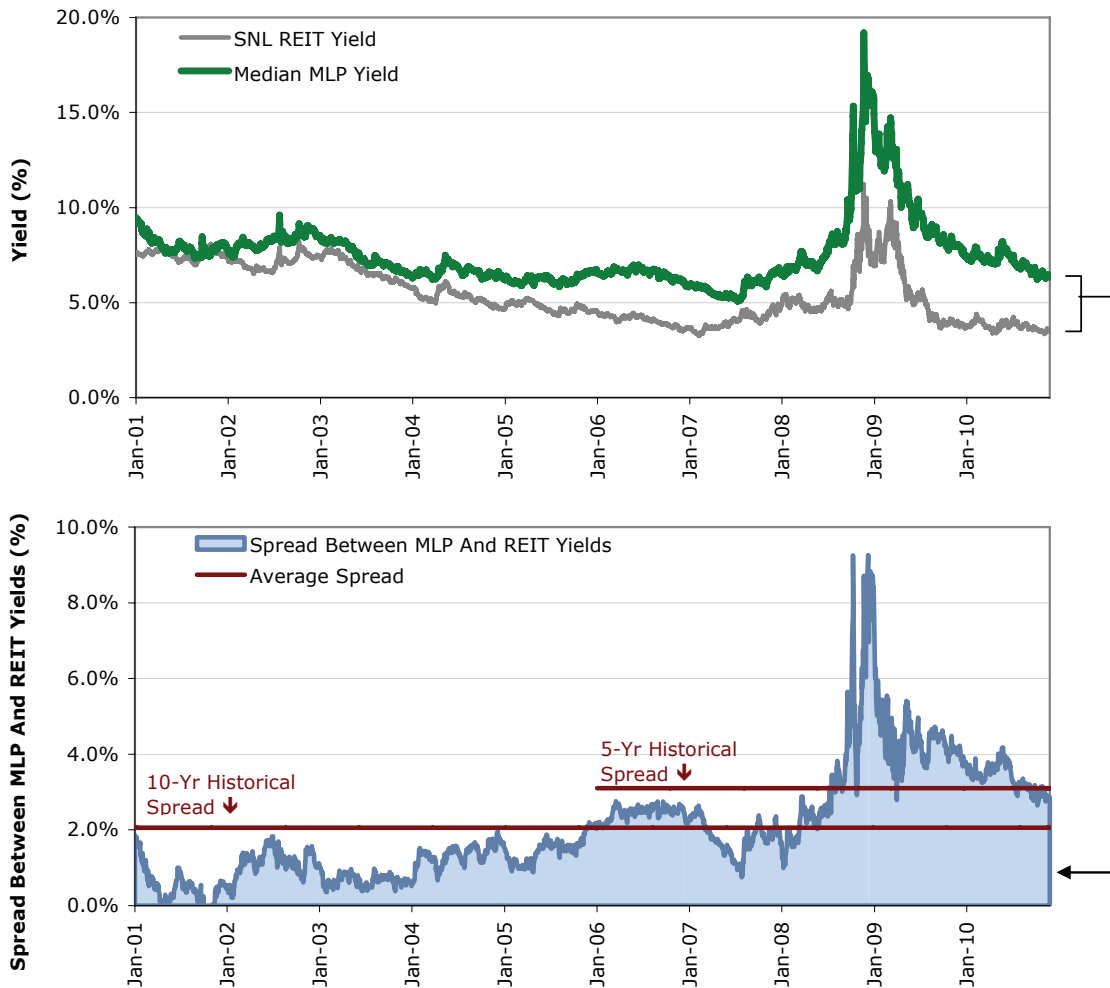
Given MLPs' 61.3% and 26.2% increases in 2009 and 2010 (year to date), respectively, (as measured by the Wells Fargo MLP index), we do not envision another year of robust price performance. Notably, since 1996, MLPs have never posted more than two consecutive years of double-digit price performance. As shown in Figure 28, the Wells Fargo Securities MLP Index achieved consecutive, double-digit price returns in 2000-01 and has the potential to do the same in 2009-2010 (as of November 30, 2010).



**Spread Between MLP And REIT Yields Back To Five-Year Historical Levels**

MLPs have historically traded at a discount to real estate investment trusts (REIT) on a yield basis. Over the past five years, the average yield for MLPs has been 7.6%, versus 4.6% for REITs (as measured by the SNL Equity REIT Index), which represents a spread of 3.0%. Currently, MLPs are yielding 6.5%, versus 3.5% for REITs. This implies a spread of 3.0%, which is essentially in line with the five-year average. To note, the ten-year historical spread between MLPs and REITs is 2.1%, which suggests either the potential for an additional 0.9% of yield compression (or 16% implied upside to our MLP index), or the potential for 1.2% yield expansion for the REIT sector.

**Figure 30. Historical Spread Between MLP And REIT Yields**



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

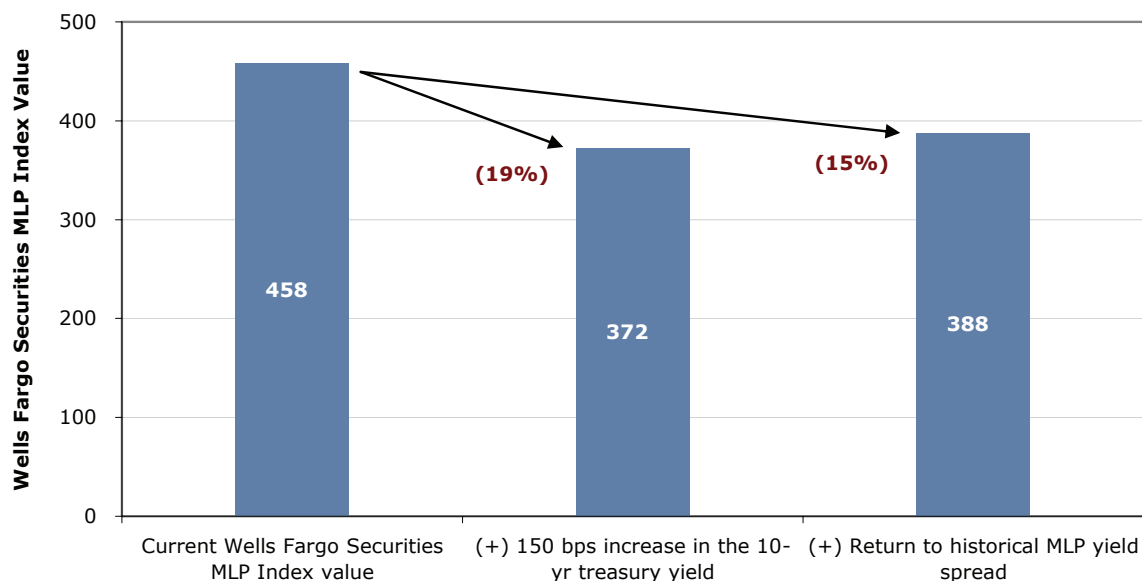
**A Potential Widening In Credit Spreads**

We do not represent ourselves to be experts on the credit markets. However, while Wells Fargo’s fixed income strategist Mr. Rich Gordon is generally positive on fixed income assets in the near term, he believes that “one can only hold a beach ball under water for so long. The eventual repercussions of artificially low interest rates will most likely appear through sharp movements in rates...” (see *Fixed Income & Market Portfolio Strategy, October 5, 2010*). In other words, Treasury markets and, by extension, credit markets, are likely to normalize (i.e., spreads widen) over time when quantitative easing and other government intervention subside. While we cannot predict when this will occur, we believe it will occur, at which point MLP valuations could correct, in our view.



According to Mr. Gordon, there could be as much as 150 bps of premium priced into the 10-year Treasury yield based on Fed actions and inflation (see *Fixed Income & Market Portfolio Strategy, September 28, 2010*). In other words, absent government intervention and other technical factors, the ten-year yield could be around 4.3% instead of the current 2.8%. Assuming MLPs traded at their current spread to Treasuries of 370 bps or the five-year historical spread of 338 bps, this would imply a potential 15-19% decrease in valuation for the sector.

**Figure 31. Impact To MLP Price Performance From Increase In Treasury Yield/Spreads**

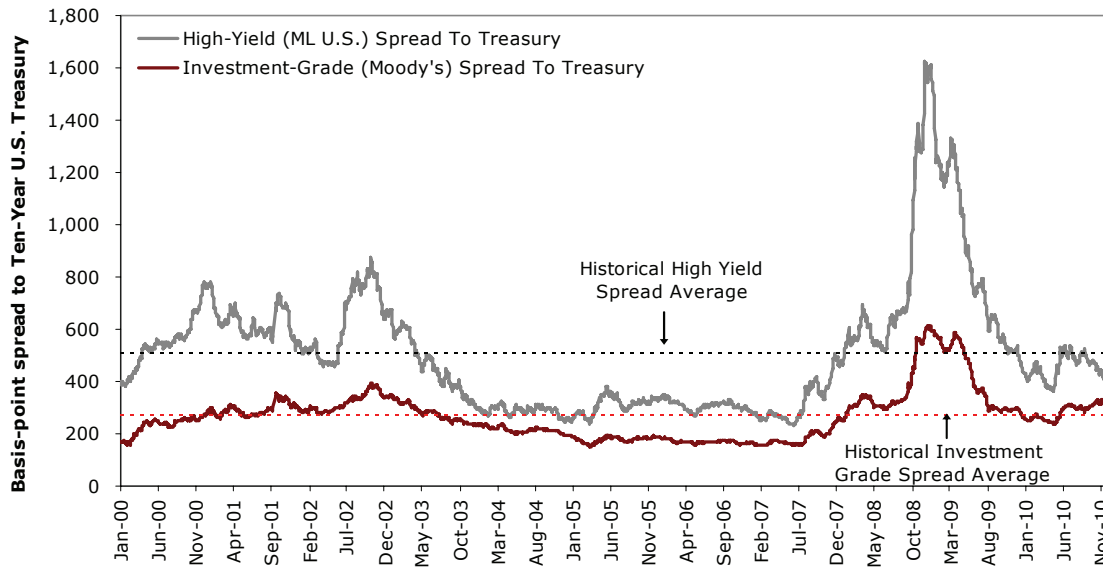


	Current	Increase In + 10-Yr Treasury	Return To + Historical Spread
MLP yield	6.5%	8.0%	7.7%
(-) Treasury yield	2.8%	4.3%	4.3%
Spread	3.7%	3.7%	3.4%
<b>Wells Fargo Securities MLP Index</b>	<b>458</b>	<b>372</b>	<b>388</b>
% change from current	0%	(19%)	(15%)

Source: FactSet and Wells Fargo Securities, LLC estimates

While correlations between MLPs and other asset classes have weakened post the credit crisis, the correlation between MLP prices and high yield credit spreads remains strong. The correlation between MLP performance (as measured by the Wells Fargo Securities MLP Index) and high yield credit spreads in 2009, over the past three and five years was (0.96), (0.88), and (0.74), respectively. Currently, investment grade and high yield spreads stand at 306 bps and 439 bps, respectively, versus a five-year historical average (2005-09) of 263 bps and 515 bps.

Figure 32. High-Yield And Investment Grade Credit Spreads To The 10-Year Treasury

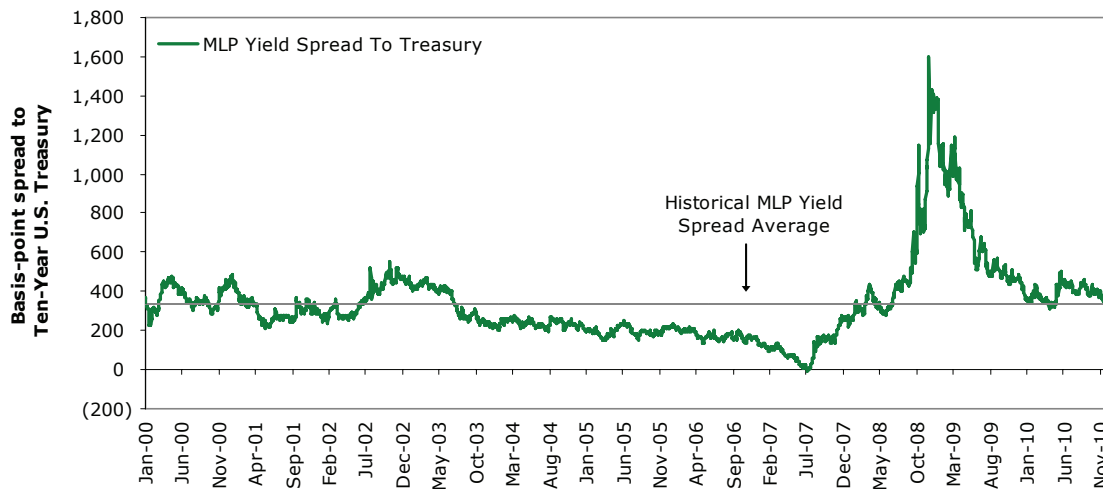


Source: Bloomberg

**A Potential Increase In Interest Rates Could Pressure MLPs**

The movement of interest rates and investor anticipation of a rise in interest rates have historically been important drivers of MLP performance. MLPs have underperformed during certain periods of rapidly rising interest rates because as interest rates increase, investors are able to receive a higher risk-adjusted rate of return from government-backed debt or Treasury securities. For example, in 1999, the Fed increased the target rate three times, to 5.75% from 5.00%. Over that same period, our MLP Composite declined 20.5%, while the Composite yield increased to 10.6% from an average of 7.7%. MLPs have historically traded at an average spread of 339 bps to the 10-year U.S. Treasury (from 2000 to 2010 year to date) compared to 370 bps currently.

Figure 33. Historical MLP Yield Spread To The 10-Year Treasury



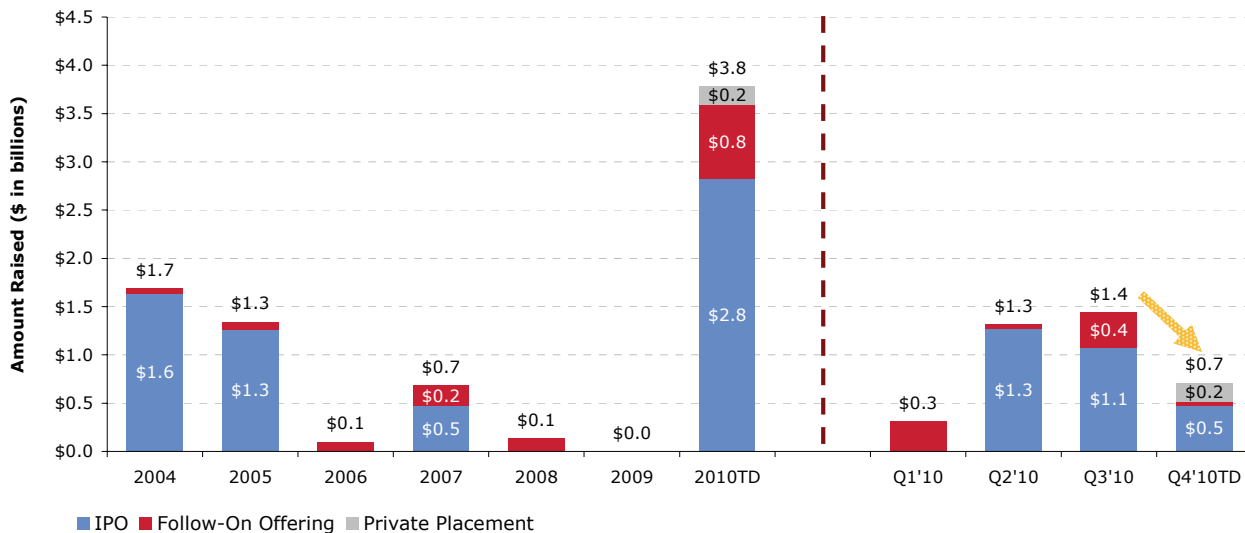
Source: FactSet

As MLPs have become more growth oriented, the impact of modest interest rate movements on MLP price performance has decreased. Between 2001 and 2007, MLPs accelerated distribution growth to approximately 11% in 2007 from 5% in 2001. Consequently, the average spread between MLP yields and Treasury yields declined to a low of 16 bps in 2007 from an average of 302 bps in 2001. Over the past five years, the correlation between the 10-year Treasury yield and MLPs has been only 0.27. Conversely, the correlations between MLP prices and interest rates could increase as we expect distribution growth to moderate back to a range of 4-5% annually.

**Pace Of New Fund Flow Could Be Slowing**

The pace of new capital entering the sector could slow as more MLP products are launched into the market and secondary issuances reach an all-time high. Historically, MLPs have underperformed during periods of heavy equity issuance, as supply has sometimes overwhelmed demand. Year to date in 2010, MLPs have raised \$12.4 billion in equity, including secondary offerings, initial public offerings (IPO), and private investment in public equity (PIPE). This represents the second-largest amount of equity raised in the MLP sector in a given year. Excluding PIPEs and units to asset sellers and GP sponsors, the \$11.2 billion raised is by far the most new equity raised in the MLP sector. As shown in Figure 34, MLP closed-end funds (CEFs) have raised a total of \$3.8 billion. Before 2010, only \$3.9 billion was raised in total by MLP closed-end funds. The size of MLP closed-end fund IPOs has decreased, perhaps indicating that MLP investors could be closer to reaching a saturation point.

**Figure 34. Historical Amount Raised By MLP-Focused Closed-End Funds**



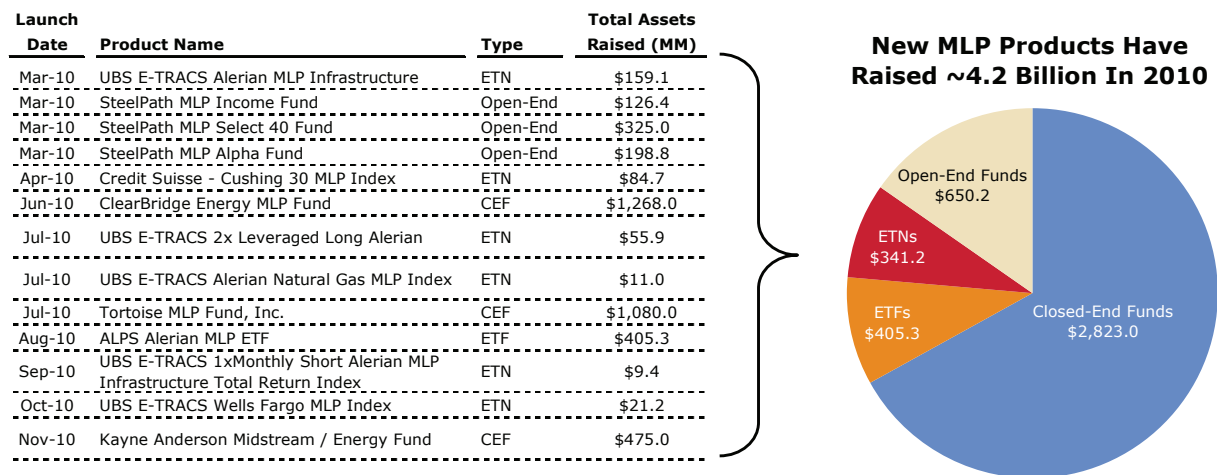
Source: Partnership reports

In addition to three closed-end funds launched in 2010, the advent of MLP exchange traded funds (ETFs), exchange traded notes (ETNs), and open-end funds have provided investors with new avenues to invest in the MLP sector. Year to date, ten MLP-focused products have commenced initial public offerings. These new products include ETNs (6), open-end funds (3), and an exchange-traded fund (1). Collectively, we estimate that new ETNs, ETFs, and open-ended funds launched in 2010 have seen inflow totaling almost \$1.4 billion. Thus, including the newly formed closed-end funds, the aforementioned products hold more than \$4.2 billion in total assets.

The introduction of new MLP investment vehicles could signal a natural evolution as the MLP sector matures to encompass more investable products. It is also more likely that these investment vehicles could broaden the ownership pool for the MLP sector and increase overall liquidity for MLPs. However, these vehicles are also likely to increase sector volatility as institutional investors could use these products to hedge their long exposure to the underlying securities.

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Figure 35. Amount Raised By MLP Products Introduced In 2010

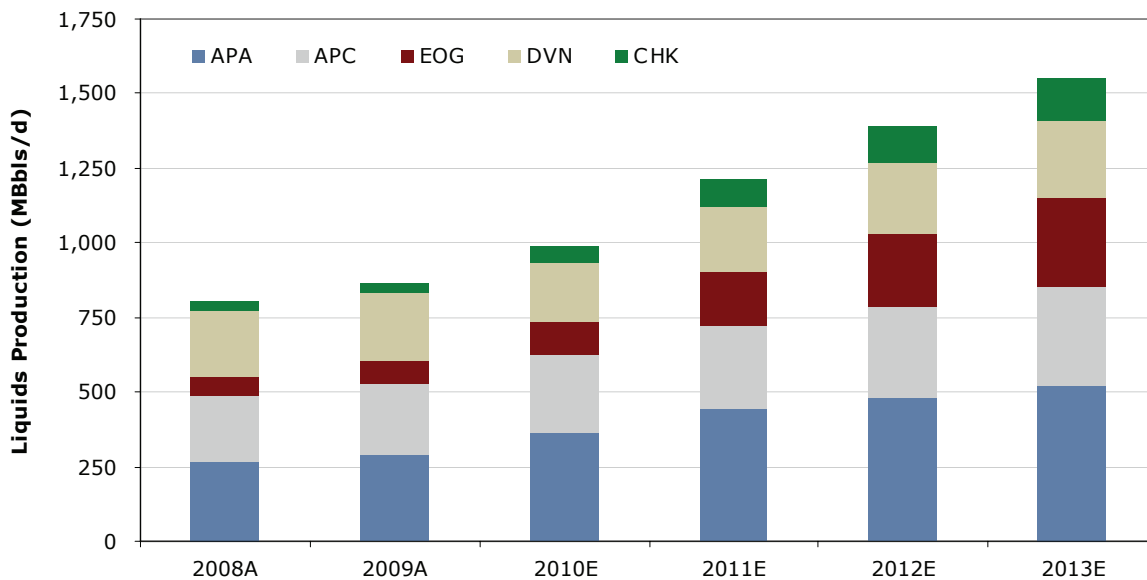


Source: Partnership reports, Bloomberg, and Wells Fargo Securities, LLC estimates

Outlook By Commodity And Asset Class

**Natural gas gathering and processing.** Despite low natural gas prices, we forecast gathering volume to remain relatively steady in 2011. Once again, location will be the key driver, with shale exposure and liquids-rich plays exhibiting growth, offset by continued declines in conventional production and the Gulf Of Mexico. Well Fargo's E&P team forecasts the natural gas markets to be oversupplied by 2.4 billion cubic feet per day (Bcf/day) in 2011 compared to 1.7 Bcf/day in 2010, implying plenty of production to fill up gathering lines. Notably, our E&P teams believes the rig count could decrease in H2 2011 as drilling motivated by held by production (HBP) and supported by above-market price hedges begin to roll off. Thus, the potential for a decrease in gathering volume in H2 2011 bears watching. Again, the basins best positioned even in a low natural gas price environment include (1) liquids-rich plays where NGL price uplift supports economics and (2) low-cost shale development. This includes the Bakken, Eagle Ford, Granite Wash, and Marcellus Shales. Basins that could see reduced activity include the Barnett, Hayneville, Rockies, Fayetteville, and Woodford Shale. Notably, our E&P equity research team forecasts NGL and condensate production growth of more than 50% for five of the largest independent E&P producers over the next three years.

Figure 36. Liquids Growth Expectations For Large E&P Independent Companies



Source: Company data and Wells Fargo Securities, LLC estimates

**Natural gas pipelines and storage.** Given our outlook for continued oversupply and relatively weak natural gas prices, we expect another challenging year for natural gas pipeline and storage businesses. A combination of low gas prices, ample storage levels, and few pipeline bottlenecks is likely to keep regional basis differentials tight, seasonal spreads narrow, and volatility somewhat muted. Based on NYMEX strip pricing, the implied winter summer spreads for 2011, 2012, and 2013 increased slightly in November reaching \$1.03 per MMBtu, \$0.84 per MMBtu, and \$0.75 per MMBtu, respectively, as of month-end, from \$1.01 per MMBtu, \$0.80 per MMBtu, and \$0.72 per MMBtu at the end of October.

**What could change the status quo?** A meaningful uptick in natural gas demand would likely improve basis differentials and create more region specific volatility. In addition, a cold winter could help spur demand and hurricanes could disrupt supply; both factors would likely be positive for natural gas volatility and spreads, in our view.

**NGL logistics.** Our forecast for a continued wide ratio between the price of crude oil and natural gas should result in favorable supply and demand dynamics for natural gas liquids (NGLs). On the supply side, the wide oil-to-gas ratio is incentivizing producers to focus drilling in oil and liquids-rich areas (as opposed to areas with dry natural gas), where economics are more favorable. This should continue to drive NGL logistics infrastructure expansions tied to gathering, processing, pipeline, storage, and fractionation. On the demand side, petrochemical consumption of ethane and propane exports are at record levels and these companies are re-tooling existing steam crackers to accept more light-end product and are expected to continue these conversions in 2011 and 2012. Despite investor concern over the growing supply of NGLs from liquids-rich natural gas plays, we forecast that the NGL market will, on the whole, remain essentially balanced in 2011. Longer term, we remain cautious with respect to ethane prices and the potential for an oversupply of product at Mont Belvieu. However, we continue to believe near-term petrochemical demand for ethane will be sufficient to absorb growth in ethane supply therefore resulting in an essentially balanced ethane market. We forecast a 2011 NGL price (Mont Belvieu) of \$1.09 per gallon (a 1.0% estimated increase over 2010) and an NGL-to-crude oil ratio of 56%.

**Crude pipeline and storage.** We expect the fundamental environment for crude oil pipelines and storage operators to remain relatively stable in 2011. Crude volume should improve modestly, driven by (1) a continued recovery in the overall economy, and (2) the development of onshore oil shale development plays in West Texas, the Rockies, and South Texas. As noted, demand for additional crude oil storage remains solid, driven by shifting supply flow due to the completion of the Keystone pipeline and emerging oil shale plays.

**Refined petroleum products pipeline and storage.** Refined products pipeline demand appears to have bottomed and could begin to rebound in 2011. According to the Annual Energy Outlook, the EIA expects refined products consumption to increase 2.9% and 1.7% in 2011 and 2012, respectively. For Q3 2010, refined products pipeline volume for MLPs under coverage was up 4.1% yr/yr, which was largely driven by strong diesel demand and a modest improvement in gasoline demand. Most MLP management teams expect volume to improve into 2011, driven by a recovery in the overall economy. Notably, the automatic PPI adjuster for tariffs is up for review in 2011. Based on information known to date, we expect the adjuster to improve from the previous five-year formula of PPI+1.3%. Demand for refined products storage should also remain solid given the need for specialized tanks for bio-diesel, ethanol, and butane blending operations.

**Marine transportation.** The shuttle tanker sector will, as always, be affected by the counter veiling forces of the natural production decline of offshore fields versus new production coming on-stream. We believe relatively flat production in the North Sea will be offset by increases in Brazil, Australia, and West Africa. In addition, the trend toward fee-based contracts, as opposed to volume-based contracts, and a dearth of new capacity should add to earnings visibility. The LNG shipping sector within the MLP group is likely to be very stable in 2011, due to the long-term nature of contracts. Growth will have to come from newbuilds and acquisitions. Our expectation is that the marine barge business will slowly improve in 2011 but remain a buyer's market. A stronger recovery will depend on an improvement in refinery utilizations, which, in turn, is dependent on the pace of an economic recovery.

**Global shipping** (contributed by Wells Fargo Securities Ocean Shipping analyst Michael Webber). We believe long-term demand fundamentals in the tanker market remain solid, with a recovering world economy and continued growth in Chinese crude imports driving increased ton-mile demand. While supply growth remains a concern, the tanker order book stood at 26% of the global fleet as of October 31, down from nearly 50% in late 2008, and continued order slippage and cancellations could push this figure lower by mid-2011, potentially mitigating what should be relatively firm supply headwinds. We expect day rates in 2011 to follow a pattern similar to that of 2010, though potentially slightly moderated by the near-term supply coming online and the absence of the floating storage trade, due to the lack of contango in the crude futures curve. However, we believe longer-term trends for the industry remain positive.

We believe the biggest factor affecting the dry bulk shipping market in 2011 will be the global order book, which stood at approximately 49% of the global fleet as of October 31. We believe the supply pressure will be the strongest for the larger vessel classes, as Capesize and Panamax orders together represent approximately 75% of the global order book on a dwt basis. While we believe global dry bulk demand growth will remain robust, driven by continued rapid expansion in Chinese infrastructure, and that the order book will be moderated to some degree by slippage and cancellations, we believe the recent declines in dry bulk rates could be indicative of the 2011 rate environment, which we expect to be modestly weaker than the strong 2010 environment.

The containerized trade market has rebounded strongly from the global recession, with liners returning to profitability in 2010 and container utilization rates currently around 98%, at or above normalized peak levels. In addition, slow steaming, limited supply growth, and the global economic recovery have broadly supported containership rates. While we believe the containerized freight markets are currently experiencing some modest seasonal weakness, we expect broad-based strength in 2011 as the global economy continues to recover.

**Coal.** For 2011, most coal producers have already priced and committed the vast majority of 2011 production, which should have a positive effect on earnings momentum. The fundamental outlook for coal has improved, as favorable weather patterns and a jump in exports in 2010 resulted in a draw-down of utility coal inventory, resulting in a recovery in mine output and a firming in prices. While contract pricing is mostly set for 2011, spot prices will continue to be affected by the level of exports, the tempo of economic activity, the price of competing fuels (natural gas), and weather conditions. We also expect increased volatility in metallurgical coal prices, driven by export demand and the fact that met coal will now be repriced on a quarterly basis. Stock price performance is likely to be driven, in part, by investors' expectations for coal prices and the demand environment in 2012-14. In our opinion, the longer-term outlook for coal is improving, but remains potentially volatile, due to the delicate nature of the global economic environment, government regulatory trends, and weather conditions.

**Propane.** The fundamental environment for propane MLPs continues to be challenging, in our view, punctuated by high energy prices, customer conservation, low commercial (forklift) demand, and uncertain weather conditions. However, propane MLP management teams continued to display their ability to overcome the challenges of a mature industry by cutting costs, reducing debt expense, improving margin, and in some cases, diversifying into other energy sectors. Based on the current competitive arena, we expect gross margin per gallon sold to remain at or slightly better than the favorable levels experienced in FY2010. Residential demand will still be affected by conservation. But, more important, easier comparisons versus weather conditions that were warm in the Northeast last winter and nationwide from March through September could boost results. Commercial demand should continue a slow recovery off of a low base. Of the four publicly traded propane MLPs, three (i.e., APU, SPH and NRGY possibly later in FY2011) are expected to increase distributions, while FGP is likely to maintain its distribution. The propane MLPs continue to be viewed as unregulated "utility-like" entities with management teams that have demonstrated the ability to grow within the boundaries of a mature industry and around the vagaries of winter weather conditions.



**Q3 Earnings Wrap -- In Line With Expectations**

Forty out of 53 MLPs under coverage (excluding GPs and i-shares) reported earnings that were in line with or above expectations. Distributions declared represent 3.7% yr/yr growth (median), which compares to 3.4% median growth in Q2 2010. In general, fundamentals for MLPs appear solid. Refined products demand is beginning to rebound, crude contango profit opportunities (while reduced) are still available, and gathering and natural gas pipeline volume is up for those with exposure to shale or unconventional production. The weak spots continue to be intrastate natural gas pipelines and storage, which are down to reduced basis differentials, lower seasonal spreads, and reduced gas price volatility. In addition, NGL margin has been lower than expected due to reduced pricing in Q3.

**Figure 37. Percentage Of MLPs That Beat Or Were In Line With Expectations**

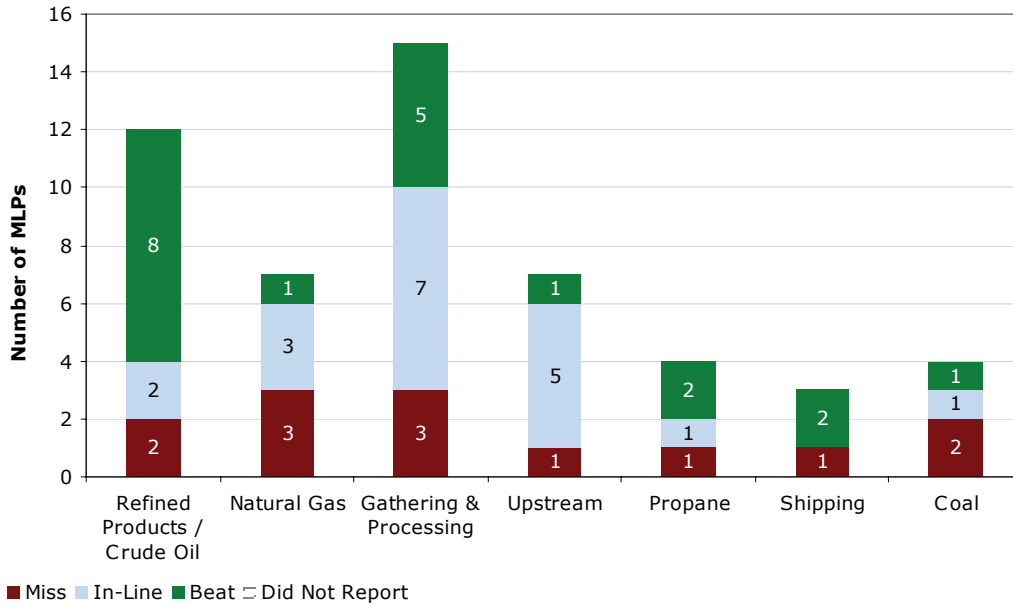
	Percentage Of MLPs That Beat Or Were In Line				
	Q3'10	Q2'10	Q1'10	Q4'09	Q3'09
Large-Cap Pipeline MLPs	<b>75%</b>	64%	64%	80%	90%
Small-Cap Pipeline MLPs	<b>88%</b>	88%	38%	55%	55%
Gather / Process MLPs	<b>73%</b>	80%	50%	73%	55%
Upstream MLPs	<b>86%</b>	71%	86%	57%	86%
Propane MLPs	<b>75%</b>	25%	75%	100%	25%
Shipping MLPs	<b>67%</b>	100%	67%	0%	0%
Coal MLPs	<b>50%</b>	67%	67%	100%	100%
<b>All MLPs (Excl. GPs)</b>	<b>75%</b>	71%	61%	67%	63%

Source: Partnership reports and Wells Fargo Securities, LLC estimates

While the average Q3 2010 NGL price decreased to \$1.00 compared to \$1.06 in Q2 2010 (which likely affected gathering and processing MLP results), demand for NGLs from the petrochemical industry remains at historically high levels, which should drive pipeline and fractionation volume. Upstream MLPs continue to benefit from healthy oil prices and an active A&D market. Propane MLPs continue to benefit from solid margin. The coal MLPs are starting to gain pricing power as a hot summer and a slight improvement in economic activity has reduced inventory. Our select group of shipping MLPs are experiencing growth via dropdowns, cost cutting, and higher charter rates.

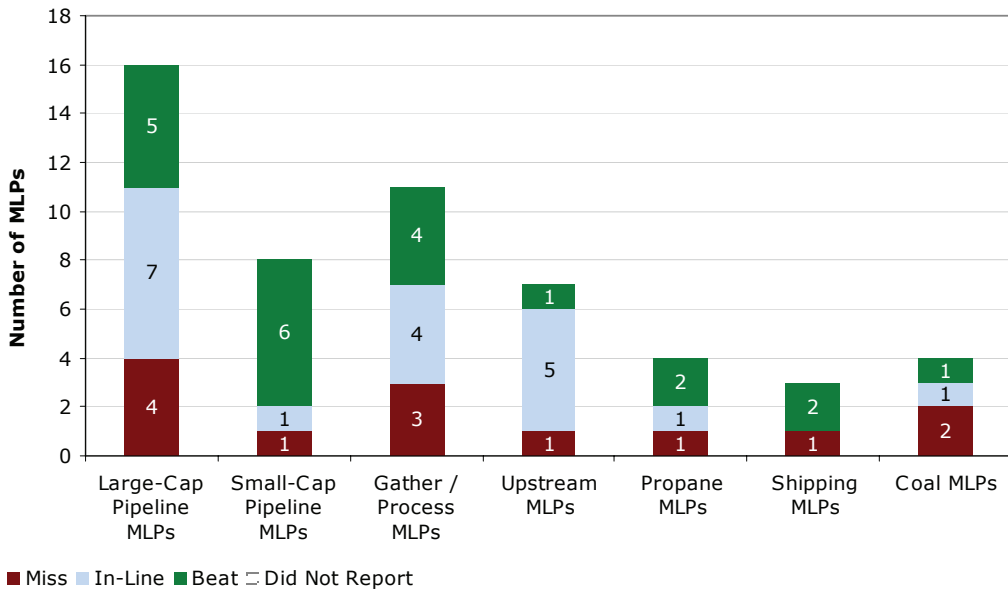
Master Limited Partnerships

Figure 38. Earnings By Commodity



Source: Partnership reports and Wells Fargo Securities, LLC estimates

Figure 39. Earnings By Subsector

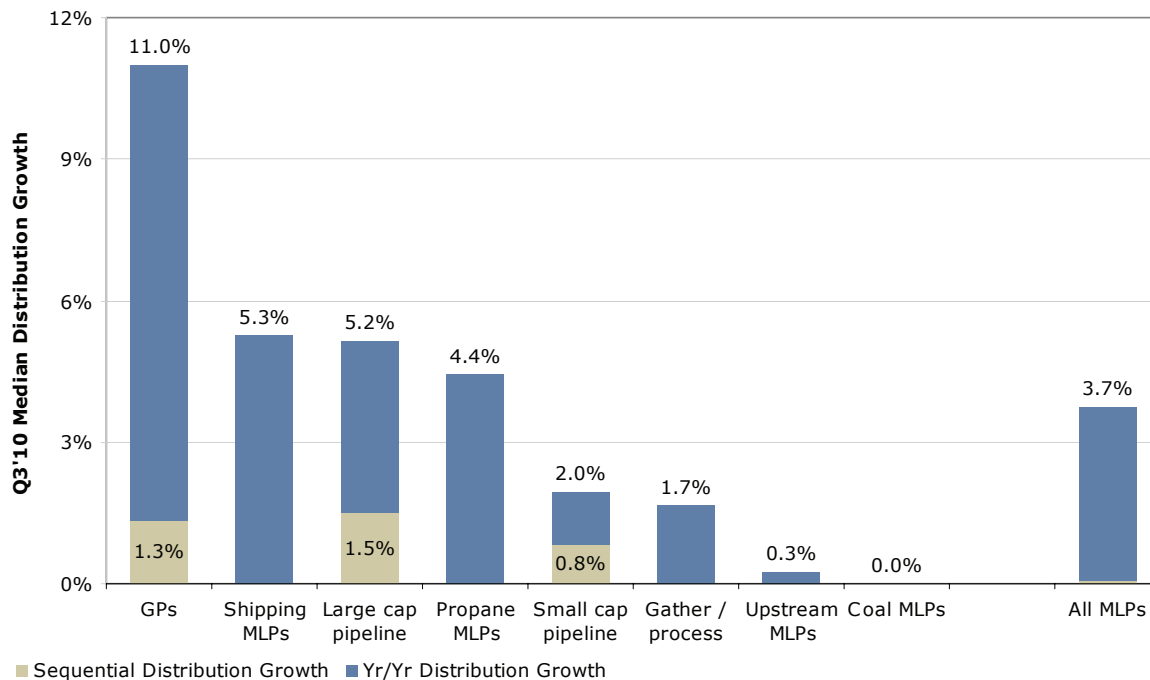


Source: Partnership reports and Wells Fargo Securities, LLC estimates

### Q3 2010 Distribution Scorecard

In Q3 2010, MLPs increased their distributions by a median of 3.7% (excluding MLPs that have reduced or suspended distributions). General partner (GP), shipping, and large-cap pipeline MLPs were the fastest-growing sub-groups (excluding distressed MLPs) for the second quarter in a row, posting yr/yr median distribution increases of 11.0%, 5.3%, and 5.2%, respectively. On a yr/yr basis (i.e., Q3 2010 declared distribution over Q3 2009 declared distribution), the six fastest-growing MLPs in Q3 2010 were NRG (up 20.0%), EPB (up 17.1%), WES (up 15.6%), AHGP (13.6%), EPE (up 11.7%), and NSH (up 10.3%). On a sequential basis (i.e., Q3 2010 declared distribution over Q2 2010 declared distribution), the five fastest-growing MLPs in Q3 2010 were WES (up 5.7%), LINE (up 4.8%), NSH (up 4.3%), AHGP (3.6%), and GEL (up 3.3%).

**Figure 40. Summary Of Q3 2010 Distribution Growth By Subsector**

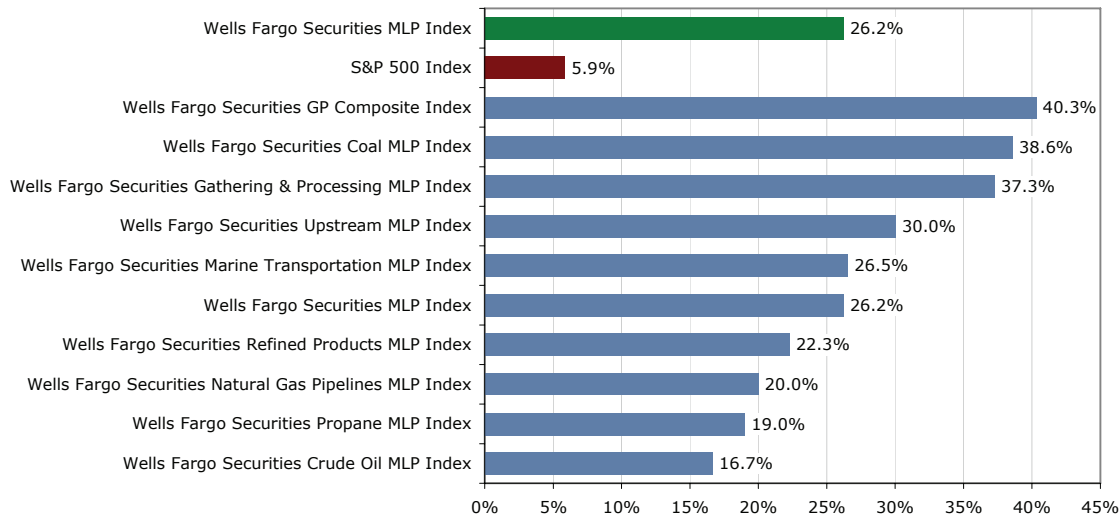


Note: Please refer to the table at the back of this report for distribution growth by individual MLP  
Source: Partnership reports and Wells Fargo Securities, LLC estimates

**MLP Price Performance**

Year to date, the Wells Fargo Securities MLP Index has increased 26.2% (price performance), compared to 5.9% for the S&P 500. The best-performing MLP subsectors (market-cap weighted) year to date are general partnership and coal MLPs, which have appreciated 40.3% and 38.6%, respectively. The worst-performing MLP subsectors year to date are crude oil and propane, which are still in positive territory for the year at 16.7% and 19.0%, respectively.

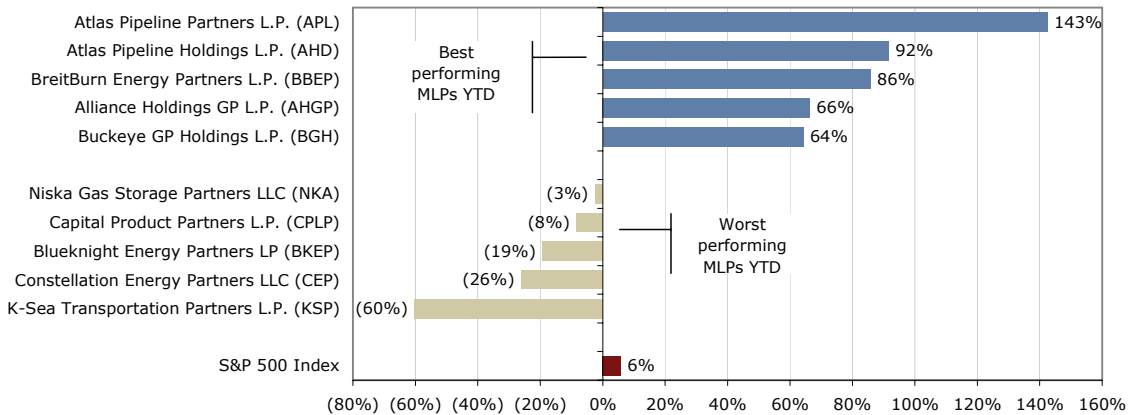
**Figure 41. Year-To-Date Performance By Subsector (Market-Cap Weighted)**



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

Since the start of 2010, the best-performing MLPs have been APL, AHD, BBEP, AHGP, and BGH, while the worst-performing MLPs have been KSP, CEP, BKEP, CPLP, and NKA.

**Figure 42. Best And Worst Performers (Price Performance Year To Date)**



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).

Figure 43. 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%		
<b>Median</b>	<b>4.1%</b>	<b>0.8%</b>	<b>1.3%</b>	<b>2.7%</b>	<b>0.2%</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>1.8%</b>	<b>14.1%</b>
<b>Average</b>	<b>3.9%</b>	<b>(1.0%)</b>	<b>1.0%</b>	<b>3.2%</b>	<b>0.1%</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>14.1%</b>

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

### Short Interest Data Increased In November

Short interest volume increased by an average of 5.3% (or a median of 0.7%) in November. The five MLPs with the largest month-over-month increases were OXF (up 143%), TOO (up 131%), TLP (up 100%), WPZ (up 88%), and CLMT (up 65%). For November, the short interest ratio for MLPs was 2.4 days (average), versus 2.5 days in October 2010. The ten MLPs with the highest days-to-cover ratio include BPL (8.3), PVR (7.7), KMP (6.9), WES (5.9), EEQ (5.1), EROC (5.1), OKS (4.6), KSP (4.5), EPD (4.2), and APU (4.2). 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.

The short interest ratio provides an approximation of how long it would take for short-sellers to cover their position (i.e., buy back the stock). Thus, the higher the ratio, the longer it takes for short-sellers to close out their position. The ratio is calculated by dividing the number of units (shares) sold short by the average daily trading volume of the prior month. To note, a short-seller is an investor that expects the price of a stock to decline. For example, if an investor expects the stock price of Company ABC to decline, the investor can borrow Company ABC stock from his or her brokerage firm (i.e., lender) and sell the stock in the open market. The investor receives the proceeds from the sale of Company ABC stock. If the price of Company ABC stock declines, the investor can "close out" of the position and realize a gain by buying back Company ABC stock at a lower price in the open market (i.e., investor returns Company ABC stock to its brokerage firm). If the stock price of Company ABC stock increases, the investor will lose money if he or she is forced to close out its position.

Master Limited Partnerships

Figure 44. Short Interest Summary By MLP Subsector

	Percent $\Delta$ In Short Interest Volumes From Prior Month	Days To Cover
Large-Cap Pipeline MLP Median	7.5%	2.5
Small-Cap Pipeline MLP Median	(2.8%)	2.5
Gathering & Processing MLP Median	3.5%	1.8
Upstream MLP Median	(0.2%)	0.9
Propane MLP Median	(6.7%)	1.9
Shipping MLP Median	13.1%	1.6
Coal MLP Median	9.5%	1.9
General Partnership MLP Median	(26.9%)	1.2
<b>All MLPs Average</b>	<b>5.3%</b>	<b>2.4</b>
<b>All MLPs Median</b>	<b>0.7%</b>	<b>1.8</b>

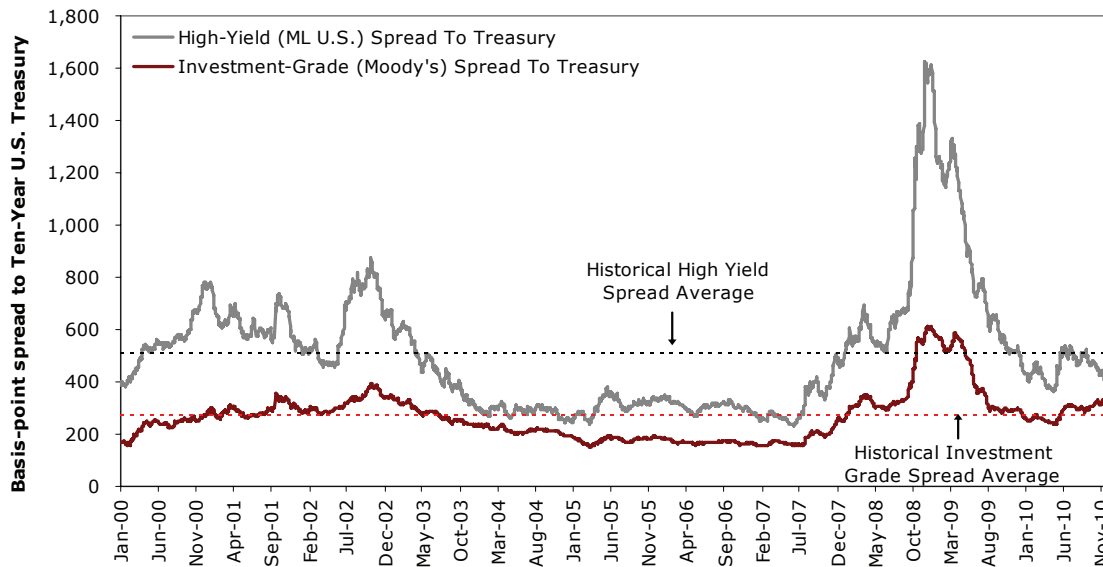
Note: Please see the back of this report for an overview of short interest positions by MLP  
Source: FactSet

Update On Factors Driving MLP Performance

High-Yield Spreads Widened In November, While Investment Grade Spreads Contracted

High yield credit spreads widened by 11 bps in November, while investment grade spreads narrowed by 11 bps for the month. The spread for the high yield index was 439 bps above the 10-year U.S. Treasury at the end of November, versus 428 bps at the end of October (and versus a historical average spread of 507 bps since 2000). The investment grade spread to the Treasury was 306 bps above the 10-year Treasury at the end of November, versus 317 bps at the end of October (and versus a historical average spread of 267 bps). The 10-year Treasury yield increased by 25 bps for the month, to finish at 2.86% (from 2.61% in October). For the month, high yield bond yields increased 28 bps, to 7.2% and investment grade bond yields increased by 16 bps, to 5.94% at the end of November.

Figure 45. High Yield And Investment Grade Credit Spreads To The 10-Year Treasury



Source: Bloomberg

**MLP Yield Spread To Treasuries Contract In November**

MLPs are now trading at a median yield of 6.5%, which represents an approximate 370-basis-point spread above the 10-year Treasury yield. Spreads contracted from the previous month, in which MLPs traded at a median yield of 6.5% and were 403 bps above the 10-year Treasury. The current spread compares to a historical average spread of 338 bps (since 2000). In November, the yield on the Wells Fargo Securities MLP Index remained at 6.5%, while the yield on the 10-year Treasury increased to 2.79% from 2.61% (at the end of October), resulting in a 34-basis-point contraction in the spread. Notably, in November the 10-year Treasury remained below 3.00% for the fifth month in a row, which compares to the ten-year historical average of 4.24%. Furthermore, the historical spread between MLP yields and Treasuries has ranged from 12 bps to 1,703 bps since 2000.

**Figure 46. Historical MLP Spread To 10-Year Treasury**

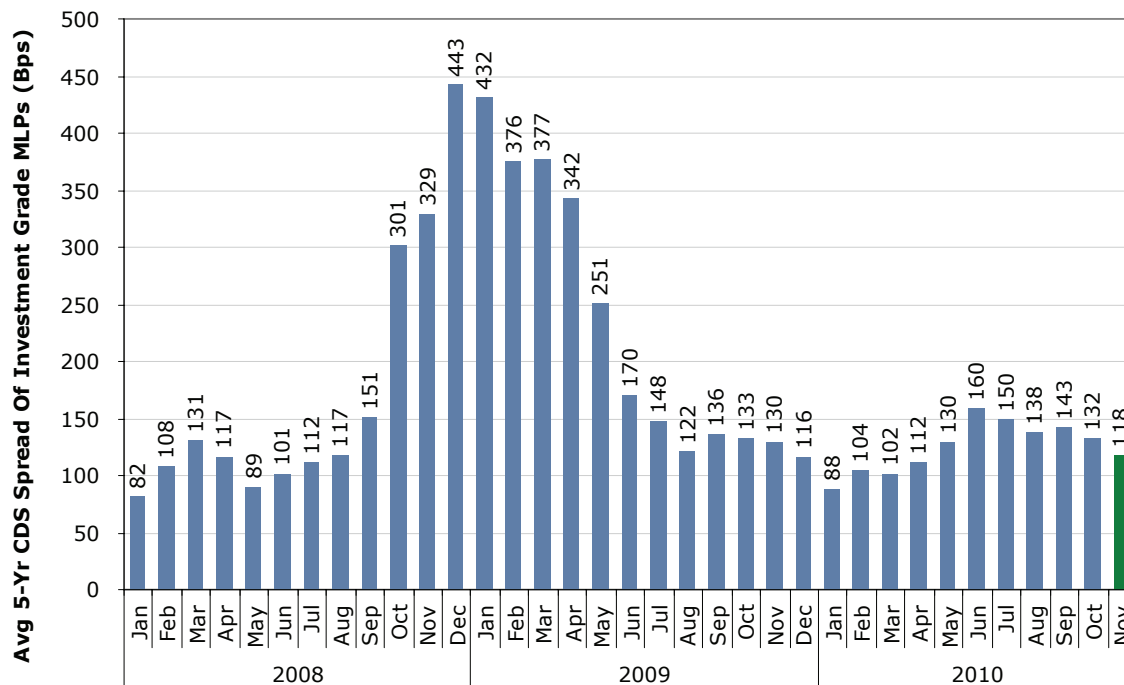


Source: FactSet

**MLP CDS Spreads Declined In November**

In November, credit default swap (CDS) spreads for large-cap pipeline MLPs with publicly traded debt declined to 118 bps from 132 bps in October. Over the past three years, MLP CDS spreads have averaged approximately 174 bps, which compares to the overall CDS three-year average of 126 bps. 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 47. Average MLP CDS Spreads



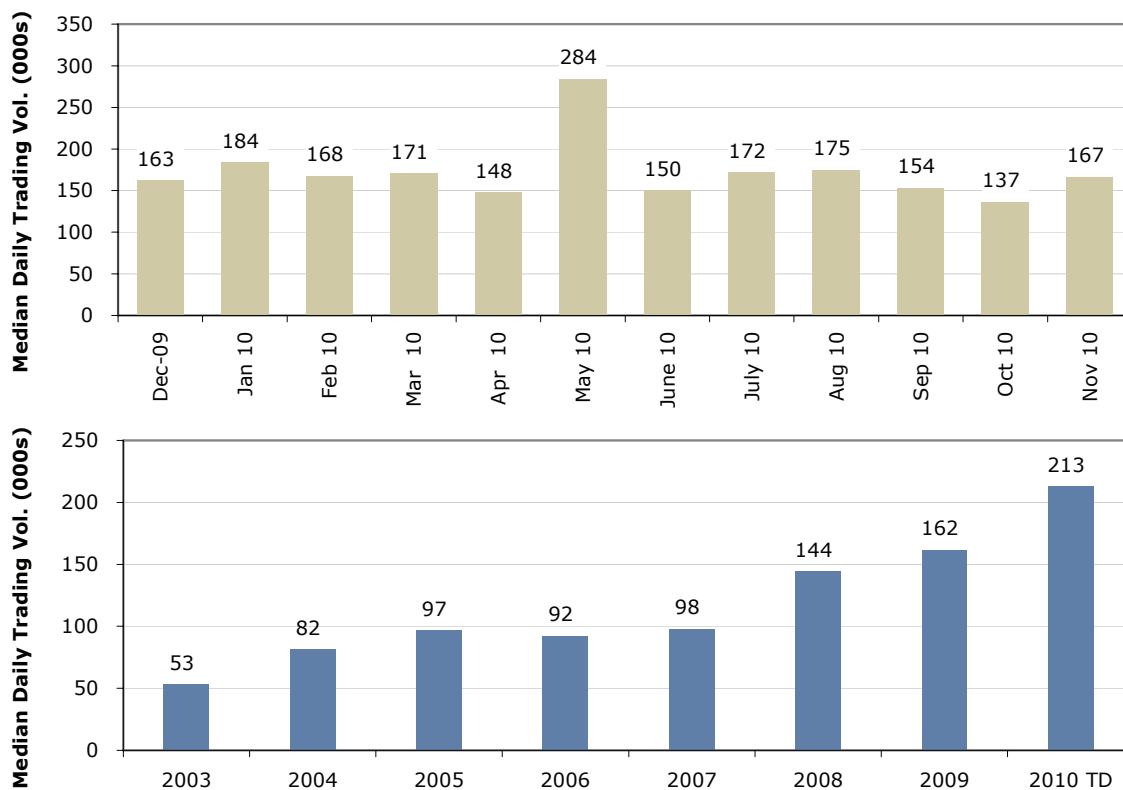
Note: Large-cap pipeline MLP group consists of: EEP, EPD, ETP, KMP, MMP, OKS, and PAA  
Source: FactSet and Bloomberg

**Trading Volume Increased During November**

The median daily trading volume for the MLP sector increased to 167,000 in November, versus 137,000 units in October. The increase in trading activity partially reflects the increase in secondary issuances during November (nine public offerings). This compares to October, which priced only two public offerings.



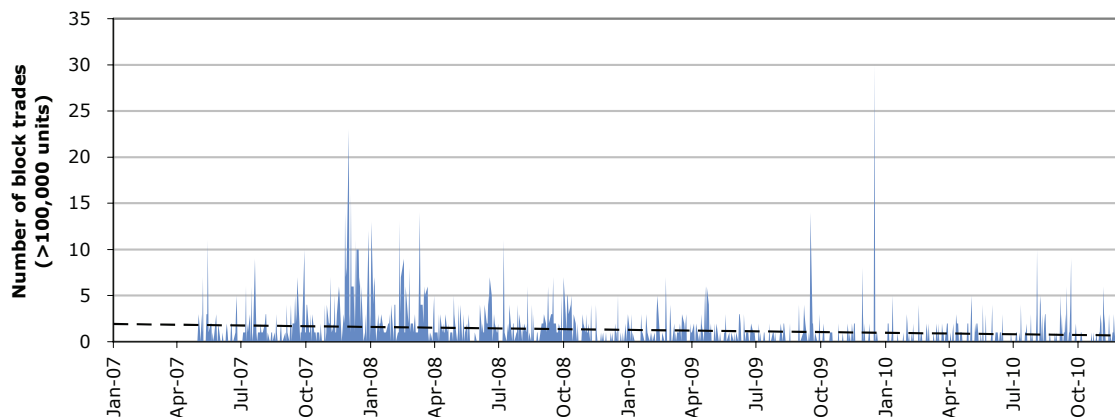
Figure 48. Median MLP Daily Trading Volume



Source: FactSet

The number of large block trades (greater than 100,000 units) increased in November, to 30, versus 5 in October, and was also up from 12 trades in the comparable year ago period. We believe the increase from the prior month's activity may reflect institutional investors desire to build positions in certain MLPs and the heavy issuance of equity by MLPs in November.

Figure 49. Total Number Of MLP Block Trades



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2007	0	0	0	0	41	20	39	22	39	40	79	126	406
2008	57	71	64	35	27	45	36	28	53	48	19	17	500
2009	19	21	25	39	13	21	11	10	34	10	12	49	264
2010	12	15	19	22	24	16	15	35	40	5	30		233

Note: As of November 30, 2010

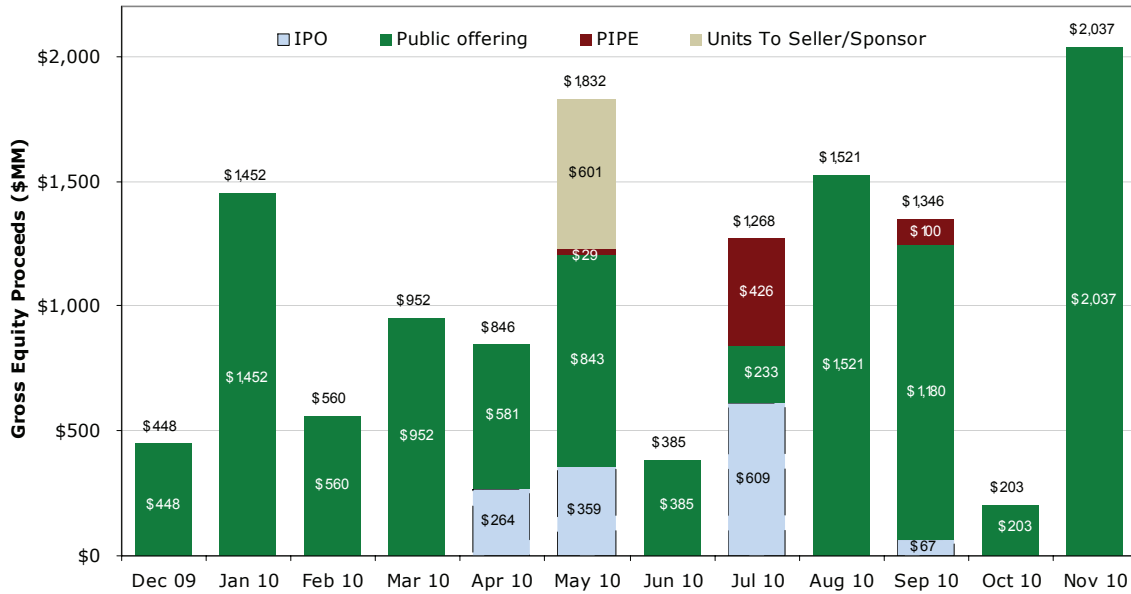
Source: Bloomberg

Year to date, large-cap pipelines made up 52% of the total daily traded value, followed by gathering and processing, 14%; upstream, 11%; and general partners, 7%. In November, the most liquid MLPs were EPD (\$44.9 million average daily trading value), KMP (\$36.4 million), EPB (\$30.8 million), EEP (\$30.3 million), and LINE (\$30.0 million). The most illiquid MLPs for the month were CEP (\$0.2 million average daily trading value), KSP (\$0.8 million), SGU (\$0.8 million), NRGP (\$0.8 million), and CMLP (\$1.2 million). Of note, the average daily trading value represents the variable weighted average daily price (VWAP) multiplied by the total number of shares traded that day for each MLP (please see subsequent table in the “Supporting Tables” section).

**MLPs Priced Nine Public Offerings In November For \$2.0 Billion**

In November, nine MLPs raised \$2.0 billion through public offerings. The majority of new equity raised is primarily to fund acquisitions (GEL, WES, DPM, EPB, PAA, LGCY, and GLP). Notably, EPD raised \$474 million, which is the third-largest amount of equity raised in a secondary offering by an MLP.

**Figure 50. MLP Equity Offerings Over The Trailing 12 Months**

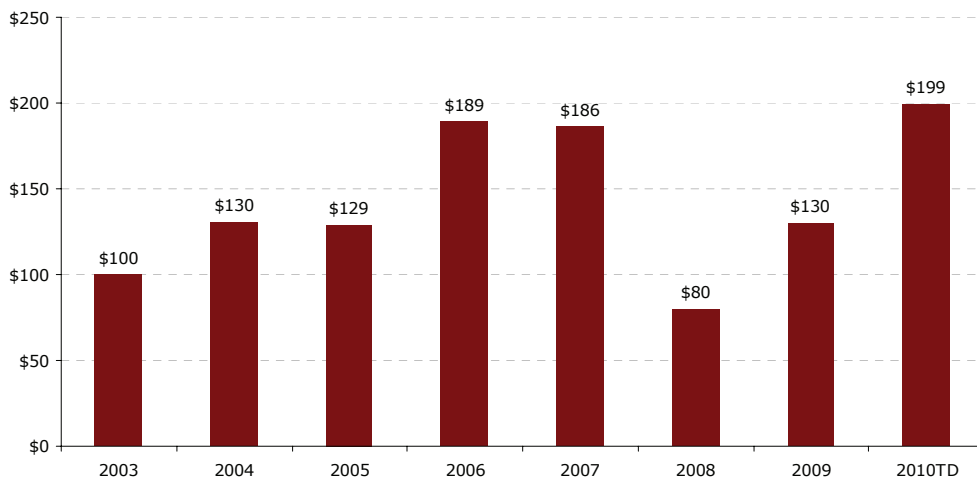


Source: Partnership reports

**Average Size Of MLP Secondary Issuance Increasing**

Notably, the average size of MLP secondary issuance is rising. Year to date, the average secondary offering has been \$199 million, compared to \$130 million in 2009, and the five-year average (2005-09) of \$145 million. This is likely due to the growing MLP investor market and the inflow of new capital to the sector, in our view.

**Figure 51. MLP Average Equity Offerings By Year**



Note: Only public secondary offerings  
Source: Partnership reports

**Master Limited Partnerships**

Year to date, MLPs have raised \$12.4 billion of equity, of which 10.5% has come from IPOs, 80.2% from public secondary offerings, 4.5% from private placements, and 4.8% from units issued directly to sellers of assets and GP sponsors.

**Figure 52. Year-To-Date MLP Equity Offerings**

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
1/5/10	ETP	Public Offering	8.5	\$44.72	\$437.1	9.9%	3.9%	1.1%	(0.0%)
1/6/10	EPD	Public Offering	9.3	\$32.42	\$344.9	27.2%	3.8%	(0.1%)	0.8%
1/11/10	TLP	Public Offering	1.8	\$26.60	\$46.6	25.9%	2.9%	7.6%	0.3%
1/11/10	LGCY	Public Offering	4.3	\$20.42	\$86.8	21.4%	2.9%	4.7%	0.3%
1/12/10	EPB	Public Offering	8.8	\$24.48	\$246.3	29.9%	3.9%	1.6%	0.2%
1/12/10	NGLS	Public Offering	5.5	\$23.14	\$127.3	25.4%	3.9%	3.3%	0.2%
1/19/10	NRGY	Public Offering	4.5	\$36.25	\$163.1	4.0%	2.6%	1.3%	(5.0%)
2/1/10	OKS	Public Offering	5.0	\$60.75	\$303.8	26.1%	8.4%	(4.4%)	(3.0%)
2/3/10	MMLP	Public Offering	1.7	\$32.35	\$53.4	14.2%	7.6%	(6.9%)	(2.7%)
2/3/10	NMM	Public Offering	3.5	\$15.51	\$54.3	20.0%	7.6%	(5.0%)	(2.7%)
2/8/10	EVEP	Public Offering	3.0	\$28.08	\$96.9	29.2%	11.7%	5.1%	3.6%
2/22/10	CPLP	Public Offering	5.8	\$8.85	\$51.3	(10.9%)	6.5%	(2.7%)	0.7%
3/2/10	CPNO	Public Offering	6.5	\$23.10	\$149.6	23.8%	5.6%	3.1%	2.0%
3/15/10	GLP	Public Offering	3.4	\$22.75	\$77.4	7.7%	2.6%	(1.8%)	1.3%
3/16/10	TOO	Public Offering	4.4	\$19.48	\$85.7	40.6%	1.8%	1.6%	1.3%
3/22/10	LINE	Public Offering	15.0	\$25.00	\$375.0	39.7%	1.3%	1.8%	0.6%
3/30/10	MWE	Public Offering	4.3	\$30.43	\$148.7	33.9%	0.6%	2.9%	0.8%
3/31/10	NRP	Public Offering	4.0	\$25.17	\$115.2	16.0%	1.0%	0.0%	1.5%
4/12/10	EPD	Public Offering	12.0	\$35.55	\$490.6	15.6%	(1.3%)	1.1%	0.1%
4/29/10	NMM	Public Offering	4.5	\$17.84	\$90.6	(1.4%)	(2.2%)	(10.9%)	(6.5%)
4/30/10	PNG	IPO	11.7	\$21.50	\$264.4	1.6%	(0.5%)	5.9%	(6.4%)
5/3/10	KMP	Public Offering	6.5	\$66.25	\$430.6	4.2%	(1.8%)	(2.6%)	(3.5%)
5/11/10	NKA	IPO	17.5	\$20.50	\$358.8	(2.5%)	2.1%	(7.6%)	(3.0%)
5/11/10	RGNC	Units To Seller	26.3	\$22.84	\$600.7	14.4%	2.1%	(0.7%)	(3.0%)
5/12/10	VNR	Public Offering	3.3	\$23.00	\$74.8	10.1%	0.8%	(9.2%)	(4.8%)
5/12/10	WES	Public Offering	4.0	\$22.25	\$89.0	28.6%	0.8%	(3.4%)	(4.8%)
5/13/10	NS	Public Offering	4.4	\$56.55	\$248.8	14.5%	2.0%	(6.5%)	(7.4%)
5/24/10	EROC	Private Placement	4.8	\$6.01	\$29.0	29.4%	10.0%	(13.5%)	(0.3%)
6/17/10	EPB	Public Offering	10.0	\$28.80	\$331.2	10.6%	5.8%	(1.0%)	(3.8%)
6/30/10	EROC	Public Offering	21.6	\$2.49	\$53.7	55.2%	14.5%	106.7%	3.8%
7/1/10	KMP	Private Placement	1.2	\$64.25	\$75.0	9.7%	14.9%	4.1%	4.9%
7/13/10	MMP	Public Offering	5.0	\$46.65	\$233.3	16.1%	7.8%	4.9%	(1.1%)
7/14/10	OXF	IPO	8.8	\$18.50	\$161.9	20.6%	7.8%	(0.1%)	(2.3%)
7/15/10	TGP	Private Placement	1.7	-	\$51.0	13.4%	7.7%	5.8%	(0.3%)
7/21/10	CPNO	Private Placement	10.3	\$29.05	\$300.0	8.7%	10.4%	(1.0%)	3.4%
7/28/10	CHKM	IPO	21.3	\$21.00	\$447.3	35.4%	6.7%	11.3%	1.9%
8/9/10	CPLP	Public Offering	5.5	\$7.91	\$43.5	(7.9%)	4.7%	3.4%	(4.3%)
8/9/10	NGLS	Public Offering	6.5	\$24.80	\$161.2	18.3%	4.7%	4.0%	(4.3%)
8/10/10	RGNC	Public Offering	15.3	\$23.80	\$363.0	3.6%	5.3%	(0.5%)	(2.5%)
8/10/10	EVEP	Public Offering	3.0	\$33.97	\$117.2	7.7%	5.3%	0.5%	(2.5%)
8/10/10	DPM	Public Offering	2.6	\$32.57	\$84.7	3.2%	5.3%	(0.1%)	(2.5%)
8/16/10	TOO	Public Offering	5.3	\$22.15	\$116.3	24.3%	9.4%	(3.1%)	(1.1%)
8/17/10	ETP	Public Offering	9.5	\$46.22	\$505.0	6.9%	8.1%	(0.1%)	(3.7%)
8/23/10	SXL	Public Offering	1.8	\$74.45	\$130.3	5.4%	10.6%	(0.1%)	(1.7%)
9/7/10	NRGY	Public Offering	10.3	\$35.60	\$364.9	5.7%	8.1%	8.0%	2.7%
9/10/10	KSP	Private Placement	18.4	\$5.43	\$100.0	3.6%	6.4%	(20.7%)	1.4%
9/15/10	EPB	Public Offering	11.5	\$31.95	\$422.5	3.7%	4.9%	(0.4%)	0.8%
9/22/10	WPZ	Public Offering	9.3	\$42.40	\$392.2	7.6%	4.1%	(0.2%)	0.9%
9/30/10	RNO	IPO	3.2	\$20.50	\$66.5	12.0%	3.4%	10.2%	1.5%
10/6/10	VNR	Public Offering	4.2	\$25.40	\$105.4	4.1%	1.8%	2.2%	1.6%
10/7/10	NMM	Public Offering	5.5	\$17.65	\$97.1	5.2%	1.9%	3.6%	1.4%
11/3/10	GEL	Public Offering	4.5	\$23.58	\$122.0	3.6%	(1.5%)	2.3%	1.7%
11/8/10	WES	Public Offering	7.5	\$29.92	\$251.8	(0.5%)	(3.5%)	(0.7%)	(2.1%)
11/9/10	EET	Public Offering	5.2	\$60.12	\$359.5	1.2%	(2.7%)	0.2%	(2.9%)
11/10/10	DPM	Public Offering	2.5	\$34.96	\$87.4	(0.2%)	(3.1%)	(1.1%)	(3.3%)
11/10/10	GLP	Public Offering	1.7	\$25.57	\$43.5	1.1%	(3.1%)	(1.3%)	(3.3%)
11/15/10	EPB	Public Offering	10.5	\$33.45	\$351.2	(1.0%)	(1.4%)	(0.6%)	0.0%
11/15/10	PAA	Public Offering	4.2	\$62.60	\$262.9	(1.8%)	(1.4%)	(0.5%)	0.0%
11/17/10	LGCY	Public Offering	3.0	\$24.29	\$83.8	7.5%	0.2%	7.7%	1.7%
11/30/10	EPD	Public Offering	11.5	\$41.25	\$474.4	2.0%	0.0%	2.0%	0.0%
<b>Total / Median</b>					<b>\$12,400</b>	<b>9.8%</b>	<b>3.8%</b>	<b>(0.0%)</b>	<b>(0.0%)</b>

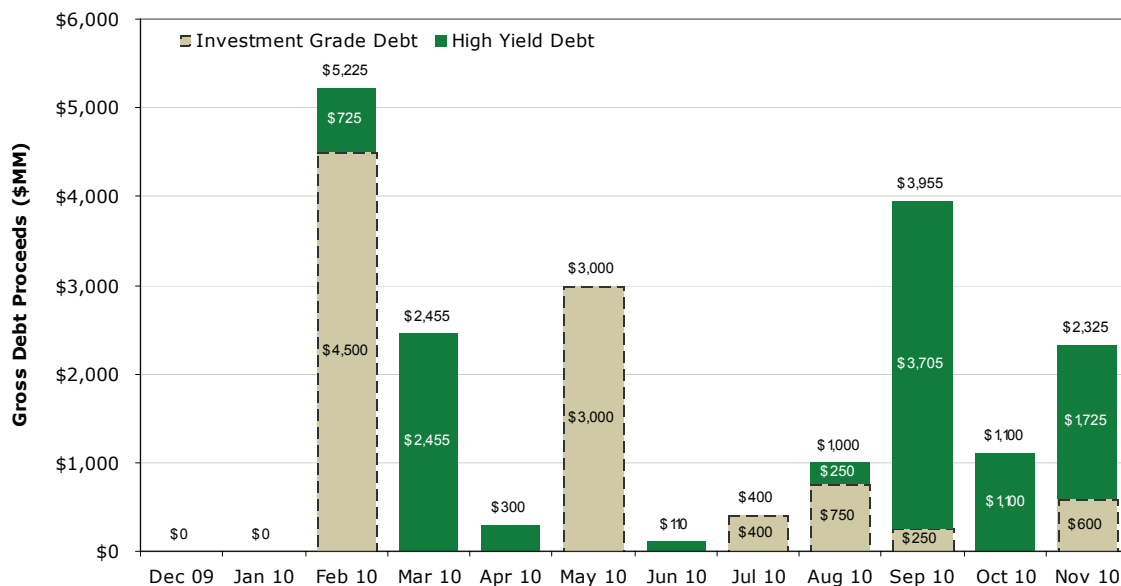
Offering Type	% Of Total
IPO	10.5%
Public Offering	80.2%
Private Placement	4.5%
Units To Seller	4.8%

Source: Partnership reports and FactSet

**MLPs Issued \$2.3 Billion Of Debt In November**

During November, six MLPs (WPZ, GEL, TOO, FGP, SGU, EPB) priced seven debt offerings, raising \$2,325 million of debt. Notably, four of the offerings were issued to fund acquisitions, while two MLPs used proceeds to refinance previously outstanding notes. WPZ (\$600 million), GEL (\$250 million), and EPB (\$375 million and \$375 million) used proceeds to fund acquisitions. Both Star Gas Partners, L.P. (SGU) and Ferrellgas, L.P. (FGP) issued \$125 million and \$500 million senior notes, respectively, to redeem previously outstanding notes. In addition, RGNC and MWE issued senior notes of \$600 million and \$500 million, respectively.

**Figure 53. MLP Debt Offerings Over The Trailing 12 Months**



Source: Partnership reports

Year to date, MLPs have raised \$19.9 billion of debt, of which 48% has been issued by MLPs with an investment grade credit rating and 52% by MLPs with a noninvestment grade (or high yield) credit rating.

Master Limited Partnerships

Figure 54. Year-To-Date MLP Debt Offerings

Date	Issuer	Investment Grade?	Credit Rating		Coupon Rate	Price-To-Yield	Term (Years)	Gross Proceeds (\$MM)
			S&P	Moody's				
2/10/10	XTEX	No	NA	NA	8.88%	9.25%	8	\$725
2/11/10	SXL	Yes	BBB	Baa2	5.50%	5.52%	10	\$250
2/11/10	SXL	Yes	BBB	Baa2	6.85%	6.87%	30	\$250
2/9/10	WPZ	Yes	BBB-	NA	3.80%	3.81%	5	\$750
2/9/10	WPZ	Yes	BBB-	NA	5.25%	5.26%	10	\$1,500
2/9/10	WPZ	Yes	BBB-	NA	6.30%	6.34%	30	\$1,250
2/25/10	EFP	Yes	BBB	Baa2	5.20%	5.21%	10	\$500
3/10/10	SPH	No	BB-	Ba3	7.38%	7.50%	10	\$250
3/16/10	MMLP	No	NA	B3	8.88%	9.13%	8	\$200
3/22/10	LINE	No	B	B2	8.63%	9.00%	10	\$1,300
3/25/10	EPB	No	BB	Ba1	6.50%	6.50%	10	\$425
3/31/10	FGP	No	B-	B2	8.63%	8.63%	10	\$280
4/22/10	PVR	No	NA	B2	8.25%	8.25%	8	\$300
5/11/10	EPD	Yes	BBB-	Baa3	3.70%	3.75%	5	\$400
5/11/10	EPD	Yes	BBB-	Baa3	6.45%	6.49%	30	\$600
5/11/10	EPD	Yes	BBB-	Baa3	5.20%	5.24%	10	\$1,000
5/12/10	KMP	Yes	BBB	Baa2	5.30%	5.31%	10	\$600
5/12/10	KMP	Yes	BBB	Baa2	6.55%	6.57%	30	\$400
6/21/10	EPB	No	BB	NA	6.50%	6.50%	10	\$110
7/14/10	PAA	Yes	BBB-	Baa3	3.95%	3.98%	5	\$400
8/4/10	MMP	Yes	BBB	Baa2	4.25%	4.27%	11	\$300
8/9/10	NS	Yes	BBB-	Baa3	4.80%	4.81%	10	\$450
8/9/10	NGLS	No	B+	B1	7.88%	7.88%	8	\$250
9/8/10	LINE	No	B	B2	7.75%	7.81%	11	\$1,000
9/13/10	NRGY	No	B+	Ba3	7.00%	7.00%	8	\$600
9/15/10	ETE	No	BB-	Ba2	7.50%	7.50%	10	\$1,800
9/23/10	BBEP	No	B+	B3	8.63%	8.77%	10	\$305
9/23/10	DPM	Yes	BBB-	NA	3.25%	3.25%	5	\$250
10/14/10	RGNC	No	BBB-	NA	6.88%	6.88%	8	\$600
10/18/10	MWE	No	BB-	B1	6.75%	6.75%	10	\$500
11/2/10	WPZ	Yes	BBB-	Baa3	4.13%	4.13%	10	\$600
11/5/10	GEL	No	NA	B3	7.88%	7.88%	8	\$250
11/9/10	TOO	No	NA	NA	5.75%	5.75%	3	\$100
11/9/10	FGP	No	B+	Ba3	6.50%	6.50%	11	\$500
11/11/10	SGU	No	B-	B2	8.88%	8.93%	7	\$125
11/16/10	EPB	No	BB	Ba1	4.10%	4.10%	5	\$375
11/16/10	EPB	No	BB	Ba1	7.50%	7.50%	30	\$375
<b>Weighted Average / Total</b>					<b>6.41%</b>	<b>6.47%</b>		<b>\$19,870</b>

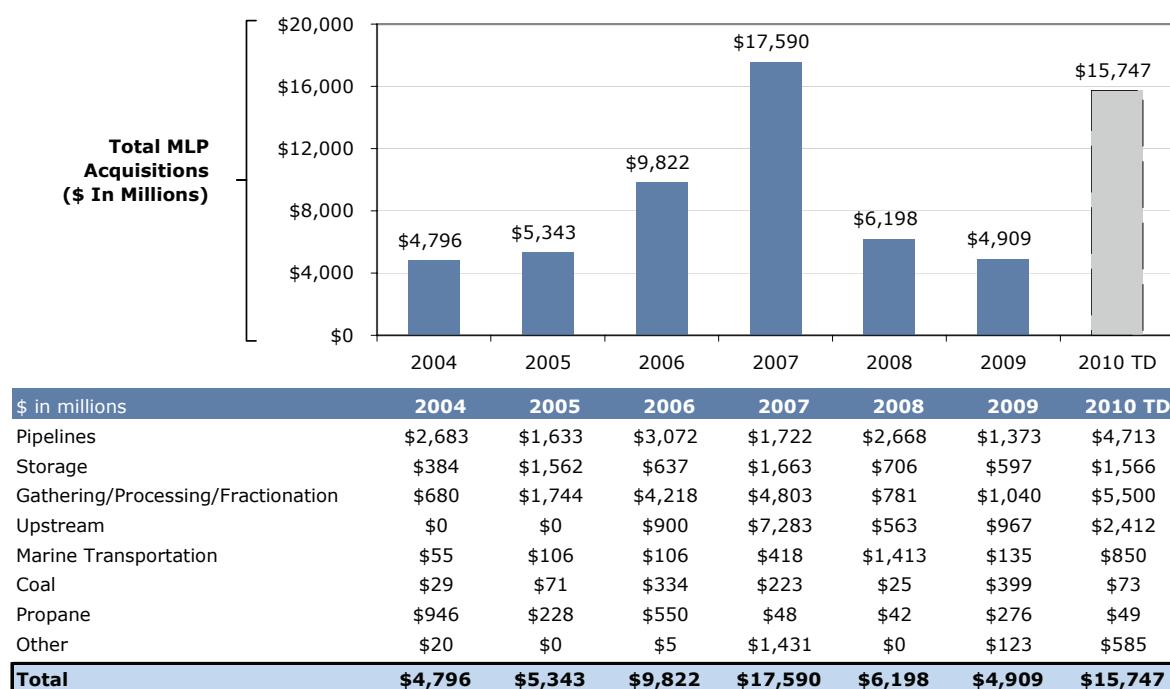
Offering Type	% Of Total
Investment Grade Debt Offering	47.8%
High Yield Debt Offering	52.2%

Source: Partnership reports and FactSet

Ten Acquisitions Were Announced In November

There were ten acquisitions announced in November, totaling approximately \$2,524 million. The transactions relate to oil and gas pipelines (EPB, \$1,133 million; PAA, \$210 million; WPZ, \$150 million; and SEP, \$333 million); marine transportation (NMM, \$177 million); upstream (VNR, \$380 million, and LGCY, \$105 million); and storage (EPD, \$39 million) assets. In addition, Inergy LP (propane) made two acquisitions of separate retail propane distributors, but did not disclose the purchase prices. Year to date, MLPs have announced or completed 70 acquisitions totaling \$15.7 billion.

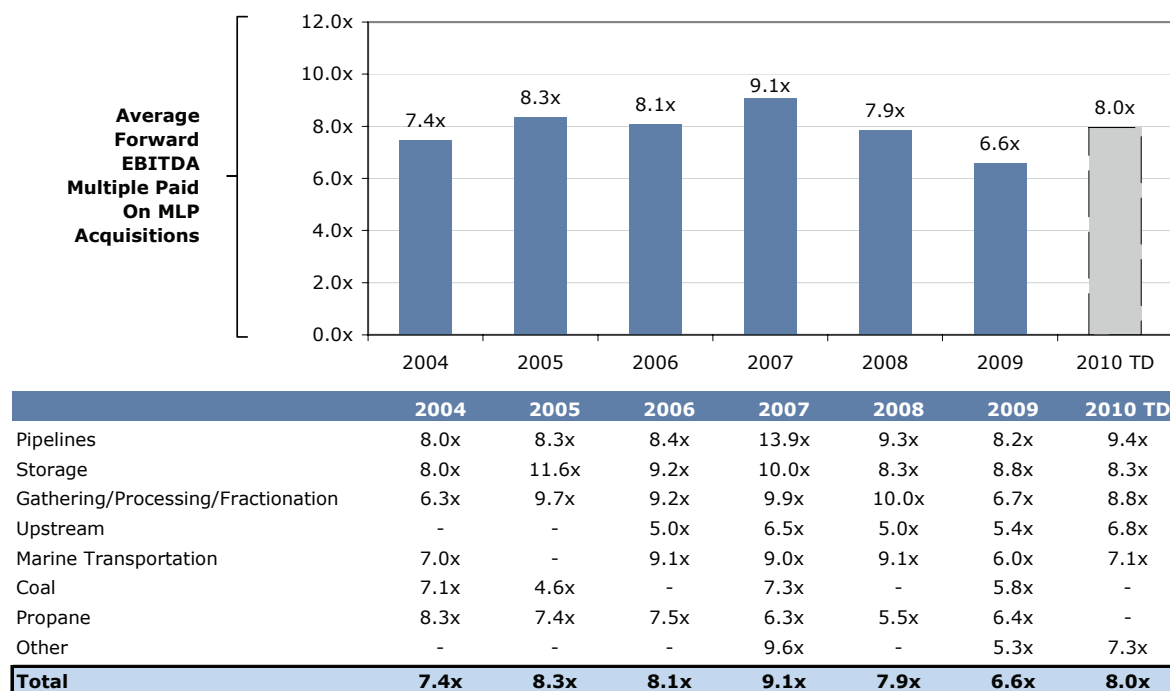
Figure 55. Historical MLP Acquisition Spending



Source: Partnership reports and Wells Fargo Securities, LLC

Year to date, the average acquisition multiple has increased to 8.0x from 6.6x in 2009. The higher acquisition multiples year to date reflect the healthier capital markets and more competitive acquisition landscape, in our view. Further, MLPs' lower cost of capital positions the partnerships to pay more for acquisitions, all else equal.

Figure 56. Estimated Acquisition Multiples Paid



Source: Partnership reports and Wells Fargo Securities, LLC estimates

**Master Limited Partnerships**

**MLP Closed-End Fund Update**

Kayne Anderson Capital Advisors, which manages \$8.6 billion in the midstream/energy sector and has three publicly traded MLP-focused closed-end funds, successfully launched an additional midstream-focused CEF. The closed-end fund sold 19 million shares at an offering price of \$25.00 and raised approximately \$475 million. The fund will invest at least 80% of its assets in midstream MLPs, midstream companies, other MLPs, and other energy companies. Year to date, MLP CEFs have priced 14 equity offerings, raising more than \$3.8 billion. Notably, three IPOs accounted for 75% of the amount raised, or \$2.8 billion.

**Figure 57. CEF Comp Table**

MLP Closed-End Fund	Ticker	Price 11/30/10	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	\$21.26	217,546	\$1,355.9	6.6%	\$21.04	1.0%	5.0%	6/25/10
Cushing MLP Total Return Fund	SRV	9.42	208,713	243.5	9.6%	8.33	13.1%	22.4%	8/27/07
Energy Income & Growth Fund	FEN	26.36	46,757	253.6	6.9%	25.91	1.7%	21.1%	6/24/04
Fiduciary/Claymore MLP Opportunity Fund	FMO	20.96	153,617	508.7	6.5%	19.70	6.4%	25.2%	12/22/04
Kayne Anderson Energy Total Return Fund	KYE	28.34	83,264	973.4	6.8%	26.57	6.7%	30.0%	6/27/05
Kayne Anderson MLP Investment Co.	KYN	28.49	391,720	1,920.1	6.7%	26.72	6.6%	22.6%	9/27/04
MLP & Strategic Equity Fund Inc	MTP	17.66	74,832	261.2	4.8%	17.64	0.1%	16.8%	6/29/07
Tortoise Energy Capital Corp.	TYE	27.06	78,405	521.6	5.9%	25.31	6.9%	26.0%	5/26/05
Tortoise Energy Infrastructure Corp.	TYG	36.25	71,025	977.9	6.0%	32.99	9.9%	24.6%	2/24/04
Tortoise MLP Fund, Inc.	NTG	24.14	199,665	1,096.1	6.0%	24.96	(3.3%)	(3.4%)	7/27/10
Tortoise North American Energy	TYN	24.44	18,429	153.6	6.1%	24.58	(0.6%)	18.7%	10/27/05
Tortoise Power and Energy Infrastructure	TPZ	\$23.06	63,718	\$160.1	6.5%	\$24.50	(5.9%)	21.2%	7/29/09
<b>All MLP Closed-End Funds Mean</b>			<b>133,974</b>	<b>\$702.1</b>	<b>6.5%</b>	<b>\$23.19</b>	<b>3.6%</b>	<b>19.2%</b>	<b>-</b>
<b>All MLP Closed-End Funds Median</b>			<b>80,834</b>	<b>\$515.2</b>	<b>6.5%</b>	<b>\$24.77</b>	<b>4.1%</b>	<b>21.8%</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

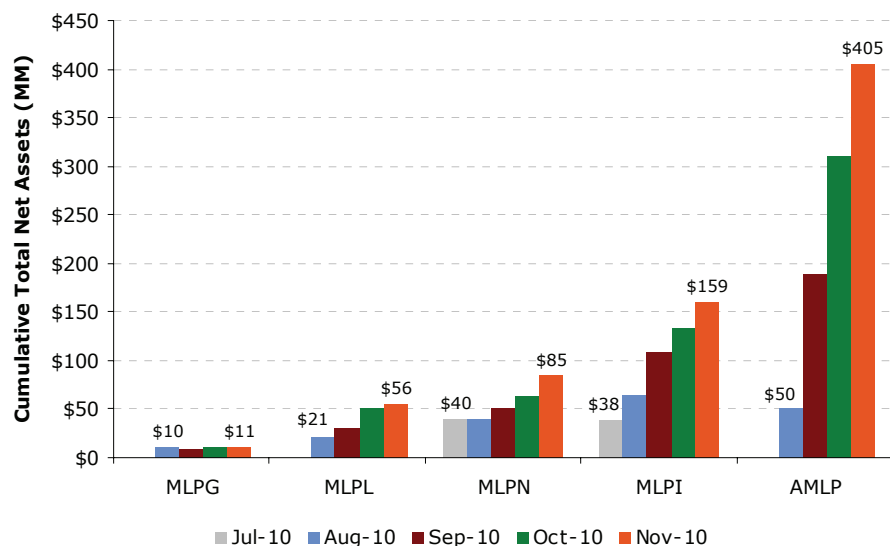
Currently, the median CEF dividend yield is 6.5%, which compares to the median Wells Fargo MLP Index yield of 6.5%. The median premium to NAV is 4.1%. Currently, only NTG, TYN, and TPZ trade at a discount to NAV, while SRV traded at a 13.1% premium to NAV, as of November 30. The median year-to-date return for the group is 21.8%, which compares to 26.2% for the Wells Fargo MLP Index.

**MLP ETN/ETF Update**

Upon the arrival of MLP products such as ETNs and an ETF, these products have grown substantially in size. In November, MLP ETN and ETF products increased their cumulative net assets by 18%, to \$2.98 billion from \$2.52 billion. As shown in Figure 58, the Alerian MLP ETF has increased dramatically in size since its inception. AMLP launched with approximately \$50 million in total net assets at the end of August and now has \$405 million at the end of November. Excluding the Alerian MLP ETN (AMJ), the next ETN with the most net assets is the E-TRACS Alerian MLP Infrastructure (MLPI), with \$159 million of total net assets.



Figure 58. ETN And ETF Cumulative Total Net Assets



Note: Data as of the last day of each month  
Source: Fund reports and Bloomberg

ETNs are a form of senior, unsecured, unsubordinated debt security which is designed to track the total return of a specific index, less investor fees. Unlike ETFs and CEFs, ETNs carry credit risk to the issuer. The obligator or issuer of the ETN is responsible for paying an amount at maturity that is reflective of the performance of an underlying index minus fees. The median ETN and ETF yield is 5.2%, which is lower than the median CEF and Wells Fargo MLP Index yield of 6.5%.

Figure 59. ETN And ETF Comp Table

MLP Exchange Traded Notes	Ticker	Price 11/30/10	% of 52 Week High	Market Value (MM)	Dividend Yield	NAV Per Share	Total Net Assets (MM)	Issuer
Alerian MLP ETF	AMLP	\$15.86	97.2%	\$405.1	6.3%	\$15.86	\$405.3	N/A
Credit Suisse Cushing 30 MLP Index ETN	MLPN	23.13	96.2%	84.0	5.0%	\$23.13	84.7	CS
JPMorgan Alerian MLP ETN	AMJ	35.75	96.3%	2,234.4	5.0%	\$25.74	2,231.9	JPM
UBS E-TRACS 1xMonthly Short Alerian MLP Index	MLPS	23.02	92.0%	9.2	NA	\$22.93	9.4	UBS
UBS E-TRACS 2x Leveraged Long Alerian	MLPL	32.80	94.4%	57.6	10.2%	\$33.06	55.9	UBS
E-TRACS Alerian Natural Gas MLP Index	MLPG	27.64	97.5%	11.1	5.2%	\$27.79	11.0	UBS
UBS E-TRACS Alerian MLP Infrastructure	MLPI	29.45	96.9%	194.0	5.2%	\$29.53	159.1	UBS
UBS E-TRACS Wells Fargo MLP Index	MLPW	\$24.88	97.2%	\$27.4	5.6%	\$25.02	21.2	UBS
<b>MLP Exchange Traded Notes Mean / Total</b>			<b>96.0%</b>	<b>\$377.8</b>	<b>6.1%</b>	<b>\$25.38</b>	<b>\$2,978.3</b>	<b>-</b>
<b>MLP Exchange Traded Notes Median</b>			<b>96.6%</b>	<b>\$70.8</b>	<b>5.2%</b>	<b>\$25.38</b>	<b>\$70.3</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

### MLP Open-End Fund Update

On March 31, 2010, SteelPath Funds launched the first open-end fund focused on the energy MLP sector. The SteelPath Funds are registered investment companies, but are categorized as corporations for IRS taxation purposes. This enables the funds to invest more than 25% of its assets in MLPs. As of November 30, the median implied yield for the SteelPath Fund Family was 6.3%. Since its inception in March, the median price appreciation for open-end funds is 7.4%, which compares to the Wells Fargo MLP Index of 18.0% during that same period.

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Figure 60. MLP Open-End Funds (Mutual Funds)

MLP Open-End Fund	Ticker	NAV 11/30/10	Total Assets	Dividends YTD	Implied Yield	Minimum Investment	YTD Return	Front Load	Mgmt Fee
SteelPath MLP Alpha Fund Class A	MLPAX	\$10.71	\$199	\$0.49	6.1%	\$3,000	6.9%	5.8%	1.10%
SteelPath MLP Select 40 Fund Class A	MLPFX	10.74	326	0.49	6.3%	3,000	7.4%	5.8%	0.70%
SteelPath MLP Income Fund Class A	MLPDX	\$10.83	\$126	\$0.63	7.0%	\$3,000	8.3%	5.8%	0.95%
<b>MLP Open-End Fund Total / Median</b>			<b>\$651</b>	<b>\$0.49</b>	<b>6.3%</b>	<b>\$3,000</b>	<b>7.4%</b>	<b>5.8%</b>	<b>0.95%</b>

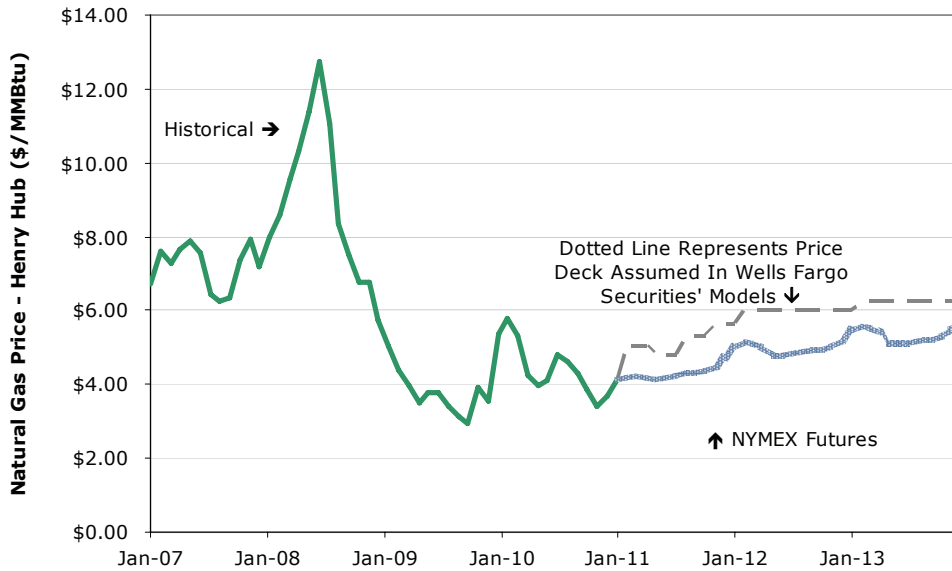
Source: Bloomberg and FactSet

Commodity Overview And Forecast

Natural Gas Prices Increase 8% In November

The average price of natural gas (Henry Hub) increased approximately 8.1% in November, to \$3.70 per MMBtu from \$3.42 per MMBtu in October. Notably, natural gas prices have declined 23% since averaging \$4.81 in June 2010, but ended November at \$4.21 per MMBtu. Natural gas futures are currently averaging \$4.31 per MMBtu for the forward 12 months, \$4.38 per MMBtu in 2011, and \$5.03 per MMBtu in 2012.

Figure 61. Natural Gas Outlook



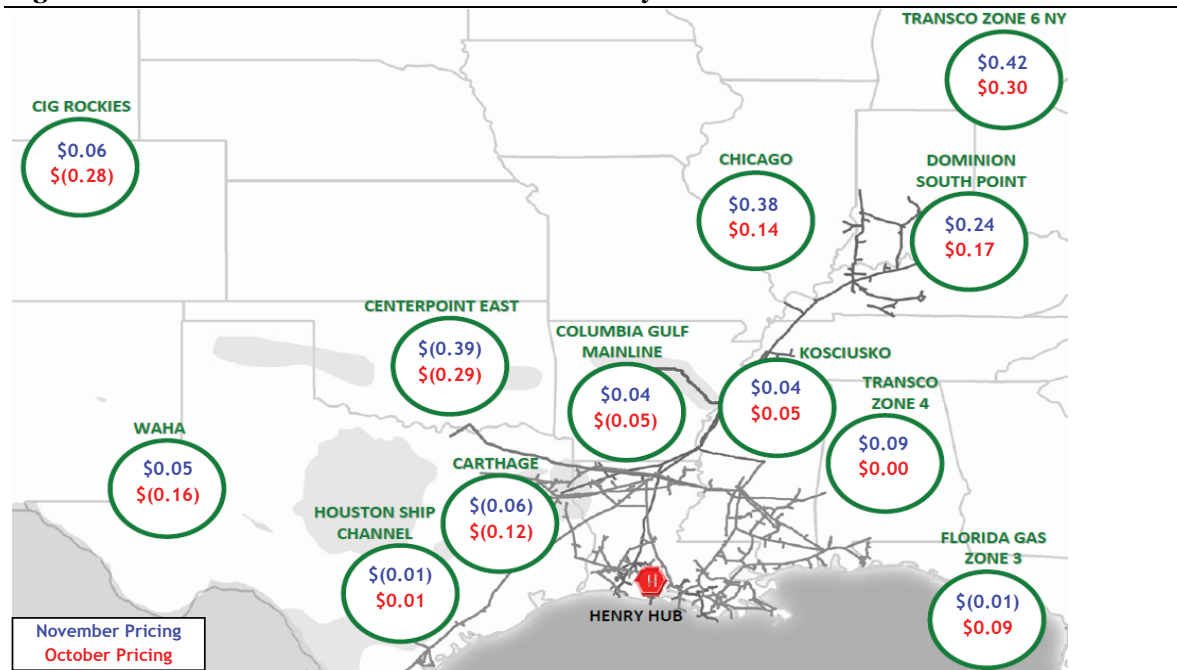
Source: Bloomberg, FactSet, and Wells Fargo Securities, LLC estimates

Basis Differentials Narrowed In November

In November, basis differentials across the Texas/Gulf Coast narrowed compared to October levels. CIG Rockies, Waha, Carthage, and Columbia Gulf Mainline all experienced a narrowing of basis differentials compared to the previous month. Notably, CIG Rockies, Waha, Columbia Gulf Mainline now trade at a premium compared to Henry Hub. Centerpoint East, Kosciusko, and Florida Gas Zone 3 differentials widened during November. Specifically, the West-to-East basis differential in Texas (i.e., Waha to Katy) decreased to \$0.00 per MMBtu from \$0.10 per MMBtu in October.

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 62. U.S. Basis Differentials Relative To Henry Hub

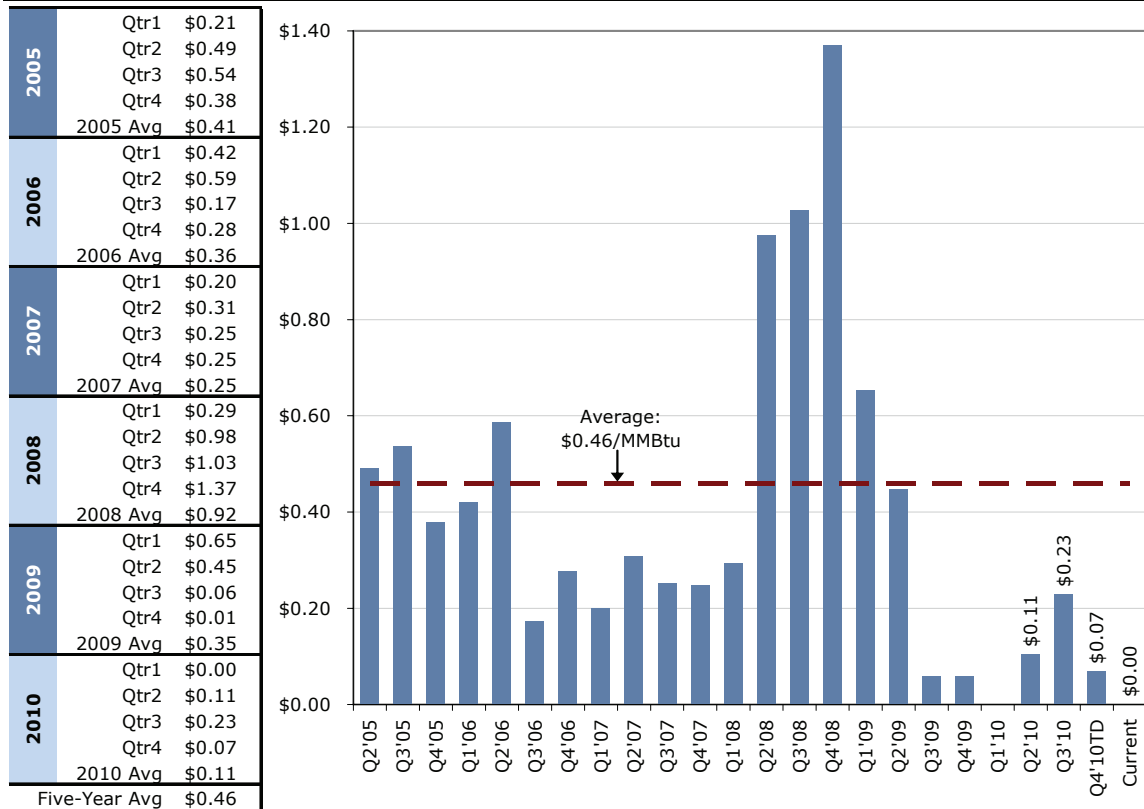


Source: Bloomberg

In Figure 63, 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 increasing to \$0.23 per MMBtu during Q3 2010, the differential between these two hubs has decreased to average \$0.07 per MMBtu in Q4 2010, and currently stands at \$0.00 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, unless the West-to-East basis differential increases beyond the current level, pipeline operators are unlikely to utilize excess pipeline capacity to ship natural gas volume on a spot basis.

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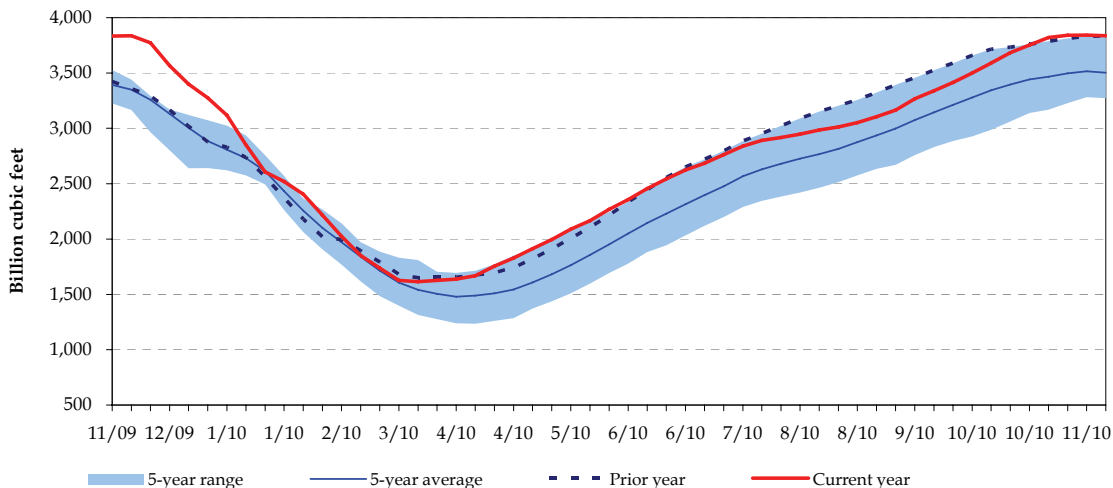
Figure 63. Historical Katy-To-Waha Differential



Source: Bloomberg

On November 24, 2010, the EIA reported a natural gas storage withdrawal of 6 Bcf, which compared to Wells Fargo Securities E&P equity research team's 8 Bcf withdrawal estimate and consensus of 3 Bcf withdrawal. The withdrawal compares to a five-year average withdrawal of 14 Bcf and last year's 2 Bcf injection. Storage now stands at 3,837 Bcf, which is essentially flat (0%) compared to 2009 levels.

Figure 64. Natural Gas Storage Inventory



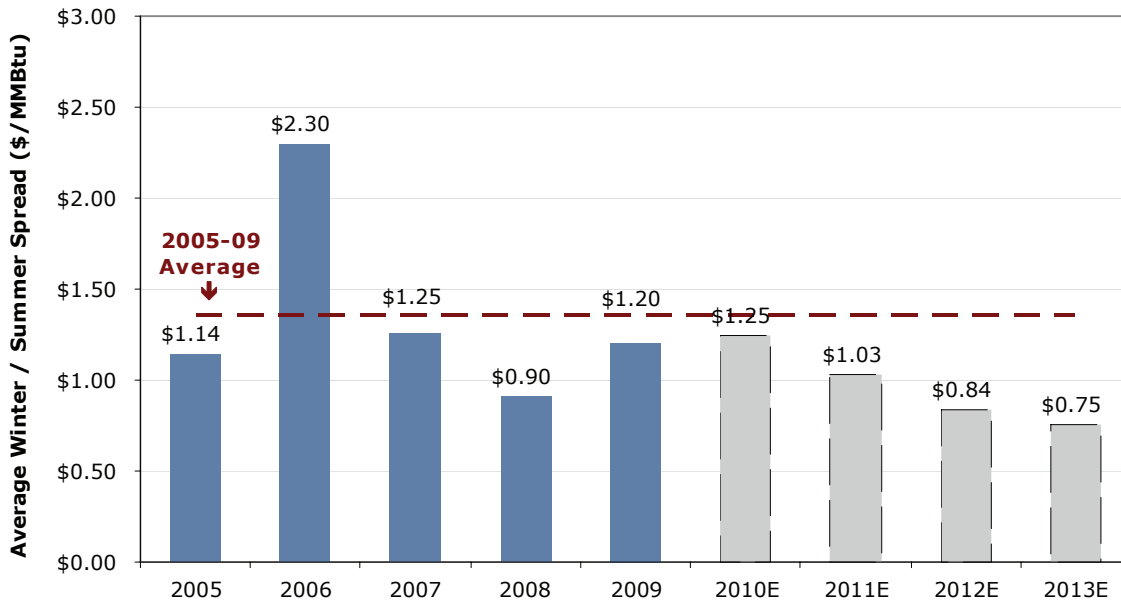
Source: EIA

**Seasonal Storage Spreads Increase Slightly In November**

The implied winter summer spreads for 2011, 2012, and 2013 increased slightly in November, reaching \$1.03 per MMBtu, \$0.84 per MMBtu, and \$0.75 per MMBtu, respectively, as of month-end, from \$1.01 per MMBtu, \$0.80 per MMBtu, and \$0.72 per MMBtu at the end of October. 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., 2005-09) of \$1.36 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 65. Historical And Forecasted Winter Summer Spread Based On NYMEX Futures**

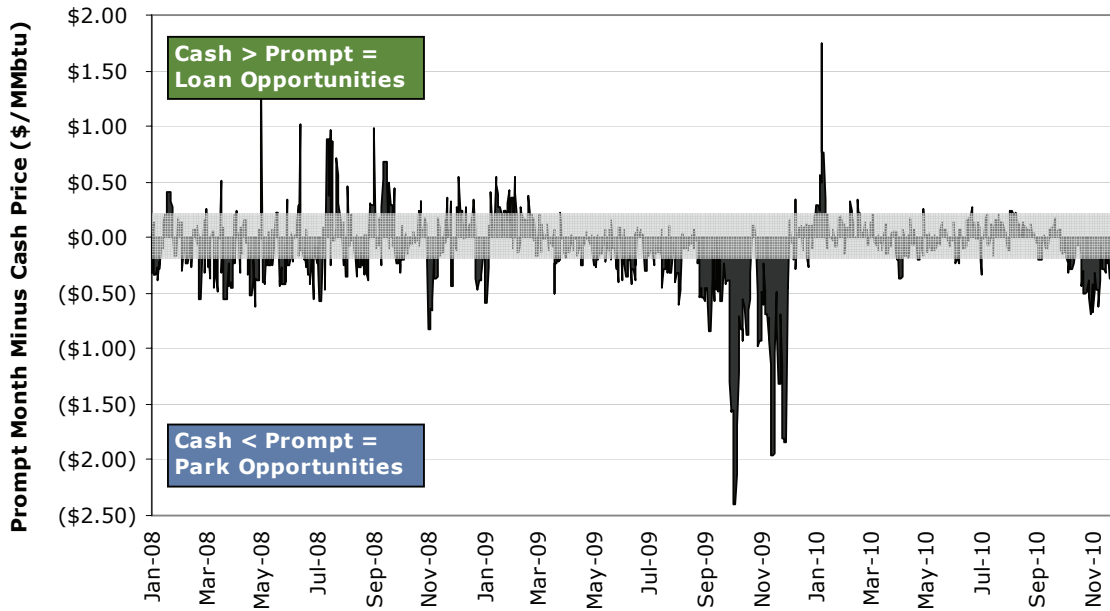


Source: Bloomberg and FactSet

**Park And Loan Opportunities Weak In Q3 2010, But Showing Signs Of Improvement In Q4**

After a weak Q3 2010 due to a seasonally warm summer, park and loan opportunities picked up meaningfully in October and November. Park and loan effectively represents opportunities to capture seasonal spreads on a short-term or intra-month basis. As shown in Figure 66, 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.

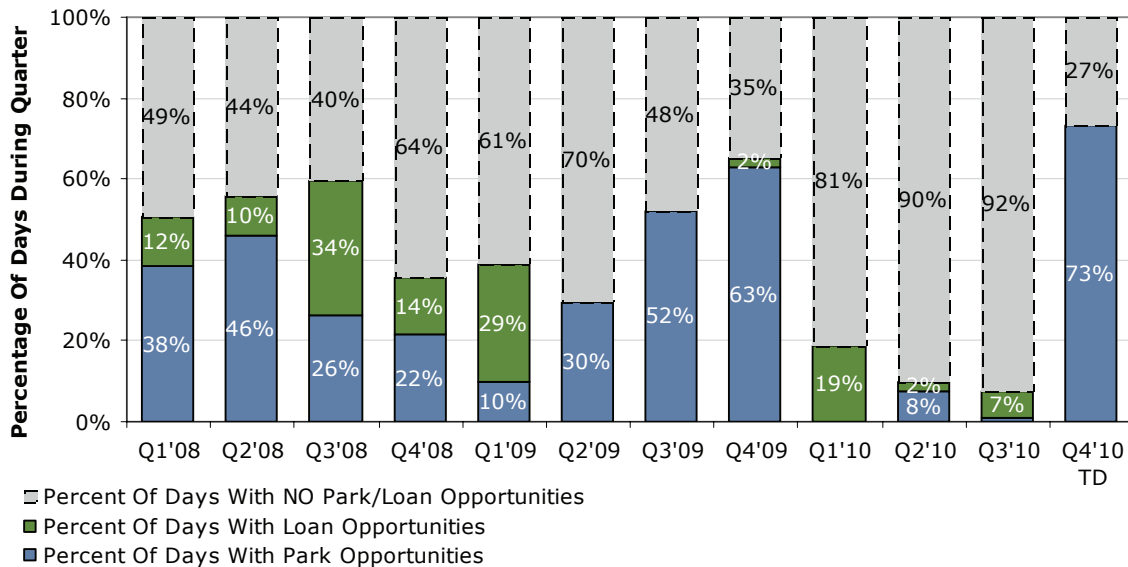
Figure 66. Prompt Month Versus Spot Gas Prices



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

Quarter to date, 73% of trading days provided storage operators with sufficient spreads to conduct park and loan activities (primarily park). In comparison, 8% of trading days in Q3 2010 and 65% of trading days in Q4 2009 had cash-to-prompt month spreads sufficient to support park and loan activities. Although the number of trading days with park opportunities has been higher quarter to date than in the year-ago period, the magnitude of park spreads this quarter is significantly lower than levels experienced in Q4 2009 (i.e., see Figure 66).

Figure 67. Percentage Of Days With Park And Loan Opportunities (By Quarter)

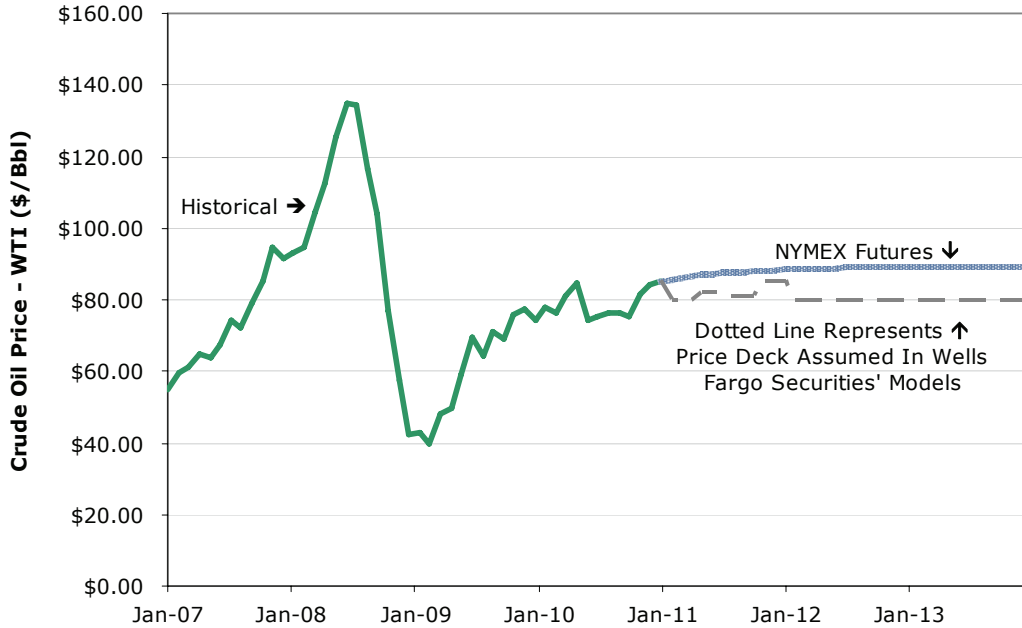


Source: Bloomberg, FactSet, and Wells Fargo Securities, LLC estimates

**Average Crude Oil Price Increases In November**

The average price of crude oil (WTI) increased 2.9% in November, to \$84.23 per Bbl from \$81.82 per Bbl in October. NYMEX (WTI) crude oil futures are currently averaging \$87.20 per Bbl for the forward 12 months, \$87.50 per Bbl in 2011, and \$89.11 per Bbl in 2012.

**Figure 68. Crude Oil Outlook**

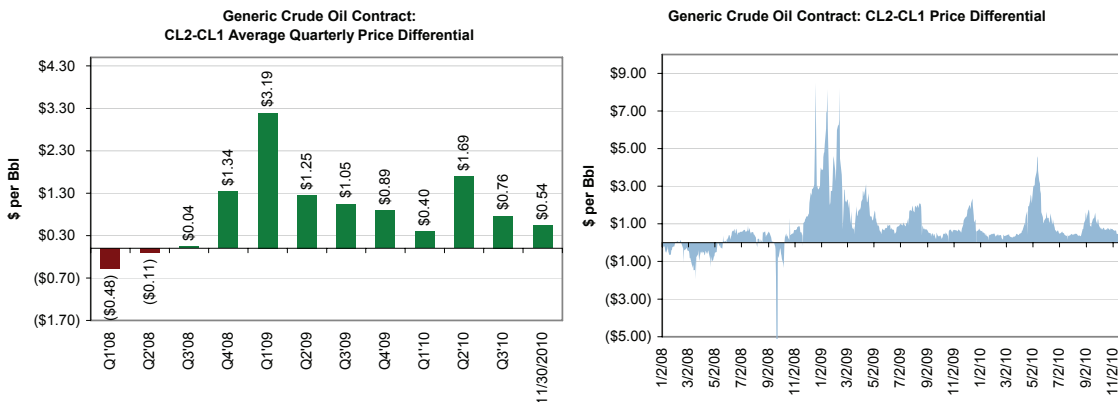


Source: Bloomberg, FactSet, and Wells Fargo Securities, LLC estimates

**Crude Oil Futures Contango Spread Narrowed In November**

In November, forward futures pricing for crude oil was above spot pricing (i.e., a contango market). The spread decreased to an average of \$0.56 per barrel in November, versus \$0.74 per barrel in October. Quarter to date in Q4 2010, the contango spread averaged \$0.65 per barrel versus \$0.76 per barrel in the prior quarter and \$0.89 per barrel in the prior-year period. While November contango spreads are significantly lower compared to Q3 2010 and Q2 2010, MLPs with crude oil storage and logistics assets could realize strong contango profit for the quarter as these MLPs likely took advantage of Q2 2010 contango spreads to lock in profit that could be realized throughout H2 2010. Contango spreads ended the month at \$0.54, which is below the year-to-date average of \$0.90.

**Figure 69. Crude Oil Contango**



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

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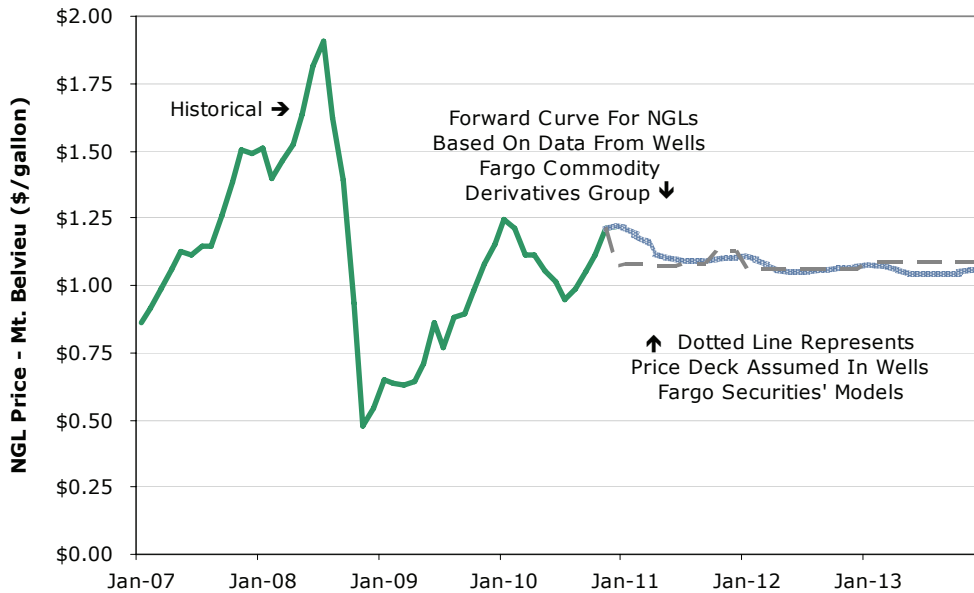
**Natural Gas Liquids Outlook**

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

**NGL Composite Prices Increase In November**

In November, NGL composite prices increased by 9.0%, to an average of \$1.21 per gallon from \$1.11 per gallon in October. On the basis of data provided by Wells Fargo's Commodity Derivatives Group, the forward curve for NGLs is currently averaging \$1.13 per gallon for the forward 12 months, \$1.12 per gallon in 2011, and \$1.07 per gallon in 2012.

**Figure 70. Natural Gas Liquids Pricing**



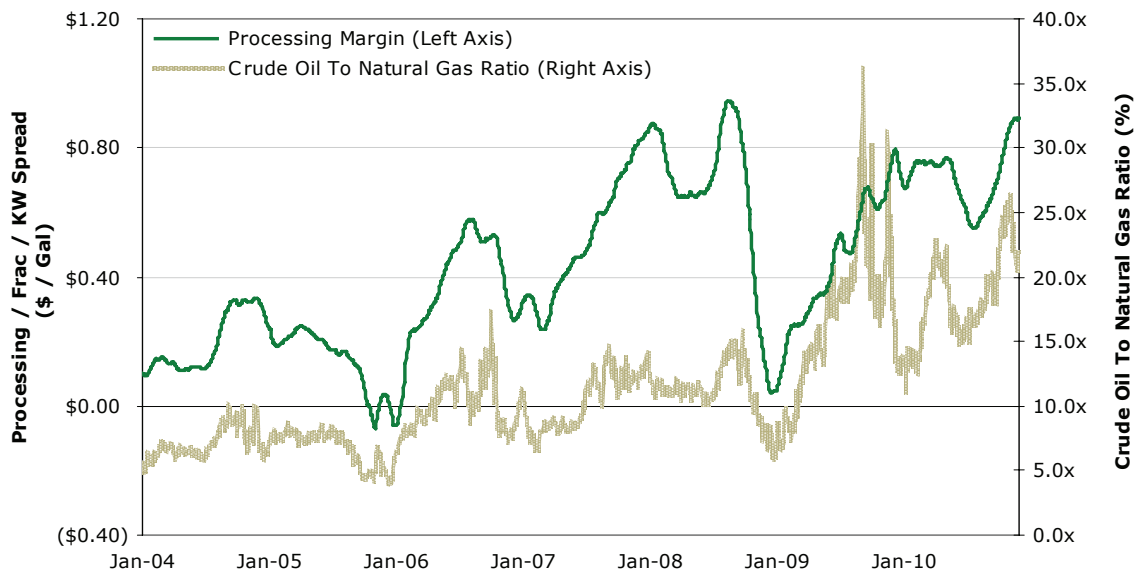
Source: Bloomberg and Wells Fargo Commodity Derivatives Group

**Frac Spreads Increase In November**

Processing margin averaged \$0.89 per gallon in November versus averages of \$0.86 per gallon in October and \$0.72 year to date. The October average price also compares with the five-year average of \$0.51 per gallon, the ten-year average of \$0.34 per gallon, and \$0.24 per gallon based on processing margin data since 1990.

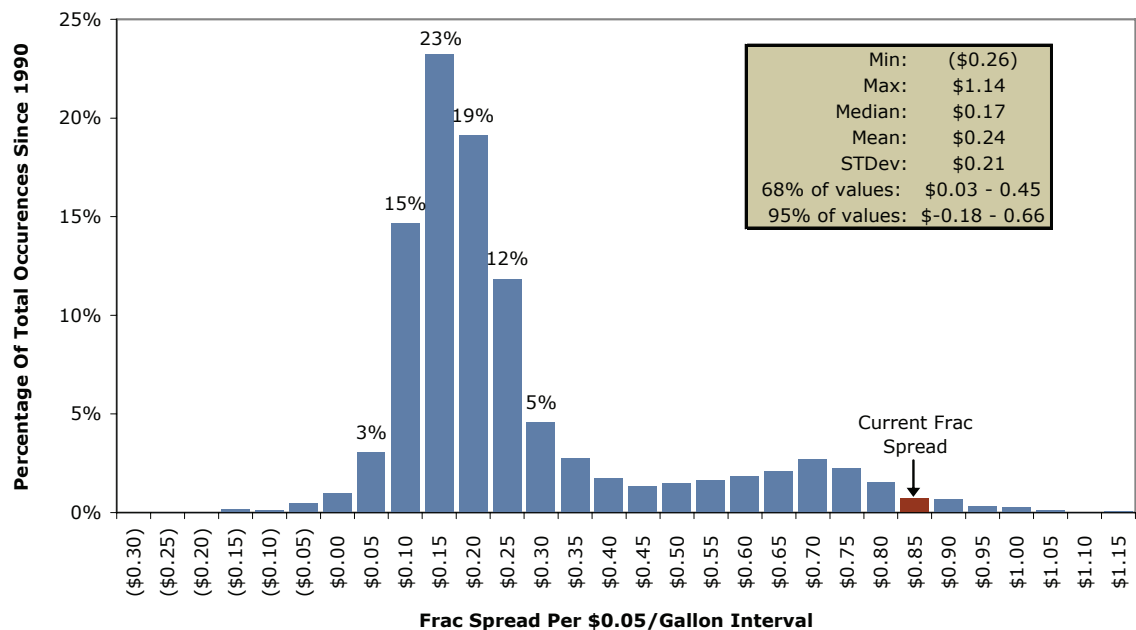


Figure 71. Historical Processing Margin



Source: Bloomberg

Figure 72. Histogram Of Historical Frac Spread Since 1990

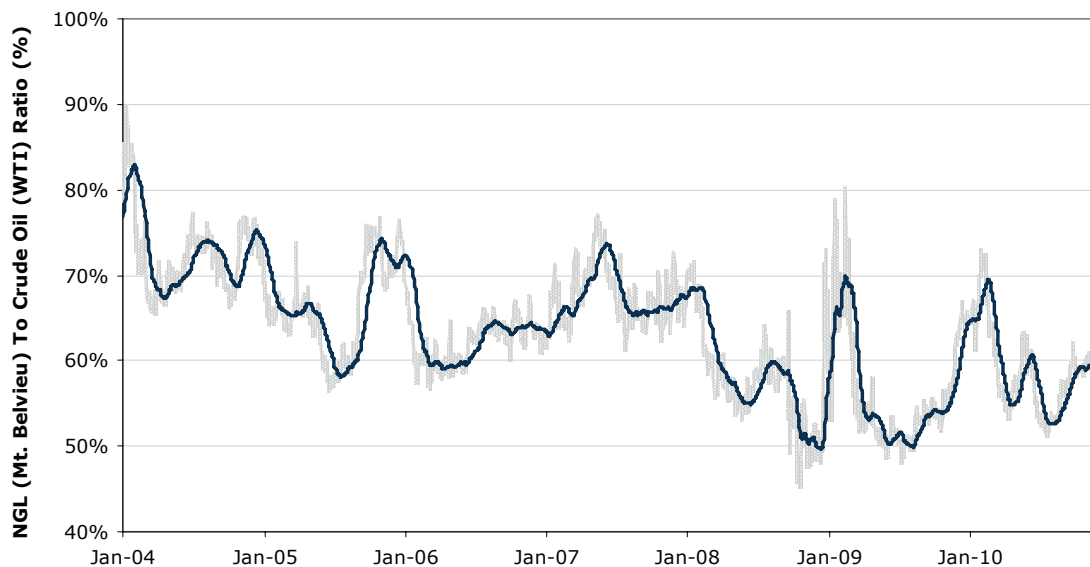


Source: Bloomberg

**NGL-To-Crude Oil Ratio Increases To About 60% In November**

The ratio between NGLs and crude oil averaged approximately 60% in November, versus 59% in October. In comparison, the NGL-to-crude oil ratio has averaged approximately 58% over the past three years. At month-end, the NGL-to-crude oil ratio was 60.8%.

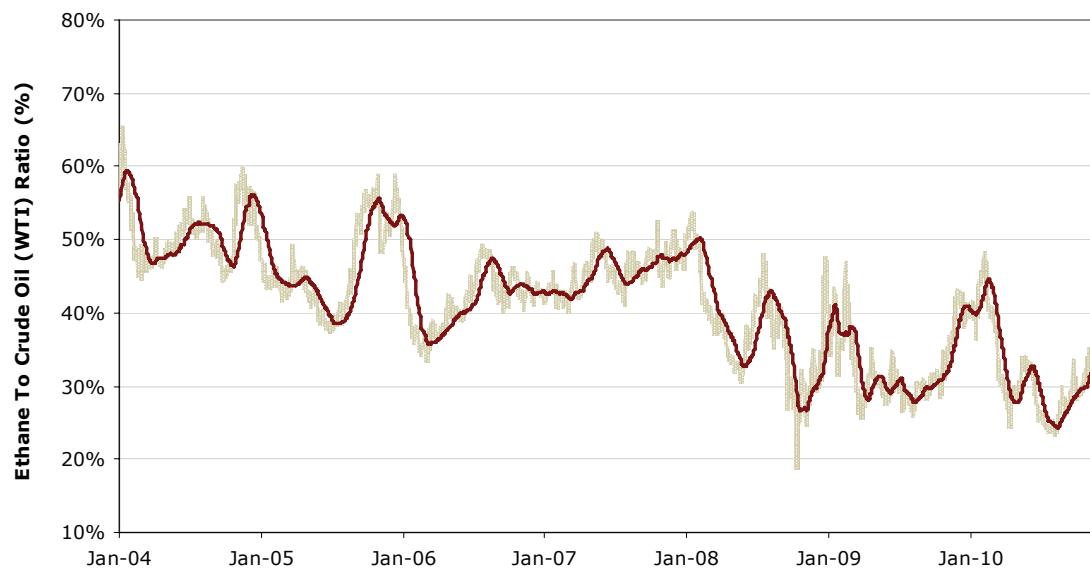
**Figure 73. Historical NGL-To-Crude Oil Ratio**



Source: Bloomberg

The ratio between ethane, the largest component of the NGL barrel, and crude oil averaged approximately 33% in November, which is up from 30% in October. At month end, the ethane-to-crude ratio was 32.5%.

**Figure 74. Historical Ethane-To-Crude Oil Ratio**



Source: Bloomberg

## Overview Of Wells Fargo Commodity Price Forecasts

For Q4 2010, we are forecasting a crude oil price, natural gas price, NGL price (Mont Belvieu), and processing margin of \$77.50 per barrel, \$4.33 per MMBtu, \$1.07 per gallon, and \$0.70 per gallon, respectively. For 2011, we are forecasting a crude oil price, natural gas price, NGL price, and processing margin of \$82.00 per barrel, \$5.20 per MMBtu, \$1.09 per gallon, and \$0.64 per gallon, respectively. Finally, our long-term (2013+) crude oil price, natural gas price, NGL price, and processing margin forecasts are \$80.00 per barrel, \$6.25 per MMBtu, \$1.09 per gallon, and \$0.55 per gallon, respectively.

**Figure 75. Forecasted Commodity Prices**

	Q1'10A	Q2'10A	Q3'10A	Q4'10E	2010E	Q1'11E	Q2'11E	Q3'11E	Q4'11E	2011E	2012E	2013+
Crude oil - WTI (\$/Bbl)	\$78.88	\$78.05	\$76.21	\$77.50	\$77.66	\$80.00	\$82.00	\$81.00	\$85.00	\$82.00	\$80.00	\$80.00
Natural gas - HH (\$/MMBtu)	\$5.30	\$4.09	\$4.38	\$4.33	\$4.53	\$5.02	\$4.83	\$5.33	\$5.63	\$5.20	\$6.00	\$6.25
Oil / natural gas ratio	14.9x	19.1x	17.4x	17.9x	17.2x	15.9x	17.0x	15.2x	15.1x	15.8x	13.3x	12.8x
Natural gas liquids (\$/g)	\$1.19	\$1.06	\$1.00	\$1.07	\$1.08	\$1.08	\$1.08	\$1.08	\$1.13	\$1.09	\$1.06	\$1.09
Processing margins (\$/g)	\$0.75	\$0.69	\$0.63	\$0.70	\$0.69	\$0.64	\$0.66	\$0.62	\$0.64	\$0.64	\$0.54	\$0.55
NGL/crude oil ratio	63%	57%	55%	58%	58%	57%	55%	56%	56%	56%	56%	57%

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

## U.S. Economy Continues To Recover Albeit At A Modest Pace

Last week, the Bureau of Economic Analysis revised the Q3 2010 gross domestic product (GDP) growth to an annualized rate of 2.5% from 2.0% to reflect stronger than previously forecasted consumer and government spending and export activity. Specifically, consumer spending increased 2.8% versus 2.6% and government spending increased 4.0% rather than 3.4% based on higher state and local expenditure. The revision was essentially in line with the consensus estimate of a 2.4% increase and compares to GDP growth of 1.7% in Q2 2010. For the month of October, the manufacturing index was 56.9%, versus 54.4% in September, with notable gains from new orders and production, according to the latest Institute for Supply Management (ISM) report. This marks the fifteenth consecutive month the manufacturing sector was in expansion territory. The latest ISM report supports expectations for continued growth in the fourth quarter. The New Orders Index increased to 58.9% in October, up from 51.5% in September, while production increased to 62.7%, up from 56.5%. Notably, 14 out of 18 industries reported growth in October.

The Wells Fargo Economics group is forecasting GDP growth to remain relatively level in Q4 at 2.8% and to approximate 2.3% in 2011 versus 2.7% in 2010. The anticipated continuation of modest U.S. economic GDP growth is based on (1) expectations for the government to extend tax cuts for at least two years given the recent Republican election gains in the House and Senate, which should help support growth, and (2) a stabilization of the job market. Notably, the increase in nonfarm payroll employment in October of 151,000 was stronger than anticipated. Although the Wells Fargo Economics team expects some improvement in consumer spending and the housing market next year, the anticipated gains and hence, the strength of the economic recovery will likely be limited by the overall weakness in the domestic labor market. Specifically, the group forecasts an unemployment rate of 9.7% in 2010 and 2011 (versus 9.6% reported in October) and an increase in consumer spending of 1.7% in 2010 and 2.1% in 2011.

## Near-Term Inflation And Interest Rate Environment Should Remain Benign

Inflation remained low in Q3 2010, as illustrated by the slight increase in the personal consumption expenditure price index of 0.8%. In an effort to stimulate the economy, keep interest rates at bay, and combat the threat of deflation, the Fed embarked on a second round of quantitative easing and plans to buy \$600 billion in Treasury bonds over the next eight months. The government also plans to reinvest an additional \$250 billion to \$300 billion in Treasuries by the end of Q3 2011. Although the Fed's announcement has resulted in a weaker dollar and an increase in commodity prices, the Wells Fargo Economics group believes that inflation concerns appear premature at this juncture. Higher commodity prices should raise the Producer Price Index but are unlikely to be passed onto consumers by manufacturers and retailers given their relatively weak demand levels. The group forecasts CPI increases of 1.6% in 2010 and 1.7% in 2011.

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The temporary mid-month move up in interest rates in November was the opposite intended impact of the Fed's monetary easing actions. Wells Fargo Securities fixed income market strategist attributed the increase to two factors: (1) investors flocking back to the dollar after Germany and France's suggestion of potential par haircuts to existing bondholders of troubled European sovereign debt, and (2) China decreasing its investments in U.S. government securities and increasing its investments in hard assets in an effort to decouple its currency with movements in the U.S. dollar. After an initial upward trend in interest rates, the 10-year Treasury yield appears to have stabilized after the QE2 announcement (i.e., 2.79% as of November 30, 2010, versus 2.91% as of November 15, 2010). The Wells Fargo Economics team expects interest rates to remain relatively level during the balance of the year, with the 10-year Treasury yield averaging 2.99% in 2010. Looking out to 2011, the rate should decrease modestly to 2.65%. For the Federal funds targeted rate, the yield is expected to average 25 bps in 2010 and 25 bps in 2011. These anticipated interest rate levels should be manageable for MLPs, in our view.

**Figure 76. Overview And Outlook For Key Economic Metrics**

	2008A	2009A	Q1A	Q2A	Q3A	Q4E	2010E	Q1E	Q2E	Q3E	Q4E	2011E	2012E
Real GDP	0.0%	(2.6%)	3.7%	1.7%	2.5%	2.0%	2.7%	2.5%	2.3%	2.4%	2.8%	2.3%	3.0%
Consumer Price Index	3.8%	(0.3%)	2.4%	1.8%	1.2%	1.1%	1.6%	1.1%	1.8%	1.9%	1.9%	1.7%	2.2%
Fed. Funds Rate	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%
U.S. 10-Yr Treasury	2.25%	3.85%	3.84%	2.97%	2.53%	2.60%	2.99%	2.50%	2.60%	2.70%	2.80%	2.65%	3.05%

Note: Forecast as of November 19, 2010

Source: Wells Fargo Securities Economics Group

**European Debt Crisis Heightens – De-Risking By Investors Could Follow Suit**

The announced 68 billion euro bailout package for Ireland by the European Union (EU) and International Monetary Fund (IMF) on November 28, 2010 followed 110 billion Euros of loans to Greece in May. Ireland's weak fiscal condition and wide deficit stemmed from a collapse of its real estate market after 2007 and steps the Irish government took to try to strengthen the banking system, as noted by the Wells Fargo Economics group. Unfortunately, the Ireland and Greece bailouts have not quelled investors concerns of a full-fledged debt crisis looming in Europe. Bond yields tied to the sovereign debt of Portugal, Italy, Spain, and now Belgium have spiked to record levels as the credit market questions the financial stability of these countries, the potential need for additional bailouts, and the risk of contagion to other eurozone regions. Notably, the credit default swaps (CDS) of Portugal, Italy, and Spain have surged to 538 bps, 271 bps, and 351 bps, respectively, according to Barrons on December 1, 2010.

Similar to the performance in May after Greece's debt crisis came to the forefront, fears of a widespread sovereign debt crisis in Europe could cause a widening of credit spreads and a pullback in oil prices, both of which are primary drivers of MLP performance. Notably, MLPs were down 6.6% compared with the S&P 500, which was off 8.2% during the month of May. Over this time period, high yield and investment grade credit spreads expanded by approximately 109 bps and 49 bps, respectively, and was at 497 bps and 290 bps, respectively, as of May 31, 2010. In comparison, high yield and investment grade credit spreads have averaged 507 bps and 267 bps, respectively, since 2000. Finally, crude oil prices decreased by 14% and the U.S. dollar strengthened in May, as the market expressed concerns that events in Europe could derail the global economic recovery.

Near-term performance of MLPs could be again become volatile and negatively affected by de-risking measures taken by investors, in our view (i.e., flock to safety while eschewing riskier assets such as equities and high yield bonds). Accordingly, for investors who are more cautious in their macro outlook, we would focus more on the large-cap pipeline MLPs that are more defensive in nature with predominantly fee-based cash flow, better access to capital, and more liquidity.

# SUPPORTING TABLES

Master Limited Partnerships

Q3'10 Distribution Scorecard		Q3'09A				Percent Variance			
(SMM, except per unit data)		Distribution	Distribution	Distribution	Distribution	Yr/Yr	Seq.	From Est.	
	Ticker	Q3'09A	Q2'10A	Q3'10E	Q3'10A				
Large-Cap Pipeline MLPs	BUCKEYE PARTNERS LP	BPL	\$0.93	\$0.95	\$0.97	\$0.98	5.4%	2.6%	0.8%
	BOARDWALK PIPELINE PARTNERS	BWP	\$0.50	\$0.51	\$0.52	\$0.52	4.0%	1.0%	0.0%
	ENBRIDGE ENERGY PARTNRS -LP	EEL	\$0.99	\$1.03	\$1.03	\$1.03	3.8%	0.0%	0.0%
	EL PASO PIPELINE PARTNRS LP	EPB	\$0.35	\$0.40	\$0.41	\$0.41	17.1%	2.5%	0.0%
	ENTERPRISE PRODS PARTNER -LP	EPD	\$0.55	\$0.58	\$0.58	\$0.58	5.4%	1.3%	0.0%
	ENERGY TRANSFER PARTNERS -LP	ETP	\$0.89	\$0.89	\$0.89	\$0.89	0.0%	0.0%	0.0%
	KINDER MORGAN ENERGY -LP	KMP	\$1.05	\$1.09	\$1.11	\$1.11	5.7%	1.8%	0.0%
	MAGELLAN MIDSTREAM PARTNRS LP	MMP	\$0.71	\$0.73	\$0.75	\$0.75	4.9%	1.7%	0.0%
	NISKA GAS STORAGE PARTNERS	NKA	NA	NA	\$0.35	\$0.35	NA	NA	0.0%
	NUSTAR ENERGY LP	NS	\$1.07	\$1.07	\$1.07	\$1.08	0.9%	0.9%	0.9%
	ONEOK PARTNERS -LP	OKS	\$1.09	\$1.12	\$1.13	\$1.13	3.7%	0.9%	0.0%
	PLAINS ALL AMER PIPELINE -LP	PAA	\$0.92	\$0.94	\$0.95	\$0.95	3.3%	0.8%	0.0%
	PAA NATURAL GAS STORAGE LP	PNG	NA	NA	\$0.34	\$0.34	NA	NA	0.0%
	SPECTRA ENERGY PARTNERS LP	SEP	\$0.40	\$0.43	\$0.44	\$0.44	10.0%	2.3%	0.6%
	SUNOCO LOGISTICS PARTNRS L P	SXL	\$1.07	\$1.14	\$1.17	\$1.17	9.9%	2.6%	0.2%
WILLIAMS PARTNERS LP	WPZ	\$0.64	\$0.67	\$0.68	\$0.69	8.3%	2.2%	1.1%	
<b>Large Cap Pipeline Median</b>						<b>5.2%</b>	<b>1.5%</b>	<b>0.0%</b>	
Small-Cap Pipeline MLPs	CALUMET SPECIALTY PRODUCTS	CLMT	\$0.45	\$0.46	Not Covered	\$0.46	2.2%	1.1%	Not Covered
	CHENIERE ENERGY PARTNERS LP	CQP	\$0.43	\$0.43	Not Covered	\$0.43	0.0%	0.0%	Not Covered
	CHESAPEAKE MIDSTREAM PARTNRS	CHKM	NA	NA	\$0.34	\$0.34	NA	NA	0.0%
	DUNCAN ENERGY PARTNERS LP	DEP	\$0.44	\$0.45	\$0.45	\$0.45	2.8%	0.6%	0.0%
	EXTERRAN PARTNERS LP	EXLP	\$0.46	\$0.46	\$0.46	\$0.47	1.1%	1.1%	1.1%
	GENESIS ENERGY -LP	GEL	\$0.35	\$0.38	\$0.39	\$0.39	9.9%	3.3%	0.0%
	GLOBAL PARTNERS LP	GLP	\$0.49	\$0.49	Not Covered	\$0.50	1.5%	1.5%	NM
	HOLLY ENERGY PARTNERS LP	HEP	\$0.80	\$0.83	\$0.84	\$0.83	3.8%	0.0%	(1.2%)
	MARTIN MIDSTREAM PARTNERS LP	MMLP	\$0.75	\$0.75	\$0.75	\$0.75	0.0%	0.0%	0.0%
	TC PIPELINES LP	TCLP	\$0.73	\$0.73	\$0.73	\$0.75	2.7%	2.7%	2.7%
	TRANSMONTAIGNE PARTNERS LP	TLP	\$0.59	\$0.60	\$0.62	\$0.60	1.7%	0.0%	(3.2%)
	<b>Small Cap Pipeline MLP Median</b>						<b>2.0%</b>	<b>0.8%</b>	<b>0.0%</b>
Gathering & Processing	COPANO ENERGY LLC	CPNO	\$0.58	\$0.58	\$0.58	\$0.58	0.0%	0.0%	0.0%
	DCP MIDSTREAM PARTNERS LP	DPM	\$0.60	\$0.61	\$0.61	\$0.61	1.7%	0.0%	0.0%
	CRESTWOOD MIDSTREAM PARTNRS LP	CMLP	\$0.39	\$0.42	\$0.43	\$0.42	7.7%	0.0%	(2.3%)
	MARKWEST ENERGY PARTNERS LP	MWE	\$0.64	\$0.64	\$0.64	\$0.64	0.0%	0.0%	0.0%
	TARGA RESOURCES PARTNERS LP	NGLS	\$0.52	\$0.53	\$0.53	\$0.54	3.9%	1.9%	1.9%
	REGENCY ENERGY PARTNERS LP	RGNC	\$0.45	\$0.45	\$0.45	\$0.45	0.0%	0.0%	0.0%
	WESTERN GAS PARTNERS LP	WES	\$0.32	\$0.35	\$0.36	\$0.37	15.6%	5.7%	2.8%
	<b>Gathering &amp; Processing Median</b>						<b>1.7%</b>	<b>0.0%</b>	<b>0.0%</b>
Upstream	BREITBURN ENERGY PARTNERS LP	BBEP	\$0.00	\$0.38	\$0.39	\$0.39	NA	2.0%	0.0%
	ENCORE ENERGY PARTNERS LP	ENP	\$0.54	\$0.50	\$0.50	\$0.50	(7.0%)	0.0%	0.0%
	EV ENERGY PARTNERS LP	EVLP	\$0.75	\$0.76	\$0.76	\$0.76	0.5%	0.1%	0.0%
	LEGACY RESERVES LP	LGCV	\$0.52	\$0.52	\$0.52	\$0.52	0.0%	0.0%	0.0%
	LINN ENERGY LLC	LINE	\$0.63	\$0.63	\$0.63	\$0.66	4.8%	4.8%	4.8%
	PIONEER SOUTHWEST ENRG PARTNR	PSE	\$0.50	\$0.50	\$0.50	\$0.50	0.0%	0.0%	0.0%
	VANGUARD NATURAL RESOURCES	VNR	\$0.50	\$0.55	\$0.55	\$0.55	10.0%	0.0%	0.0%
<b>Upstream MLP Median</b>						<b>0.3%</b>	<b>0.0%</b>	<b>0.0%</b>	
Propane MLPs	AMERIGAS PARTNERS -LP	APU	\$0.67	\$0.71	\$0.71	\$0.71	5.2%	0.0%	0.0%
	FERRELLGAS PARTNERS -LP	FGP	\$0.50	\$0.50	\$0.50	\$0.50	0.0%	0.0%	0.0%
	INERGY LP	IRGY	\$0.68	\$0.71	\$0.72	\$0.71	4.4%	0.0%	(1.4%)
	STAR GAS PARTNERS -LP	SGU	\$0.07	\$0.07	Not Covered	\$0.07	7.4%	0.0%	Not Covered
	SUBURBAN PROPANE PARTNRS -LP	SPH	\$0.83	\$0.85	\$0.85	\$0.85	2.4%	0.6%	0.0%
<b>Propane MLP Median</b>						<b>4.4%</b>	<b>0.0%</b>	<b>0.0%</b>	
Ship	NAVIOS MARITIME PARTNRS-REDH	NMM	\$0.41	\$0.42	NA	\$0.42	3.7%	0.0%	NA
	TEEKAY LNG PARTNERS LP	TGP	\$0.57	\$0.60	\$0.60	\$0.60	5.3%	0.0%	0.0%
	TEEKAY OFFSHORE PARTNERS LP	TOO	\$0.45	\$0.48	\$0.48	\$0.48	5.6%	0.0%	0.0%
<b>Shipping MLP Median</b>						<b>5.3%</b>	<b>0.0%</b>	<b>0.0%</b>	
Coal	ALLIANCE RESOURCE PARTNRS -LP	ARLP	\$0.76	\$0.81	\$0.83	\$0.83	9.2%	2.5%	(0.1%)
	NATURAL RESOURCE PARTNERS LP	NRP	\$0.54	\$0.54	\$0.54	\$0.54	0.0%	0.0%	0.0%
	OXFORD RESOURCE PARTNERS LP	OXF	NA	NA	\$0.44	\$0.44	NA	NA	0.0%
	PENN VIRGINIA RES PARTNR LP	PVR	\$0.47	\$0.47	\$0.47	\$0.47	0.0%	0.0%	0.0%
<b>Coal MLP Median</b>						<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	
General Partners	ALLIANCE HOLDINGS GP LP	AHGP	\$0.44	\$0.48	\$0.50	\$0.50	13.6%	3.6%	(0.4%)
	ENTERPRISE GP HOLDINGS LP	EPE	\$0.52	\$0.56	\$0.58	\$0.58	11.7%	2.7%	0.0%
	ENERGY TRANSFER EQUITY LP	ETE	\$0.54	\$0.54	\$0.54	\$0.54	0.9%	0.0%	0.0%
	INERGY HOLDINGS LP	NRGP	\$0.28	\$0.34	\$0.34	\$0.34	20.0%	0.0%	0.0%
	NUSTAR GP HOLDINGS LLC	NSH	\$0.44	\$0.46	\$0.46	\$0.48	10.3%	4.3%	4.3%
	PENN VIRGINIA GP HOLDINGS	PVG	\$0.38	\$0.39	\$0.39	\$0.39	2.6%	0.0%	0.0%
<b>General Partnership MLP Median</b>						<b>11.0%</b>	<b>1.3%</b>	<b>0.0%</b>	
<b>All MLPs Median</b>						<b>3.7%</b>	<b>0.1%</b>	<b>0.0%</b>	
<b>All MLPs (Excl. GPs) Median</b>						<b>3.7%</b>	<b>0.1%</b>	<b>0.0%</b>	
Distribution Cut/Suspend	ATLAS PIPELINE PARTNER LP	APL	\$0.00	\$0.00	\$0.00	\$0.35	NA	NM	NM
	ATLAS PIPELINE HOLDINGS LP	AHD	\$0.00	\$0.00	\$0.00	\$0.05	NA	NM	NM
	CAPITAL PRODUCT PARTNERS LP	CPLP	\$0.41	\$0.23	NA	\$0.23	(43.3%)	3.3%	NA
	BLUEKNIGHT ENERGY PARTNRS LP	BKEP	\$0.00	\$0.00	\$0.00	\$0.00	-	-	-
	CONSTELLATION ENERGY PARTNRS	CEP	\$0.00	\$0.00	Not Covered	\$0.00	-	-	-
	EAGLE ROCK ENERGY PARTNRS LP	EROC	\$0.03	\$0.03	\$0.03	\$0.03	0.0%	0.0%	0.0%
	K-SEA TRANSPORTATION -LP	KSP	\$0.45	\$0.00	\$0.00	\$0.00	-	-	-
	CROSSTEX ENERGY LP	XTEX	\$0.00	\$0.00	\$0.25	\$0.25	NA	NM	0.0%
	CROSSTEX ENERGY INC	XTXI	\$0.00	\$0.00	\$0.07	\$0.07	NA	NM	0.0%
<b>Distressed MLPs</b>						<b>(21.6%)</b>	<b>1.7%</b>	<b>0.0%</b>	

Source: Partnership reports and Wells Fargo Securities, LLC estimates

## Q3'10 Earnings Overview

	Ticker	Q3'10 Earnings Per Unit			Q3'10 EBITDA (\$MM)			Q3'10 DCF/Unit		Beat Or Miss?	Variance From Est.		
		Actual	Our Est.	Consensus	Actual	Our Est.	Consensus	Actual	Our Est.		EPU	EBITDA	DCF/Unit
Large-Cap Pipeline	BPL	\$0.93	\$0.91	\$0.97	\$99.6	\$97.0	\$98.0	\$1.11	\$1.03	In-line	1.6%	2.7%	7.6%
	BWP	\$0.26	\$0.23	\$0.31	\$147.3	\$145.1	\$154.0	\$0.41	\$0.35	In-line	13.0%	1.5%	17.1%
	EEP	\$0.76	\$0.63	\$0.63	\$262.4	\$252.5	\$250.0	\$1.22	\$1.09	In-line	20.6%	3.9%	11.9%
	EPB	\$0.47	\$0.51	\$0.48	\$126.9	\$130.5	\$133.8	\$0.52	\$0.55	Miss	(8.4%)	(2.7%)	(5.2%)
	EPD	\$0.47	\$0.40	\$0.45	\$828.0	\$766.0	\$775.2	\$0.79	\$0.66	Beat	17.5%	8.1%	19.7%
	ETP	\$0.06	\$0.18	\$0.19	\$280.5	\$320.9	\$318.6	\$0.30	\$0.49	Miss	(66.0%)	(12.6%)	(39.3%)
	KMP	\$0.23	\$0.34	\$0.36	\$722.9	NA	\$768.8	\$1.02	\$1.10	Miss	(32.4%)		(7.3%)
	MMP	\$0.51	\$0.49	\$0.56	\$109.7	\$107.9	\$115.7	\$0.76	\$0.66	Beat	3.2%	1.6%	16.0%
	NS	\$0.90	\$0.76	\$0.76	\$131.0	\$117.0	\$115.7	\$1.30	\$1.08	Beat	18.4%	12.0%	20.4%
	OKS	\$1.09	\$1.07	\$0.95	\$236.7	\$237.5	\$221.4	\$1.23	\$1.25	In-line	2.2%	(0.3%)	(1.8%)
	PAA	\$0.70	\$0.57	\$0.64	\$264.0	\$252.1	\$258.9	\$0.90	\$0.85	Beat	23.7%	4.7%	5.9%
	PNG	\$0.23	\$0.24	\$0.21	\$14.9	\$14.9	\$14.9	\$0.30	\$0.31	In-line	(4.2%)	0.0%	(3.2%)
	SEP	\$0.44	\$0.45	\$0.45	\$31.7	\$56.4	\$46.7	\$0.59	\$0.59	In-line	(1.2%)	(43.8%)	(0.4%)
	SXL	\$1.64	\$1.30	\$1.42	\$104.3	\$89.4	\$91.7	\$1.82	\$1.49	Beat	26.2%	16.7%	22.1%
WPZ	\$0.63	\$0.61	\$0.70	\$445.0	\$448.6	\$466.6	\$0.67	\$0.67	In-line	3.3%	(0.8%)	0.0%	
<b>Large Cap Pipeline Median</b>											<b>3.2%</b>	<b>1.5%</b>	<b>2.9%</b>
Small-Cap Pipelines	BKEP	(\$0.08)	(\$0.01)	(\$0.06)	\$16.0	\$17.6	\$17.1	\$0.14	\$0.20	Miss	558.2%	(9.3%)	(29.9%)
	DEP	\$0.36	\$0.38	\$0.38	NA	NA	-	\$0.58	\$0.58	In-line	(5.3%)		0.0%
	EXLP	(\$0.01)	(\$0.01)	\$0.02	\$28.0	\$24.2	\$22.6	\$0.65	\$0.46	Beat	52.6%	15.7%	42.6%
	GEL	\$0.28	\$0.22	\$0.30	\$30.6	\$30.1	\$32.4	\$0.62	\$0.55	Beat	27.8%	1.8%	13.0%
	HEP	\$0.59	\$0.55	\$0.59	\$32.0	\$31.5	\$31.8	\$0.93	\$0.88	Beat	7.3%	1.6%	5.7%
	MMLP	\$0.14	\$0.09	\$0.15	\$17.5	\$17.5	\$19.8	\$0.81	\$0.67	Beat	50.2%	(0.0%)	20.7%
	TCLP	\$0.82	\$0.57	\$0.55	NA	NA	\$41.9	\$0.98	\$0.96	Beat	43.9%		2.1%
TLP	\$0.66	\$0.54	\$0.53	\$18.4	\$17.1	\$16.7	\$0.97	\$0.88	Beat	22.7%	7.5%	9.7%	
<b>Small Cap Pipeline MLP Median</b>											<b>27.8%</b>	<b>1.8%</b>	<b>9.7%</b>
Gathering & Processing MLPs	APL	(\$0.11)	\$0.00	\$0.05	\$48.40	\$47.6	\$52.5	\$0.40	\$0.32	In-line	NM	1.7%	23.9%
	CHKM	\$0.24	\$0.26	\$0.28	\$58.9	\$60.1	\$60.0	\$0.40	\$0.39	In-line	(6.5%)	(1.9%)	2.4%
	CMLP	\$0.38	\$0.32	\$0.34	\$21.2	\$19.6	\$20.0	\$0.57	\$0.54	Beat	20.1%	8.3%	5.5%
	CPNO	(\$0.00)	\$0.07	\$0.12	\$42.3	\$44.6	\$38.9	\$0.54	\$0.62	Miss	(100.1%)	(5.2%)	(13.5%)
	DPM	\$0.28	\$0.21	\$0.17	\$28.8	\$34.2	\$32.6	\$0.53	\$0.61	Miss	31.0%	(15.9%)	(12.7%)
	EROC	(\$0.06)	(\$0.04)	\$0.01	\$33.2	\$33.0	\$33.9	\$0.21	\$0.24	In-line	71.2%	0.6%	(13.8%)
	MWE	\$0.16	\$0.18	\$0.21	\$83.7	\$75.3	\$84.5	\$0.77	\$0.71	Beat	(9.8%)	11.2%	8.8%
	RGNC	\$0.04	\$0.24	\$0.12	\$90.0	\$98.0	\$90.6	\$0.43	\$0.48	Miss	(83.1%)	(8.2%)	(11.2%)
	WES	\$0.44	\$0.40	\$0.44	\$52.8	\$50.3	\$50.9	\$0.65	\$0.54	Beat	9.4%	5.0%	21.1%
	XTEX	(\$0.11)	(\$0.02)	(\$0.10)	\$47.8	\$45.6	\$44.4	\$0.34	\$0.36	In-line	478.1%	4.9%	(5.7%)
<b>Gathering &amp; Processing Median</b>											<b>1.5%</b>	<b>1.7%</b>	<b>2.4%</b>
Upstream MLPs	BBEP	\$0.44	\$0.34	\$0.30	\$60.0	\$55.1	\$53.9	\$0.74	\$0.61	Beat	28.8%	8.8%	21.5%
	ENP	\$0.25	\$0.26	\$0.28	\$29.8	\$29.9	\$30.0	\$0.54	\$0.55	In-line	(2.2%)	(0.5%)	(2.5%)
	EVEP	\$0.49	\$0.63	\$0.58	\$37.2	\$39.1	\$39.0	\$0.72	\$0.86	Miss	(21.9%)	(5.0%)	(16.7%)
	LGCY	\$0.24	\$0.30	\$0.29	\$35.7	\$34.3	\$35.4	\$0.55	\$0.59	In-line	(20.6%)	4.1%	(6.6%)
	LINE	\$0.45	\$0.41	\$0.38	\$185.00	\$182.9	\$182.3	\$0.75	\$0.73	In-line	9.8%	1.1%	2.7%
	PSE	\$0.71	\$0.63	\$0.67	\$24.60	\$24.7	\$25.3	\$0.55	\$0.54	In-line	12.7%	(0.4%)	1.9%
VNR	\$0.57	\$0.56	\$0.55	\$22.2	\$22.0	\$20.2	\$0.73	\$0.74	In-line	2.6%	1.0%	(1.7%)	
<b>Upstream MLP Median</b>											<b>2.6%</b>	<b>1.0%</b>	<b>(1.7%)</b>
Propane <sup>1</sup>	APU	(\$0.60)	(\$0.55)	(\$0.61)	NA	\$7.7	\$5.7	(\$0.43)	(\$0.39)	Beat	8.2%		11.1%
	FGP	(\$0.58)	(\$0.63)	(\$0.55)	NA	NA	-	(\$0.11)	(\$0.34)	Beat	(7.9%)		(67.6%)
	NRGY	(\$1.04)	(\$0.71)	(\$0.61)	\$30.1	\$33.5	\$39.5	(\$0.21)	(\$0.14)	Miss	46.0%	(10.0%)	49.2%
	SPH	(\$0.61)	(\$0.55)	(\$0.64)	(\$3.6)	(\$6.6)	(\$5.6)	(\$0.45)	(\$0.47)	In-line	11.5%	(45.5%)	(4.7%)
<b>Propane MLP Median</b>											<b>9.8%</b>	<b>(27.7%)</b>	<b>3.2%</b>
Ship	KSP <sup>2</sup>	(\$0.10)	(\$0.53)	(\$0.25)	\$19.7	\$10.8	\$12.2	\$0.41	\$0.01	Beat	NM	NM	NM
	TGP	\$0.42	\$0.38	\$0.45	\$65.2	\$69.5	\$66.2	\$0.64	\$0.65	Miss	10.7%	(6.1%)	(1.5%)
	TOO	\$0.26	\$0.13	\$0.23	\$76.8	\$70.2	\$74.2	\$0.43	\$0.39	Beat	104.0%	9.4%	11.7%
<b>Shipping MLP Median</b>											<b>57.3%</b>	<b>1.7%</b>	<b>5.1%</b>
Coal	ARLP	\$1.48	\$1.65	\$1.69	\$119.4	\$122.5	\$118.6	\$1.75	\$1.80	Miss	(10.3%)	(2.5%)	(2.8%)
	NRP	\$0.51	\$0.30	\$0.32	\$66.5	\$66.0	\$64.8	\$0.50	\$0.51	In-line	68.8%	0.8%	(1.7%)
	OXF	(\$0.08)	\$0.14	\$0.08	\$13.7	\$18.2	\$14.2	\$0.20	\$0.31	Miss	(158.9%)	(24.7%)	(34.9%)
	PVR	\$0.09	\$0.24	\$0.31	\$48.7	\$45.6	\$47.7	\$0.52	\$0.50	Beat	(62.5%)	6.8%	4.0%
<b>Coal MLP Median</b>											<b>(36.4%)</b>	<b>(0.9%)</b>	<b>(2.2%)</b>
<b>All MLPs Average</b>											<b>15.5%</b>	<b>(0.8%)</b>	<b>2.8%</b>
<b>All MLPs Median</b>											<b>8.8%</b>	<b>1.1%</b>	<b>2.1%</b>

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

Note 1: FQ4'10 (i.e. calendar Q3'10) for Propane MLPs

Note 2: FQ1'11 (i.e. calendar Q3'10) for KSP

Source: Partnership reports and Wells Fargo Securities, LLC estimates

# Beat	21
# In-line	19
# Miss	13
# DNR	0



**Master Limited Partnerships**

**2010 Average Daily Trading Value**

Master Limited Partnership	Average Daily Trading Value (\$ in 000's)										
	Nov-10	Oct-10	Sep-10	Aug-10	Jul-10	Jun-10	May-10	Apr-10	Mar-10	Feb-10	Jan-10
1. ENTERPRISE PRODS PRTNER -LP	\$44,950	\$45,370	\$47,842	\$38,054	\$57,863	\$42,411	\$80,419	\$74,123	\$39,412	\$39,486	\$53,467
2. KINDER MORGAN ENERGY -LP	\$36,403	\$37,494	\$33,110	\$42,084	\$51,909	\$36,567	\$103,960	\$34,812	\$33,572	\$40,901	\$48,566
3. EL PASO PIPELINE PARTNERS LP	\$30,761	\$12,017	\$26,688	\$13,956	\$15,627	\$21,056	\$7,718	\$6,432	\$7,357	\$8,604	\$20,833
4. ENBRIDGE ENERGY PRTNRS -LP	\$30,304	\$11,313	\$21,189	\$19,386	\$24,694	\$11,534	\$21,425	\$23,062	\$9,404	\$13,370	\$11,588
5. LINN ENERGY LLC	\$30,037	\$24,627	\$26,051	\$28,228	\$32,933	\$25,957	\$48,287	\$36,281	\$50,760	\$26,499	\$35,685
6. PLAINS ALL AMER PIPELINE -LP	\$29,952	\$16,986	\$15,651	\$17,511	\$22,569	\$22,534	\$31,161	\$15,801	\$16,027	\$17,678	\$21,733
7. ENERGY TRANSFER PARTNERS -LP	\$29,049	\$27,992	\$25,490	\$55,719	\$28,188	\$25,368	\$47,182	\$25,325	\$27,534	\$31,164	\$58,615
8. KINDER MORGAN MANAGEMENT LLC	\$16,965	\$15,751	\$15,882	\$12,593	\$17,723	\$12,643	\$23,635	\$14,879	\$11,423	\$13,200	\$16,136
9. MAGELLAN MIDSTREAM PRTNRS LP	\$15,607	\$14,104	\$14,441	\$16,645	\$29,375	\$10,583	\$21,866	\$10,447	\$10,588	\$13,919	\$14,196
10. WILLIAMS PARTNERS LP	\$15,505	\$20,677	\$30,370	\$12,610	\$13,596	\$13,509	\$17,220	\$6,036	\$10,412	\$11,073	\$16,011
11. ATLAS PIPELINE PARTNER LP	\$14,409	\$7,426	\$7,802	\$10,606	\$13,471	\$4,949	\$12,430	\$7,656	\$9,311	\$8,784	\$10,204
12. REGENCY ENERGY PARTNERS LP	\$13,163	\$12,441	\$15,140	\$19,961	\$6,093	\$7,050	\$10,977	\$5,844	\$6,638	\$9,552	\$10,993
13. NUSTAR ENERGY LP	\$12,932	\$9,349	\$8,757	\$11,711	\$12,256	\$15,190	\$27,691	\$8,726	\$9,917	\$13,914	\$14,637
14. INERGY LP	\$12,866	\$13,043	\$39,515	\$11,651	\$9,005	\$8,697	\$12,281	\$6,575	\$8,969	\$11,822	\$18,807
15. MARKWEST ENERGY PARTNERS LP	\$12,288	\$8,160	\$7,467	\$10,852	\$12,517	\$13,109	\$18,243	\$11,351	\$9,878	\$8,712	\$11,068
16. WESTERN GAS PARTNERS LP	\$11,933	\$3,080	\$3,039	\$4,384	\$5,368	\$3,937	\$8,692	\$2,636	\$4,111	\$4,175	\$3,542
17. ENTERPRISE GP HOLDINGS LP	\$10,930	\$7,115	\$15,542	\$4,014	\$4,662	\$3,299	\$6,085	\$5,275	\$6,257	\$4,962	\$6,429
18. ENERGY TRANSFER EQUITY LP	\$10,502	\$7,543	\$12,365	\$13,987	\$14,624	\$10,326	\$19,931	\$8,045	\$9,136	\$11,641	\$15,511
19. BUCKEYE PARTNERS LP	\$10,158	\$6,727	\$6,729	\$8,319	\$8,399	\$8,143	\$12,949	\$5,183	\$6,479	\$8,806	\$6,323
20. BOARDWALK PIPELINE PRTNRS-LP	\$10,125	\$9,176	\$5,281	\$6,711	\$10,494	\$8,054	\$13,970	\$10,557	\$12,153	\$20,812	\$6,850
21. COPANO ENERGY LLC	\$10,064	\$10,206	\$10,095	\$9,201	\$15,167	\$10,987	\$17,337	\$15,072	\$13,557	\$6,008	\$9,479
22. GENESIS ENERGY -LP	\$9,593	\$3,329	\$3,457	\$3,171	\$4,043	\$2,549	\$4,345	\$3,251	\$5,524	\$1,896	\$2,658
23. VANGUARD NATURAL RESOURCES	\$8,981	\$9,683	\$4,291	\$4,952	\$7,591	\$3,556	\$9,484	\$3,353	\$4,361	\$6,241	\$7,194
24. ONEOK PARTNERS -LP	\$8,704	\$10,280	\$7,609	\$9,291	\$14,370	\$9,539	\$15,723	\$12,179	\$12,049	\$30,686	\$9,717
25. TARGA RESOURCES PARTNERS LP	\$8,366	\$9,931	\$11,315	\$17,939	\$10,233	\$10,217	\$16,994	\$18,419	\$7,625	\$6,825	\$16,399
26. EV ENERGY PARTNERS LP	\$7,453	\$5,831	\$4,865	\$10,020	\$7,368	\$4,787	\$10,888	\$5,621	\$7,683	\$12,374	\$7,561
27. NATURAL RESOURCE PARTNERS LP	\$7,388	\$4,320	\$4,488	\$5,689	\$4,541	\$4,293	\$7,548	\$9,741	\$2,981	\$4,297	\$4,230
28. DCP MIDSTREAM PARTNERS LP	\$6,593	\$2,692	\$2,893	\$5,409	\$2,984	\$2,522	\$4,033	\$1,904	\$2,809	\$3,686	\$3,675
29. TC PIPELINES LP	\$6,390	\$2,774	\$2,320	\$2,538	\$4,742	\$2,620	\$4,505	\$3,848	\$2,898	\$3,727	\$6,136
30. ENCORE ENERGY PARTNERS LP	\$6,342	\$3,634	\$3,014	\$4,671	\$3,833	\$3,633	\$9,262	\$3,081	\$3,165	\$3,941	\$4,648
31. BREITBURN ENERGY PARTNERS LP	\$5,895	\$3,778	\$5,055	\$5,375	\$2,632	\$2,154	\$2,501	\$2,674	\$3,229	\$3,595	\$2,025
32. LEGACY RESERVES LP	\$5,783	\$3,539	\$2,954	\$3,816	\$5,225	\$3,869	\$6,595	\$4,064	\$4,724	\$5,214	\$11,014
33. ALLIANCE RESOURCE PTNRS -LP	\$5,711	\$5,908	\$5,645	\$5,631	\$4,769	\$3,324	\$7,533	\$5,182	\$3,775	\$5,339	\$5,522
34. SUNOCO LOGISTICS PARTNERS LP	\$5,593	\$5,304	\$5,575	\$10,902	\$6,806	\$4,940	\$8,996	\$6,581	\$5,375	\$19,348	\$4,439
35. TEEKAY OFFSHORE PARTNERS LP	\$5,591	\$5,407	\$6,545	\$7,690	\$3,722	\$3,723	\$5,056	\$3,449	\$6,085	\$2,312	\$2,613
36. NAVIOS MARITIME PARTNERS LP	\$5,205	\$10,506	\$3,699	\$3,114	\$3,698	\$3,131	\$7,766	\$8,626	\$3,882	\$8,028	\$4,997
37. PENN VIRGINIA RES PRTNR LP	\$4,711	\$3,502	\$3,245	\$3,027	\$3,102	\$3,059	\$5,233	\$2,512	\$4,085	\$3,467	\$3,861
38. SUBURBAN PROPANE PRTNRS -LP	\$4,158	\$4,818	\$6,180	\$5,431	\$5,116	\$3,885	\$6,641	\$5,044	\$4,612	\$7,423	\$5,196
39. PENN VIRGINIA GP HOLDINGS LP	\$4,116	\$3,524	\$6,840	\$6,334	\$8,504	\$8,195	\$5,343	\$7,738	\$8,816	\$2,622	\$3,218
40. CHENIERE ENERGY PARTNERS LP	\$4,063	\$4,567	\$2,680	\$2,676	\$4,745	\$2,869	\$6,022	\$6,573	\$3,564	\$2,664	\$5,244
41. FERRELLGAS PARTNERS -LP	\$3,982	\$2,224	\$3,116	\$3,718	\$2,490	\$3,526	\$4,622	\$2,158	\$3,615	\$3,444	\$2,933
42. ATLAS PIPELINE HOLDINGS LP	\$3,769	\$963	\$917	\$1,921	\$1,673	\$538	\$1,913	\$1,019	\$1,074	\$766	\$1,818
43. TEEKAY LNG PARTNERS LP	\$3,679	\$3,262	\$2,503	\$3,819	\$4,782	\$3,739	\$4,636	\$3,088	\$3,092	\$4,279	\$5,431
44. NUSTAR GP HOLDINGS LLC	\$3,437	\$3,008	\$3,106	\$3,697	\$4,088	\$2,786	\$4,099	\$2,929	\$3,081	\$2,279	\$2,319
45. CALUMET SPECIALTY PRODS -LP	\$3,350	\$3,036	\$1,707	\$2,263	\$2,523	\$1,527	\$5,240	\$2,904	\$1,844	\$3,081	\$5,299
46. EAGLE ROCK ENERGY PARTNRS LP	\$3,319	\$1,739	\$1,362	\$2,057	\$1,755	\$2,157	\$3,968	\$1,254	\$1,918	\$992	\$1,876
47. BUCKEYE GP HOLDINGS LP	\$3,199	\$3,255	\$2,339	\$2,462	\$2,568	\$3,558	\$2,094	\$1,020	\$1,794	\$2,315	\$1,608
48. GLOBAL PARTNERS LP	\$3,071	\$1,130	\$911	\$1,455	\$1,774	\$1,147	\$1,836	\$2,278	\$4,014	\$402	\$425
49. CROSSTEX ENERGY INC	\$3,041	\$2,212	\$2,993	\$4,692	\$3,440	\$4,001	\$4,788	\$3,631	\$6,151	\$3,929	\$7,217
50. MARTIN MIDSTREAM PARTNERS LP	\$2,771	\$1,719	\$1,773	\$3,651	\$1,926	\$1,433	\$2,624	\$1,769	\$1,658	\$3,283	\$1,202
51. EXTERRAN PARTNERS LP	\$2,731	\$3,063	\$5,157	\$631	\$532	\$702	\$1,091	\$941	\$570	\$821	\$919
52. AMERICAS PARTNERS -LP	\$2,602	\$1,856	\$1,888	\$2,788	\$2,540	\$3,407	\$5,028	\$2,189	\$2,023	\$3,502	\$2,840
53. ENBRIDGE ENERGY MGMT LLC	\$2,478	\$1,722	\$2,331	\$2,841	\$3,080	\$2,061	\$2,780	\$1,567	\$1,608	\$1,911	\$2,325
54. DUNCAN ENERGY PARTNERS LP	\$2,422	\$3,181	\$2,238	\$2,429	\$3,137	\$2,158	\$4,190	\$2,932	\$3,110	\$3,111	\$4,221
55. SPECTRA ENERGY PARTNERS LP	\$2,371	\$1,860	\$2,492	\$2,274	\$2,834	\$2,008	\$3,510	\$2,637	\$3,004	\$3,290	\$3,439
56. OXFORD RESOURCE PARTNERS LP	\$2,355	\$3,089	\$3,363	\$3,654	\$10,221	NA	NA	NA	NA	NA	NA
57. CROSSTEX ENERGY LP	\$2,241	\$3,831	\$2,462	\$3,105	\$2,316	\$2,034	\$3,800	\$2,657	\$3,784	\$2,167	\$4,716
58. NISKA GAS STORAGE PARTNERS	\$2,173	\$2,989	\$2,977	\$3,239	\$3,045	\$2,608	\$28,174	NA	NA	NA	NA
59. HOLLY ENERGY PARTNERS LP	\$2,166	\$1,924	\$3,184	\$2,261	\$3,716	\$3,310	\$4,253	\$2,471	\$2,659	\$3,590	\$3,269
60. CHESAPEAKE MIDSTREAM PARTNERS LI	\$1,996	\$3,351	\$5,152	\$6,707	\$148,875	NA	NA	NA	NA	NA	NA
61. ALLIANCE HOLDINGS GP LP	\$1,761	\$1,897	\$2,448	\$2,165	\$1,777	\$1,281	\$2,700	\$1,612	\$1,482	\$1,818	\$1,657
62. PAA NATURAL GAS STORAGE LP	\$1,644	\$1,453	\$1,424	\$2,594	\$4,006	\$2,169	\$6,012	\$124,330	NA	NA	NA
63. CAPITAL PRODUCT PARTNERS LP	\$1,568	\$2,296	\$1,155	\$3,052	\$1,294	\$900	\$2,192	\$2,772	\$1,786	\$2,955	\$2,278
64. PIONEER SOUTHWEST ENERGY -LP	\$1,541	\$1,407	\$1,974	\$1,911	\$2,091	\$2,218	\$2,540	\$1,458	\$1,524	\$2,039	\$2,155
65. TRANSMONTAIGNE PARTNERS LP	\$1,196	\$1,356	\$1,071	\$1,409	\$2,126	\$1,579	\$2,291	\$2,893	\$1,710	\$1,682	\$4,011
66. CRESTWOOD MIDSTREAM PTNRS LP	\$1,187	\$1,394	\$1,502	\$1,582	\$2,098	\$1,697	\$3,745	\$1,946	\$1,711	\$1,831	\$2,748
67. INERGY HOLDINGS LP	\$843	\$1,610	\$5,523	\$5,278	\$2,325	\$2,031	\$1,986	\$1,798	\$1,872	\$1,806	\$1,990
68. STAR GAS PARTNERS -LP	\$790	\$589	\$675	\$694	\$254	\$685	\$593	\$415	\$385	\$668	\$670
69. K-SEA TRANSPORTATION -LP	\$768	\$357	\$470	\$409	\$770	\$600	\$1,216	\$1,338	\$1,242	\$2,158	\$7,009
70. CONSTELLATION ENERGY PRTNRS	\$217	\$192	\$148	\$142	\$177	\$183	\$267	\$318	\$491	\$563	\$795
71. WILLIAMS PIPELINE PRTNRS -LP	NA	NA	NA	\$2,943	\$3,095	\$2,134	\$3,444	\$1,608	\$2,276	\$2,972	\$4,053
<b>All MLPs Average</b>	<b>\$8,546</b>	<b>\$6,941</b>	<b>\$7,850</b>	<b>\$7,996</b>	<b>\$10,449</b>	<b>\$6,622</b>	<b>\$11,936</b>	<b>\$9,204</b>	<b>\$7,009</b>	<b>\$7,767</b>	<b>\$8,959</b>
<b>All MLPs Median</b>	<b>\$5,398</b>	<b>\$3,531</b>	<b>\$3,578</b>	<b>\$4,384</b>	<b>\$4,541</b>	<b>\$3,526</b>	<b>\$6,012</b>	<b>\$3,540</b>	<b>\$4,014</b>	<b>\$5,929</b>	<b>\$4,997</b>
<b>All MLPs Sum</b>	<b>\$598,205</b>	<b>\$485,888</b>	<b>\$549,475</b>	<b>\$567,701</b>	<b>\$741,885</b>	<b>\$456,944</b>	<b>\$823,560</b>	<b>\$625,891</b>	<b>\$469,617</b>	<b>\$520,421</b>	<b>\$600,242</b>

Source: FactSet



MLP Monthly: December 2010

Estimated Breakdown Of Fee-Based Cash Flow By MLP

		Breakdown Of Cash Flow		
		Percentage Fee-Based	Percentage Other (i.e. Commodity, Spread, etc)	
Partnership	Ticker			
Large-Cap Pipeline MLPs	BUCKEYE PARTNERS LP	BPL	95%	5%
	BOARDWALK PIPELINE PRTRNS-LP	BWP	100%	0%
	ENBRIDGE ENERGY PRTRNS -LP	EEP	75%	25%
	EL PASO PIPELINE PARTNERS LP	EPB	100%	0%
	ENTERPRISE PRODS PRTRNER -LP	EPD	70%	30%
	ENERGY TRANSFER PARTNERS -LP	ETP	80%	20%
	KINDER MORGAN ENERGY -LP	KMP	80%	20%
	MAGELLAN MIDSTREAM PRTRNS LP	MMP	85%	15%
	NISKA GAS STORAGE PARTNERS -LP	NKA	65%	35%
	NUSTAR ENERGY LP	NS	85%	15%
	ONEOK PARTNERS -LP	OKS	70%	30%
	PLAINS ALL AMER PIPELINE -LP	PAA	80%	20%
	PAA NATURAL GAS STORAGE LP	PNG	98%	2%
	SPECTRA ENERGY PARTNERS LP	SEP	100%	0%
SUNOCO LOGISTICS PRTRNS L P	SXL	65%	35%	
WILLIAMS PARTNERS LP	WPZ	75%	25%	
<b>Average</b>		<b>83%</b>	<b>17%</b>	
Small-Cap Pipelines	BLUEKNIGHT ENERGY PRTRNS LP	BKEP	100%	0%
	CHESAPEAKE MIDSTREAM PARTNERS	CHKM	100%	0%
	DUNCAN ENERGY PARTNERS LP	DEP	100%	0%
	EXTERRAN PARTNERS LP	EXLP	100%	0%
	GENESIS ENERGY -LP	GEL	60%	40%
	GLOBAL PARTNERS LP	GLP	5%	95%
	HOLLY ENERGY PARTNERS LP	HEP	100%	0%
	MARTIN MIDSTREAM PARTNERS LP	MMLP	65%	35%
	TC PIPELINES LP	TCLP	100%	0%
	TRANSMONTAIGNE PARTNERS LP	TLP	100%	0%
	<b>Average</b>		<b>83%</b>	<b>17%</b>
Gathering & Processing ML	ATLAS PIPELINE PARTNER LP	APL	10%	90%
	COPANO ENERGY LLC	CPNO	25%	75%
	DCP MIDSTREAM PARTNERS LP	DPM	55%	45%
	EAGLE ROCK ENERGY PARTNRS LP	EROC	35%	65%
	CRESTWOOD MIDSTREAM PTNRS LP	CMLP	100%	0%
	MARKWEST ENERGY PARTNERS LP	MWE	80%	20%
	TARGA RESOURCES PARTNERS LP	NGLS	20%	80%
	REGENCY ENERGY PARTNERS LP	RGNC	75%	25%
	WESTERN GAS PARTNERS LP	WES	98%	2%
	CROSSTEX ENERGY LP	XTEX	80%	20%
<b>Average</b>		<b>58%</b>	<b>42%</b>	
Upstream MLPs	BREITBURN ENERGY PARTNERS LP	BBEP	0%	100%
	ENCORE ENERGY PARTNERS LP	ENP	0%	100%
	EV ENERGY PARTNERS LP	EVEP	0%	100%
	LEGACY RESERVES LP	LGCY	0%	100%
	LINN ENERGY LLC	LINE	0%	100%
	PIONEER SOUTHWEST ENERGY -LP	PSE	0%	100%
	VANGUARD NATURAL RESOURCES	VNR	0%	100%
<b>Average</b>		<b>0%</b>	<b>100%</b>	
Propane	AMERIGAS PARTNERS -LP	APU	100%	0%
	FERRELLGAS PARTNERS -LP	FGP	100%	0%
	INERGY LP	NRGY	100%	0%
	SUBURBAN PROPANE PRTRNS -LP	SPH	100%	0%
<b>Average</b>		<b>100%</b>	<b>0%</b>	
Ship	K-SEA TRANSPORTATION -LP	KSP	100%	0%
	TEEKAY LNG PARTNERS LP	TGP	100%	0%
	TEEKAY OFFSHORE PARTNERS LP	TOO	100%	0%
<b>Average</b>		<b>100%</b>	<b>0%</b>	
Coal	ALLIANCE RESOURCE PTNRS -LP	ARLP	0%	100%
	NATURAL RESOURCE PARTNERS LP	NRP	0%	100%
	OXFORD RESOURCE PARTNERS LP	OXF	0%	100%
	PENN VIRGINIA RES PRTRNR LP	PVR	5%	95%
<b>Average</b>		<b>1%</b>	<b>99%</b>	
<b>Average</b>		<b>64%</b>	<b>36%</b>	
<b>Median</b>		<b>80%</b>	<b>20%</b>	

Source: FactSet and Wells Fargo Securities, LLC estimates

**Master Limited Partnerships**

**Overview Of Announced Liquids-Focused Midstream Projects**

MLP	Ticker	Project Name	Description	Resource Play	Investment (MM)
Enbridge Energy Partners, L.P.	EEP	North Dakota Expansion Program	For U.S. portion of project	Bakken Shale	\$370.0
ONEOK Partners, L.P.	OKS	Bakken Pipeline	525 – 615 mile NGL pipeline with a capacity of up to 60,000 Bbls/d	Bakken Shale	\$475.0
ONEOK Partners, L.P.	OKS	Overland Pass Expansion	To increase the pipeline's capacity to 255,000 Bbls/d	Bakken Shale	\$37.5
ONEOK Partners, L.P.	OKS	Bushton Fractionator Upgrade	To increase the capacity to 210,000 Bbls/d from 60,000 Bbls/d	Bakken Shale	\$125.0
ONEOK Partners, L.P.	OKS	Garden Creek Processing Plant	A new 100 MMcf/d natural gas processing facility	Bakken Shale	\$180.0
ONEOK Partners, L.P.	OKS	Stateline I Processing Plant	A new 100 MMcf/d natural gas processing facility	Bakken Shale	\$192.5
ONEOK Partners, L.P.	OKS	TBD - Stateline II Processing Plant	A new 100 MMcf/d natural gas processing facility	Bakken Shale	\$192.5*
Plains All American Pipeline, L.P.	PAA	Bakken North Project	103-mile crude oil pipeline with a capacity of 50 MBbls/d (expandable to 75 MBbls/d)	Bakken Shale	\$180.0
Kinder Morgan Energy Partners, L.P. / Copano Energy, LLC	KMP / CPNO	Eagle Ford Gathering joint venture	To build approximately 85 miles of 30" and 24" pipe	Eagle Ford Shale	\$137.0
Energy Transfer Partners, L.P.	ETP	None	To build a 50-mile pipeline with initial capacity in excess of 350 MMcf/d	Eagle Ford Shale	NA
Energy Transfer Partners, L.P.	ETP	Dos Hermanas	50 mile pipeline with a capacity of 400 MMcf/d	Eagle Ford Shale	
Energy Transfer Partners, L.P.	ETP	Chisholm Pipelines	83 mile pipeline with an initial capacity of 100 MMcf/d (expandable to 300 MMcf/d)	Eagle Ford Shale	
Enterprise Products Partners, L.P.	EPD	White Kitchen Lateral	To build a 60-mile pipeline with capacity in excess of 200 MMcf/d	Eagle Ford Shale	\$35.0
Enterprise Products Partners, L.P.	EPD	Related to Anadarko Petroleum production	To construct a new 17-mile natural gas gathering pipeline in Dimmit County, Texas	Eagle Ford Shale	
Enterprise Products Partners, L.P.	EPD	Related to EOG Resources production	140-mile crude oil pipeline with a capacity of 350,000 Bbls/d	Eagle Ford Shale	
Enterprise Products Partners, L.P. / Duncan Energy Partners, L.P.	EPD / DEP	Shoup and Armstrong facilities	Shoup frac expansion to 77 MBPD and Armstrong frac expansion to ~20 MBPD	Eagle Ford Shale	
Enterprise Products Partners, L.P.	EPD	Mont Belvieu Frac 4	75 MBPD NGL fractionator	Eagle Ford Shale	\$261.0
Enterprise Products Partners, L.P.	EPD	Mont Belvieu Frac 5	75 MBPD NGL fractionator	Eagle Ford Shale	\$261.0*
Enterprise Products Partners, L.P.	EPD	None	168-mile rich east-west natural gas mainline	Eagle Ford Shale	
Enterprise Products Partners, L.P.	EPD	None	A new 600-900 MMcf/d natural gas processing plant	Eagle Ford Shale	
Enterprise Products Partners, L.P.	EPD	None	A 64-mile residue gas pipeline to connect the new processing plant to Wilson Storage	Eagle Ford Shale	
Enterprise Products Partners, L.P.	EPD	Wilson Gas Storage	A 5 Bcf expansion	Eagle Ford Shale	\$116.0
Enterprise Products Partners, L.P.	EPD	None	127-mile NGL pipeline to Mont Belvieu with a capacity of 60 MBPD	Eagle Ford Shale	
MarkWest Energy Partners, L.P. / The Energy & Minerals Group	MWE	Majorsville I	A 120 MMcf/d processing plant	Marcellus Shale	
MarkWest Energy Partners, L.P. / The Energy & Minerals Group	MWE	Majorsville II	A 150 MMcf/d processing plant	Marcellus Shale	
MarkWest Energy Partners, L.P. / The Energy & Minerals Group	MWE	Houston I and II	Combined 155 MMcf/d processing complex	Marcellus Shale	+ \$1,000.0*
MarkWest Energy Partners, L.P. / The Energy & Minerals Group	MWE	Houston III	A 200 MMcf/d processing plant	Marcellus Shale	
MarkWest Energy Partners, L.P. / The Energy & Minerals Group	MWE	Houston Fractionation	A 60,000 Bbl/d fractionation complex	Marcellus Shale	
MarkWest Energy Partners, L.P. / The Energy & Minerals Group	MWE	TBD - Houston IV	A 200 MMcf/d processing plant	Marcellus Shale	NA
MarkWest Energy Partners, L.P. / The Energy & Minerals Group	MWE	TBD - Smithfield I	A 120 MMcf/d processing plant	Marcellus Shale	NA
MarkWest Energy Partners, L.P. / Sunoco Logistics Partners, L.P.	MWE / SXL	Mariner Project	An ethane pipeline with a capacity of 50,000 Bbls/d	Marcellus Shale	\$77.5
Buckeye Partners, L.P.	BPL	Union Pipeline Project	An anticipated ~400-mile NGL pipeline could have a capacity of 90,000-150,000 Bbls/d	Marcellus Shale	
Kinder Morgan Energy Partners, L.P.	KMP	Cochin Pipeline Expansion	To construct a 250-mile pipeline with an initial capacity of 75,000 Bbls/d	Marcellus Shale	
Penn Virginia Resource Partners, L.P.	PVR	None	To construct 16-miles of gathering pipelines with an initial capacity of 750 MMcf/d	Marcellus Shale	\$185.0
Penn Virginia Resource Partners, L.P.	PVR	None	To construct a 12-inch gathering pipeline and compression with 25 MMcf/d of capacity	Marcellus Shale	\$7.0
<b>Total MLP investments announced / completed year-to-date (\$ in millions)</b>					<b>\$3,832.0</b>

Note \* - Denotes Wells Fargo Securities, LLC estimate  
Source: Company data and Wells Fargo Securities, LLC estimates

# COMP TABLES

Master Limited Partnerships

MLP Market Data

		Price	Current Yield	Current Distribution	52-Week Low	52-Week High	Market Cap	Enterprise Value	3-Month Avg. Vol.	Est. Tax Deferred	
	(SMM, except per unit data)	11/30/2010									
Large Cap Pipeline MLPs	ENERGY TRANSFER PARTNERS -LP	ETP	\$50.67	7.1%	\$3.58	\$40.06	\$52.00	\$9,435	\$15,476	563,367	80%
	NISKA GAS STORAGE PARTNERS	NKA	\$19.98	7.0%	\$1.40	\$17.01	\$20.35	\$1,351	\$2,157	136,018	80%
	KINDER MORGAN MANAGEMENT LLC	KMR	\$63.99	6.9%	\$4.44	\$45.77	\$64.82	-	-	265,185	-
	ENBRIDGE ENERGY PARTNRS -LP	EEP	\$60.85	6.8%	\$4.11	\$38.02	\$63.39	\$7,242	\$12,463	366,085	90%
	ENBRIDGE ENERGY MGMT LLC	EEQ	\$60.92	6.7%	\$4.11	\$39.08	\$64.39	-	-	40,751	-
	BOARDWALK PIPELINE PARTNRS-LP	BWP	\$31.00	6.6%	\$2.06	\$14.49	\$34.23	\$5,971	\$9,222	249,889	80%
	NUSTAR ENERGY LP	NS	\$67.45	6.4%	\$4.30	\$51.49	\$68.48	\$4,358	\$6,206	164,900	80%
	KINDER MORGAN ENERGY -LP	KMP	\$70.45	6.3%	\$4.44	\$56.53	\$71.72	\$21,306	\$32,995	513,892	95%
	PLAINS ALL AMER PIPELINE -LP	PAA	\$61.50	6.2%	\$3.80	\$44.12	\$65.20	\$8,426	\$13,032	333,150	70%
	WILLIAMS PARTNERS LP	WPZ	\$47.05	5.8%	\$2.75	\$27.81	\$48.95	\$12,257	\$18,480	509,636	80%
	SUNOCO LOGISTICS PARTNERS LP	SXL	\$80.65	5.8%	\$4.68	\$50.37	\$81.80	\$2,577	\$3,925	71,612	80%
	BUCKEYE PARTNERS LP	BPL	\$68.07	5.7%	\$3.90	\$45.00	\$71.67	\$3,508	\$4,950	122,721	75%
	PAA NATURAL GAS STORAGE LP	PNG	\$23.63	5.7%	\$1.35	\$22.25	\$26.68	\$1,052	\$1,274	62,059	80%
	ONEOK PARTNERS -LP	OKS	\$79.21	5.7%	\$4.52	\$25.57	\$81.67	\$8,072	\$11,221	116,390	80%
	ENTERPRISE PRODS PARTNER -LP	EPD	\$42.08	5.5%	\$2.33	\$29.05	\$44.32	\$26,983	\$38,929	1,128,700	90%
	MAGELLAN MIDSTREAM PARTNRS LP	MMP	\$56.00	5.3%	\$2.98	\$39.81	\$57.43	\$6,245	\$8,138	280,170	80%
	SPECTRA ENERGY PARTNRS LP	SEP	\$33.93	5.2%	\$1.76	\$22.58	\$36.31	\$2,725	\$3,105	66,942	80%
EL PASO PIPELINE PARTNERS LP	EPB	\$33.12	5.0%	\$1.64	\$23.00	\$35.74	\$5,087	\$6,883	696,879	80%	
<b>Large Cap Pipeline MLP Median</b>											
6.0%											
Small & Mid Cap Pipeline	CHENIERE ENERGY PARTNERS LP	CQP	\$19.93	8.5%	\$1.70	\$10.15	\$20.96	\$3,241	\$5,315	195,834	80%
	MARTIN MIDSTREAM PARTNERS LP	MMLP	\$36.73	8.2%	\$3.00	\$25.51	\$37.50	\$683	\$996	62,889	80%
	EXTERRAN PARTNERS LP	EXLP	\$24.17	7.7%	\$1.87	\$18.66	\$26.62	\$687	\$1,123	159,547	80%
	GLOBAL PARTNERS LP	GLP	\$25.84	7.7%	\$1.98	\$18.00	\$27.79	\$438	\$923	66,866	70%
	TRANSMONTAIGNE PARTNERS LP	TLP	\$35.24	6.8%	\$2.40	\$10.66	\$35.52	\$509	\$617	35,732	80%
	TC PIPELINES LP	TCLP	\$46.49	6.5%	\$3.00	\$33.51	\$49.44	\$2,148	\$2,730	80,371	80%
	HOLLY ENERGY PARTNERS LP	HEP	\$51.15	6.5%	\$3.30	\$36.43	\$53.74	\$1,129	\$1,632	48,348	75%
	GENESIS ENERGY -LP	GEL	\$24.43	6.3%	\$1.55	\$15.47	\$26.45	\$967	\$1,393	230,061	90%
	DUNCAN ENERGY PARTNERS LP	DEP	\$31.37	5.8%	\$1.81	\$21.80	\$33.39	\$1,810	\$2,465	83,117	90%
	BLUEKNIGHT ENERGY PARTNRS LP	BKEP	\$7.09	0.0%	\$0.00	\$6.55	\$11.85	\$243	\$657	72,659	80%
	<b>Small Cap Pipeline MLP Median</b>										
	6.8%										
	Gathering & Processing MLPs	CALUMET SPECIALTY PRODS -LP	CLMT	\$21.76	8.5%	\$1.84	\$14.00	\$23.93	\$734	\$1,125	127,305
COPANO ENERGY LLC		CPNO	\$29.93	7.7%	\$2.30	\$19.00	\$30.60	\$1,965	\$2,548	374,229	80%
CROSSTEX ENERGY LP		XTEX	\$13.93	7.2%	\$1.00	\$5.25	\$14.66	\$698	\$1,417	211,320	80%
TARGA RESOURCES PARTNERS LP		NGLS	\$30.29	7.1%	\$2.15	\$19.70	\$31.90	\$2,181	\$3,614	350,027	80%
DCP MIDSTREAM PARTNERS LP		DPM	\$34.90	7.0%	\$2.44	\$24.90	\$36.66	\$1,256	\$1,869	117,661	70%
REGENCY ENERGY PARTNERS LP		RGNC	\$25.65	6.9%	\$1.78	\$18.76	\$26.58	\$3,293	\$4,288	559,089	80%
CRESTWOOD MIDSTREAM PTNRS LP		CMLP	\$26.59	6.3%	\$1.68	\$16.08	\$29.47	\$758	\$996	52,930	80%
MARKWEST ENERGY PARTNERS LP		MWE	\$42.33	6.0%	\$2.56	\$20.96	\$43.33	\$3,024	\$4,240	247,991	65%
ATLAS PIPELINE PARTNER LP		APL	\$23.79	5.0%	\$1.20	\$7.15	\$25.00	\$1,267	\$1,775	480,629	80%
WESTERN GAS PARTNERS LP		WES	\$29.78	5.0%	\$1.48	\$17.84	\$31.35	\$2,049	\$2,784	207,559	75%
CHESAPEAKE MIDSTREAM PARTNRS		CHKM	\$28.44	4.7%	\$1.35	\$21.25	\$29.15	\$3,929	\$3,929	136,170	80%
EAGLE ROCK ENERGY PARTNRS LP		EROC	\$8.01	1.2%	\$0.10	\$4.45	\$8.09	\$667	\$1,183	310,247	80%
<b>Gathering &amp; Processing MLP Median</b>											
6.6%											
Upstream MLPs	ENCORE ENERGY PARTNERS LP	ENP	\$20.19	9.9%	\$2.00	\$9.50	\$21.80	\$915	\$1,155	217,107	80%
	VANGUARD NATURAL RESOURCES	VNR	\$26.43	8.3%	\$2.20	\$16.94	\$26.80	\$585	\$756	295,575	60%
	LEGACY RESERVES LP	LGCY	\$26.11	8.0%	\$2.08	\$17.04	\$27.59	\$1,046	\$1,336	160,071	70%
	EV ENERGY PARTNERS LP	EVEP	\$38.18	7.9%	\$3.03	\$21.24	\$39.60	\$1,108	\$1,442	166,356	65%
	BREITBURN ENERGY PARTNERS LP	BBEP	\$19.68	7.9%	\$1.56	\$9.85	\$20.89	\$1,049	\$1,565	266,813	100%
	LINN ENERGY LLC	LINE	\$36.30	7.3%	\$2.64	\$12.60	\$37.24	\$5,316	\$8,058	816,500	90%
	PIONEER SOUTHWEST ENERGY -LP	PSE	\$27.91	7.2%	\$2.00	\$20.01	\$29.74	\$924	\$998	60,728	70%
	CONSTELLATION ENERGY PARTNRS	CEP	\$2.83	0.0%	\$0.00	\$2.59	\$5.05	\$72	\$263	62,054	70%
	<b>Upstream MLP Median</b>										
	7.9%										
Propane	FERRELLGAS PARTNERS -LP	FGP	\$26.98	7.4%	\$2.00	\$19.05	\$27.19	\$1,874	\$3,106	125,288	90%
	INERGY LP	NRGY	\$39.02	7.2%	\$2.82	\$30.35	\$43.95	\$2,662	\$4,328	564,155	80%
	SUBURBAN PROPANE PARTNRS -LP	SPH	\$54.62	6.2%	\$3.40	\$39.16	\$57.24	\$1,933	\$2,280	97,229	80%
	AMERIGAS PARTNERS -LP	APU	\$47.34	6.0%	\$2.82	\$35.00	\$48.48	\$2,703	\$3,571	46,696	75%
	STAR GAS PARTNERS -LP	SGU	\$5.33	5.4%	\$0.29	\$3.71	\$5.84	\$366	\$405	140,195	80%
<b>Propane MLP Median</b>											
6.2%											
Shipping	CAPITAL PRODUCT PARTNERS LP	CPLP	\$8.41	11.1%	\$0.93	\$5.31	\$10.06	\$288	\$762	193,423	60%
	NAVIOS MARITIME PARTNERS LP	NMM	\$18.56	9.1%	\$1.68	\$12.17	\$20.17	\$820	\$1,091	349,601	44%
	TEEKAY LNG PARTNERS LP	TGP	\$36.32	6.6%	\$2.40	\$19.75	\$36.56	\$1,951	\$3,515	93,347	70%
	TEEKAY OFFSHORE PARTNERS LP	TOO	\$28.82	6.6%	\$1.90	\$16.89	\$29.94	\$1,310	\$2,802	235,817	30%
	K-SEA TRANSPORTATION -LP	KSP	\$4.59	0.0%	\$0.00	\$3.80	\$15.36	\$88	\$374	118,455	80%
<b>Shipping MLP Median</b>											
7.8%											
Coal	OXFORD RESOURCE PARTNERS LP	OXF	\$21.66	8.1%	\$1.75	\$15.87	\$23.50	\$445	\$565	145,037	75%
	RHINO RESOURCE PARTNERS LP	RNO	\$22.97	7.7%	\$1.78	\$21.10	\$24.86	\$581	\$695	54,709	60%
	NATURAL RESOURCE PARTNERS LP	NRP	\$30.41	7.1%	\$2.16	\$18.00	\$31.74	\$2,369	\$3,006	187,645	70%
	PENN VIRGINIA RES PARTNR LP	PVR	\$27.22	6.9%	\$1.88	\$10.01	\$28.65	\$1,423	\$2,088	146,633	80%
	ALLIANCE RESOURCE PTNRS -LP	ARLP	\$62.00	5.4%	\$3.32	\$37.51	\$62.91	\$2,276	\$2,698	95,990	70%
<b>Coal MLP Median</b>											
7.1%											
GPs	PENN VIRGINIA GP HOLDINGS LP	PVG	\$24.93	6.3%	\$1.56	\$13.91	\$27.17	\$974	\$974	207,200	80%
	ENERGY TRANSFER EQUITY LP	ETE	\$39.56	5.5%	\$2.16	\$27.25	\$40.46	\$8,820	\$10,620	268,427	60%
	NUSTAR GP HOLDINGS LLC	NSH	\$35.38	5.4%	\$1.92	\$24.75	\$36.20	\$1,504	\$1,524	95,547	80%
	ALLIANCE HOLDINGS GP LP	AHGP	\$45.60	4.4%	\$2.00	\$23.65	\$46.28	\$2,730	\$2,730	51,083	50%
	CROSSTEX ENERGY INC	XTXI	\$9.25	3.0%	\$0.28	\$3.98	\$10.05	\$434	\$434	334,504	0%
	ATLAS PIPELINE HOLDINGS LP	AHD	\$13.00	1.5%	\$0.20	\$3.25	\$15.44	\$360	\$395	161,482	75%
<b>General Partnership MLP Median</b>											
4.9%											
<b>All MLPs Average</b>											
6.2%											
<b>All MLPs Median</b>											
6.5%											
<b>All MLPs Median (Excluding GPs)</b>											
6.6%											
<b>All MLPs Sum:</b>							\$207,201	\$299,609			

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

MLP Monthly: December 2010

Ratings & Assumptions

	Ticker	Price 11/30/2010	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	KINDER MORGAN MANAGEMENT LLC	KMR	\$63.99	\$67	\$71	20%	Outperform	8.5%	1.3%	14.0x	6.9%	6.6%	3.9%
	ENERGY TRANSFER PARTNERS -LP	ETP	\$50.67	\$53	\$57	21%	Outperform	8.5%	1.3%	14.0x	7.1%	6.6%	3.5%
	EL PASO PIPELINE PARTNERS LP	EPB	\$33.12	\$35	\$38	19%	Outperform / V	8.0%	1.3%	14.5x	5.0%	5.3%	12.0%
	PAA NATURAL GAS STORAGE LP	PNG	\$23.63	\$24	\$27	18%	Market Perform / V	8.0%	1.3%	16.0x	5.7%	5.6%	8.0%
	NISKA GAS STORAGE PARTNERS	NKA	\$19.98	\$20	\$22	17%	Market Perform / V	8.5%	1.3%	10.5x	7.0%	6.7%	2.1%
	BOARDWALK PIPELINE PARTNERS-LP	BWP	\$31.00	\$31	\$34	17%	Market Perform / V	8.5%	1.3%	14.0x	6.6%	6.7%	4.5%
	PLAINS ALL AMER PIPELINE -LP	PAA	\$61.50	\$61	\$65	13%	Market Perform	8.5%	1.3%	15.0x	6.2%	6.3%	5.0%
	ENTERPRISE PRODS PARTNER -LP	EPD	\$42.08	\$42	\$45	13%	Outperform	8.5%	2.5%	15.5x	5.5%	5.7%	5.6%
	SPECTRA ENERGY PARTNERS LP	SEP	\$33.93	\$33	\$36	11%	Market Perform	8.0%	1.3%	14.5x	5.2%	5.6%	8.5%
	KINDER MORGAN ENERGY -LP	KMP	\$70.45	\$67	\$71	9%	Market Perform	8.5%	1.3%	14.0x	6.3%	6.6%	3.9%
	SUNOCO LOGISTICS PARTNERS LP	SXL	\$80.65	\$77	\$82	9%	Market Perform	8.5%	1.3%	12.0x	5.8%	6.1%	6.0%
	ENBRIDGE ENERGY PARTNERS -LP	EEP	\$60.85	\$56	\$61	8%	Market Perform / V	8.5%	1.3%	12.5x	6.8%	7.2%	0.8%
	ENBRIDGE ENERGY MGMT LLC	EEQ	\$60.92	\$56	\$61	8%	Market Perform / V	8.5%	1.3%	12.5x	6.7%	7.2%	0.8%
	WILLIAMS PARTNERS LP	WPZ	\$47.05	\$44	\$47	7%	Market Perform / V	8.5%	1.3%	12.0x	5.8%	6.5%	6.5%
	BUCKEYE PARTNERS LP	BPL	\$68.07	\$64	\$68	7%	Market Perform	8.5%	2.5%	15.5x	5.7%	6.1%	3.4%
NUSTAR ENERGY LP	NS	\$67.45	\$62	\$66	6%	Market Perform	9.0%	1.9%	12.5x	6.4%	6.9%	3.1%	
MAGELLAN MIDSTREAM PARTNERS LP	MMP	\$56.00	\$51	\$56	5%	Market Perform	8.5%	2.5%	14.0x	5.3%	6.0%	5.8%	
ONEOK PARTNERS -LP	OKS	\$79.21	\$71	\$76	3%	Market Perform	8.5%	1.3%	15.5x	5.7%	6.4%	4.5%	
<b>Large Cap Pipeline MLP Median</b>					<b>10%</b>		<b>8.5%</b>	<b>1.3%</b>	<b>14.0x</b>	<b>6.0%</b>	<b>6.4%</b>	<b>4.5%</b>	
Small & Mid Cap Pipeline	EXTERRAN PARTNERS LP	EXLP	\$24.17	\$27	\$30	32%	Outperform / V	9.5%	1.3%	10.5x	7.7%	6.9%	6.6%
	GENESIS ENERGY -LP	GEL	\$24.43	\$26	\$28	22%	Outperform / V	9.5%	1.3%	11.0x	6.3%	6.7%	11.6%
	GLOBAL PARTNERS LP	GLP	\$25.84	\$26	\$28	18%	Market Perform / V	10.0%	1.3%	9.5x	7.7%	7.9%	6.0%
	BLUEKNIGHT ENERGY PARTNERS LP	BKEP	\$7.09	\$6	\$8	16%	Market Perform / V	10.5%	1.3%	13.0x	-	8.1%	-
	MARTIN MIDSTREAM PARTNERS LP	MMLP	\$36.73	\$36	\$38	15%	Outperform / V	10.5%	1.3%	9.5x	8.2%	8.6%	4.7%
	DUNCAN ENERGY PARTNERS LP	DEP	\$31.37	\$30	\$33	11%	Market Perform / V	8.5%	2.5%	12.0x	5.8%	5.9%	4.2%
	TRANSMONTAIGNE PARTNERS LP	TLP	\$35.24	\$33	\$35	9%	Market Perform / V	9.5%	1.3%	9.5x	6.8%	7.5%	4.6%
	TC PIPELINES LP	TCLP	\$46.49	\$42	\$44	4%	Underperform	10.0%	1.9%	10.5x	6.5%	7.2%	5.6%
	HOLLY ENERGY PARTNERS LP	HEP	\$51.15	\$46	\$48	3%	Underperform / V	9.5%	1.3%	12.5x	6.5%	7.4%	4.9%
	<b>Small Cap Pipeline MLP Median</b>					<b>15%</b>		<b>9.5%</b>	<b>1.3%</b>	<b>10.5x</b>	<b>6.6%</b>	<b>7.4%</b>	<b>5.3%</b>
Gathering & Processing MLPs	CRESTWOOD MIDSTREAM PARTNERS LP	CMLP	\$26.59	\$28	\$30	21%	Outperform / V	9.5%	1.3%	12.0x	6.3%	6.6%	10.5%
	REGENCY ENERGY PARTNERS LP	RGNC	\$25.65	\$26	\$29	20%	Outperform / V	9.0%	1.3%	13.0x	6.9%	6.9%	5.8%
	COPANO ENERGY LLC	CPNO	\$29.93	\$27	\$31	10%	Market Perform / V	10.5%	2.5%	11.5x	7.7%	7.9%	3.6%
	TARGA RESOURCES PARTNERS LP	NGLS	\$30.29	\$28	\$31	10%	Market Perform / V	10.0%	1.3%	9.0x	7.1%	7.8%	7.0%
	ATLAS PIPELINE PARTNER LP	APL	\$23.79	\$23	\$25	9%	Market Perform / V	10.0%	1.3%	11.5x	5.0%	7.9%	-
	DCP MIDSTREAM PARTNERS LP	DPM	\$34.90	\$31	\$34	6%	Market Perform / V	10.0%	1.3%	10.0x	7.0%	8.0%	5.5%
	WESTERN GAS PARTNERS LP	WES	\$29.78	\$27	\$30	5%	Market Perform	9.0%	1.3%	11.5x	5.0%	6.3%	14.3%
	CROSSTEX ENERGY LP	XTEX	\$13.93	\$11	\$15	3%	Market Perform / V	11.0%	1.3%	5.0x	7.2%	9.4%	-
	MARKWEST ENERGY PARTNERS LP	MWE	\$42.33	\$37	\$40	2%	Market Perform / V	10.0%	2.5%	11.5x	6.0%	6.9%	5.0%
	CHESAPEAKE MIDSTREAM PARTNERS LP	CHKM	\$28.44	\$24	\$27	(2%)	Market Perform / V	9.0%	1.3%	15.0x	4.7%	5.6%	9.8%
	EAGLE ROCK ENERGY PARTNERS LP	EROC	\$8.01	\$6	\$8	(4%)	Market Perform / V	11.0%	1.3%	4.5x	1.2%	10.0%	-
	<b>Gathering &amp; Processing MLP Median</b>					<b>6%</b>		<b>10.0%</b>	<b>1.3%</b>	<b>11.5x</b>	<b>6.3%</b>	<b>7.8%</b>	<b>6.4%</b>
Upstream MLPs	VANGUARD NATURAL RESOURCES	VNR	\$26.43	\$27	\$30	23%	Outperform / V	11.0%	0.0%	9.5x	8.3%	8.1%	4.3%
	LEGACY RESERVES LP	LCGY	\$26.11	\$27	\$29	21%	Outperform / V	11.0%	0.0%	8.5x	8.0%	7.7%	3.8%
	BREITBURN ENERGY PARTNERS LP	BBEP	\$19.68	\$20	\$22	21%	Outperform / V	11.0%	0.0%	8.5x	7.9%	8.0%	6.3%
	ENCORE ENERGY PARTNERS LP	ENP	\$20.19	\$19	\$22	18%	Market Perform / V	11.0%	0.0%	8.5x	9.9%	9.4%	(1.7%)
	EV ENERGY PARTNERS LP	EVEP	\$38.18	\$35	\$38	10%	Market Perform / V	11.0%	0.0%	8.5x	7.9%	8.5%	3.3%
	PIONEER SOUTHWEST ENERGY -LP	PSE	\$27.91	\$25	\$27	6%	Market Perform / V	11.0%	0.0%	9.5x	7.2%	7.8%	3.4%
	LINN ENERGY LLC	LINE	\$36.30	\$31	\$35	4%	Market Perform	11.0%	0.0%	9.0x	7.3%	8.4%	4.6%
	<b>Upstream MLP Median</b>					<b>18%</b>		<b>11.0%</b>	<b>0.0%</b>	<b>8.5x</b>	<b>7.9%</b>	<b>8.1%</b>	<b>3.8%</b>
Propane	INERGY LP	NRGY	\$39.02	\$41	\$43	20%	Outperform	9.5%	2.5%	15.0x	7.2%	6.9%	3.9%
	SUBURBAN PROPANE PARTNERS -LP	SPH	\$54.62	\$55	\$57	14%	Market Perform	9.5%	2.5%	13.5x	6.2%	6.5%	5.6%
	FERRELLGAS PARTNERS -LP	FGP	\$26.98	\$24	\$26	6%	Market Perform	10.0%	1.3%	11.0x	7.4%	8.4%	3.3%
	AMERIGAS PARTNERS -LP	APU	\$47.34	\$39	\$41	(5%)	Underperform	9.5%	1.3%	9.5x	6.0%	7.4%	4.5%
<b>Propane MLP Median</b>					<b>10%</b>		<b>9.5%</b>	<b>1.9%</b>	<b>12.3x</b>	<b>6.7%</b>	<b>7.2%</b>	<b>4.2%</b>	
Shipping	NAVIOS MARITIME PARTNERS LP	NMM	\$18.56	\$23	\$24	43%	Outperform / V	Yield	1.3%	Yield	9.1%	7.7%	2.5%
	CAPITAL PRODUCT PARTNERS LP	CPLP	\$8.41	\$8	\$9	23%	Market Perform / V	EV/EBITDA	1.3%	EV/EBITDA	11.1%	10.9%	-
	TEEKAY OFFSHORE PARTNERS LP	TOO	\$28.82	\$28	\$30	13%	Outperform / V	9.5%	1.3%	11.0x	6.6%	7.2%	7.0%
	K-SEA TRANSPORTATION -LP	KSP	\$4.59	\$4	\$6	9%	Market Perform / V	12.0%	1.3%	4.5x	-	-	-
TEEKAY LNG PARTNERS LP	TGP	\$36.32	\$33	\$35	6%	Market Perform / V	9.5%	1.3%	11.5x	6.6%	7.8%	6.0%	
<b>Shipping MLP Median</b>					<b>13%</b>		<b>9.5%</b>	<b>1.3%</b>	<b>11.0x</b>	<b>7.8%</b>	<b>7.7%</b>	<b>6.0%</b>	
Coal	OXFORD RESOURCE PARTNERS LP	OXF	\$21.66	\$23	\$25	25%	Outperform / V	10.0%	1.3%	9.0x	8.1%	7.6%	6.1%
	NATURAL RESOURCE PARTNERS LP	NRP	\$30.41	\$28	\$30	8%	Market Perform / V	10.0%	2.5%	14.0x	7.1%	7.7%	3.0%
	PENN VIRGINIA RES PARTNR LP	PVR	\$27.22	\$24	\$26	4%	Market Perform / V	10.0%	2.5%	12.5x	6.9%	7.8%	2.6%
	ALLIANCE RESOURCE PARTNERS -LP	ARLP	\$62.00	\$56	\$58	2%	Underperform / V	9.5%	1.3%	7.0x	5.4%	6.5%	10.6%
<b>Coal MLP Median</b>					<b>6%</b>		<b>10.0%</b>	<b>1.9%</b>	<b>10.8x</b>	<b>7.0%</b>	<b>7.6%</b>	<b>4.5%</b>	
GPs	ENERGY TRANSFER EQUITY LP	ETE	\$39.56	\$40	\$44	16%	Outperform	8.5%	1.5%	18.0x	5.5%	5.4%	8.7%
	NUSTAR GP HOLDINGS LLC	NSH	\$35.38	\$32	\$35	4%	Market Perform	9.0%	2.7%	16.5x	5.4%	6.0%	5.4%
	PENN VIRGINIA GP HOLDINGS LP	PVG	\$24.93	\$23	\$25	3%	Market Perform / V	NM	NM	0.0x	6.3%	-	-
	ALLIANCE HOLDINGS GP LP	AHGP	\$45.60	\$40	\$42	(2%)	Market Perform / V	9.5%	1.8%	17.5x	4.4%	5.7%	14.6%
	ATLAS PIPELINE HOLDINGS LP	AHD	\$13.00	\$10	\$14	(5%)	Market Perform / V	10.5%	1.3%	NAV	1.5%	5.4%	-
	CROSSTEX ENERGY INC	XTXI	\$9.25	\$7	\$9	(9%)	Market Perform / V	11.0%	3.8%	17.5x	3.0%	5.0%	49.0%
<b>General Partnership MLP Median</b>					<b>0%</b>		<b>9.5%</b>	<b>1.8%</b>	<b>17.5x</b>	<b>4.9%</b>	<b>5.4%</b>	<b>11.7%</b>	
<b>All MLPs Average</b>					<b>11%</b>		<b>9.6%</b>	<b>1.4%</b>	<b>11.7x</b>	<b>6.4%</b>	<b>7.1%</b>	<b>6.3%</b>	
<b>All MLPs Median</b>					<b>9%</b>		<b>9.5%</b>	<b>1.3%</b>	<b>12.0x</b>	<b>6.5%</b>	<b>6.9%</b>	<b>5.0%</b>	

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

Master Limited Partnerships

MLP Yield Analysis

	Ticker	Current Distrib	Q4'11E Ann'l Distribution	Q4'12E Ann'l Distribution	Q4'13E Ann'l Distribution	Q4'14E Ann'l Distribution	Current Yield	Q4'11E Yield	Q4'12E Yield	Q4'13E Yield	Q4'14E Yield		
Large Cap MLPs	BUCKEYE PARTNERS LP	BPL	\$3.90	\$4.04	\$4.20	\$4.32	\$4.44	5.7%	5.9%	6.2%	6.3%	6.5%	
	BOARDWALK PIPELINE PRTRNS-LP	BWP	\$2.06	\$2.19	\$2.29	\$2.37	\$2.45	6.6%	7.1%	7.4%	7.6%	7.9%	
	ENBRIDGE ENERGY PRTRNS -LP	EEP	\$4.11	\$4.19	\$4.19	\$4.19	\$4.43	6.8%	6.9%	6.9%	6.9%	7.3%	
	ENBRIDGE ENERGY MGMT LLC	EEQ	\$4.11	\$4.19	\$4.19	\$4.19	\$4.43	6.7%	6.9%	6.9%	6.9%	7.3%	
	EL PASO PIPELINE PARTNERS LP	EPB	\$1.64	\$1.96	\$2.16	\$2.36	\$2.56	5.0%	5.9%	6.5%	7.1%	7.7%	
	ENTERPRISE PRODS PARTNER -LP	EPD	\$2.33	\$2.50	\$2.64	\$2.78	\$2.92	5.5%	5.9%	6.3%	6.6%	6.9%	
	ENERGY TRANSFER PARTNERS -LP	ETP	\$3.58	\$3.66	\$3.90	\$4.02	\$4.13	7.1%	7.2%	7.7%	7.9%	8.1%	
	KINDER MORGAN ENERGY -LP	KMP	\$4.44	\$4.60	\$4.84	\$5.00	\$5.16	6.3%	6.5%	6.9%	7.1%	7.3%	
	KINDER MORGAN MANAGEMENT LLC	KMR	\$4.44	\$4.60	\$4.84	\$5.00	\$5.16	6.9%	7.2%	7.6%	7.8%	8.1%	
	MAGELLAN MIDSTREAM PRTRNS LP	MMP	\$2.98	\$3.23	\$3.39	\$3.57	\$3.69	5.3%	5.8%	6.1%	6.4%	6.6%	
	NISKA GAS STORAGE PARTNERS	NKA	\$1.40	\$1.40	\$1.44	\$1.52	\$1.59	7.0%	7.0%	7.2%	7.6%	8.0%	
	NUSTAR ENERGY LP	NS	\$4.30	\$4.40	\$4.64	\$4.74	\$4.98	6.4%	6.5%	6.9%	7.0%	7.4%	
	ONEOK PARTNERS -LP	OKS	\$4.52	\$4.72	\$4.99	\$5.21	\$5.48	5.7%	6.0%	6.3%	6.6%	6.9%	
	PLAINS ALL AMER PIPELINE -LP	PAA	\$3.80	\$4.05	\$4.26	\$4.47	\$4.67	6.2%	6.6%	6.9%	7.3%	7.6%	
	PAA NATURAL GAS STORAGE LP	PNG	\$1.35	\$1.44	\$1.60	\$1.76	\$1.88	5.7%	6.1%	6.8%	7.4%	8.0%	
	SPECTRA ENERGY PARTNERS LP	SEP	\$1.76	\$1.96	\$2.12	\$2.28	\$2.44	5.2%	5.8%	6.2%	6.7%	7.2%	
	SUNOCO LOGISTICS PARTNERS LP	SXL	\$4.68	\$4.95	\$5.28	\$5.60	\$5.94	5.8%	6.1%	6.5%	6.9%	7.4%	
WILLIAMS PARTNERS LP	WPZ	\$2.75	\$3.01	\$3.21	\$3.33	\$3.45	5.8%	6.4%	6.8%	7.1%	7.3%		
<b>Large Cap Pipeline MLP Median</b>							<b>6.0%</b>	<b>6.5%</b>	<b>6.8%</b>	<b>7.1%</b>	<b>7.3%</b>		
Small & Mid Cap Pipeline	BLUEKNIGHT ENERGY PRTRNS LP	BKEP	\$0.00	\$0.57	\$0.56	\$0.60	\$0.64	-	8.0%	7.9%	8.5%	9.0%	
	DUNCAN ENERGY PARTNERS LP	DEP	\$1.81	\$1.88	\$1.99	\$2.07	\$2.19	5.8%	6.0%	6.3%	6.6%	7.0%	
	EXTERRAN PARTNERS LP	EXLP	\$1.87	\$2.01	\$2.15	\$2.32	\$2.48	7.7%	8.3%	8.9%	9.6%	10.3%	
	GENESIS ENERGY -LP	GEL	\$1.55	\$1.84	\$1.95	\$2.12	\$2.29	6.3%	7.5%	8.0%	8.7%	9.4%	
	GLOBAL PARTNERS LP	GLP	\$1.98	\$2.14	\$2.23	\$2.34	\$2.45	7.7%	8.3%	8.6%	9.0%	9.5%	
	HOLLY ENERGY PARTNERS LP	HEP	\$3.30	\$3.54	\$3.65	\$3.84	\$3.99	6.5%	6.9%	7.1%	7.5%	7.8%	
	MARTIN MIDSTREAM PARTNERS LP	MMLP	\$3.00	\$3.18	\$3.31	\$3.44	\$3.54	8.2%	8.7%	9.0%	9.4%	9.6%	
	TC PIPELINES LP	TCLP	\$3.00	\$3.20	\$3.29	\$3.48	\$3.69	6.5%	6.9%	7.1%	7.5%	7.9%	
	TRANSMONTAIGNE PARTNERS LP	TLP	\$2.40	\$2.64	\$2.67	\$2.77	\$2.88	6.8%	7.5%	7.6%	7.9%	8.2%	
	<b>Small Cap Pipeline MLP Median</b>							<b>6.6%</b>	<b>7.5%</b>	<b>7.9%</b>	<b>8.5%</b>	<b>9.0%</b>	
Gathering & Processing MLPs	ATLAS PIPELINE PARTNER LP	APL	\$1.20	\$1.94	\$2.10	\$2.26	\$2.34	5.0%	8.2%	8.8%	9.5%	9.8%	
	CHESAPEAKE MIDSTREAM PRTRNS	CHKM	\$1.35	\$1.47	\$1.67	\$1.85	\$2.07	4.7%	5.2%	5.9%	6.5%	7.3%	
	CRESTWOOD MIDSTREAM PTNRS LP	CMLP	\$1.68	\$1.92	\$2.07	\$2.25	\$2.43	6.3%	7.2%	7.8%	8.5%	9.2%	
	COPANO ENERGY LLC	CPNO	\$2.30	\$2.30	\$2.46	\$2.62	\$2.76	7.7%	7.7%	8.2%	8.8%	9.2%	
	DCP MIDSTREAM PARTNERS LP	DPM	\$2.44	\$2.64	\$2.78	\$2.92	\$3.03	7.0%	7.6%	8.0%	8.4%	8.7%	
	EAGLE ROCK ENERGY PARTNRS LP	EROC	\$0.10	\$0.74	\$0.80	\$0.86	\$0.86	1.2%	9.2%	10.0%	10.7%	10.7%	
	MARKWEST ENERGY PARTNERS LP	MWE	\$2.56	\$2.64	\$2.84	\$3.04	\$3.24	6.0%	6.2%	6.7%	7.2%	7.7%	
	TARGA RESOURCES PARTNERS LP	NGLS	\$2.15	\$2.35	\$2.51	\$2.67	\$2.83	7.1%	7.8%	8.3%	8.8%	9.3%	
	REGENCY ENERGY PARTNERS LP	RGNC	\$1.78	\$1.94	\$2.06	\$2.14	\$2.24	6.9%	7.6%	8.0%	8.3%	8.7%	
	WESTERN GAS PARTNERS LP	WES	\$1.48	\$1.88	\$2.14	\$2.18	\$2.33	5.0%	6.3%	7.2%	7.3%	7.8%	
	CROSSTEX ENERGY LP	XTEX	\$1.00	\$1.30	\$1.34	\$1.38	\$1.42	7.2%	9.3%	9.6%	9.9%	10.2%	
	<b>Gathering &amp; Processing MLP Median</b>							<b>6.3%</b>	<b>7.6%</b>	<b>8.0%</b>	<b>8.5%</b>	<b>9.2%</b>	
	Upstream MLPs	BREITBURN ENERGY PARTNERS LP	BBEP	\$1.56	\$1.71	\$1.83	\$1.87	\$1.97	7.9%	8.7%	9.3%	9.5%	10.0%
		ENCORE ENERGY PARTNERS LP	ENP	\$2.00	\$1.96	\$1.89	\$1.95	\$2.02	9.9%	9.7%	9.4%	9.6%	10.0%
EV ENERGY PARTNERS LP		EVEP	\$3.03	\$3.16	\$3.24	\$3.40	\$3.56	7.9%	8.3%	8.5%	8.9%	9.3%	
LINN ENERGY LLC		LINE	\$2.64	\$2.76	\$2.88	\$3.02	\$3.14	7.3%	7.6%	7.9%	8.3%	8.7%	
LEGACY RESERVES LP		LGCY	\$2.08	\$2.16	\$2.26	\$2.36	\$2.46	8.0%	8.3%	8.7%	9.0%	9.4%	
PIONEER SOUTHWEST ENERGY -LP		PSE	\$2.00	\$2.04	\$2.16	\$2.24	\$2.36	7.2%	7.3%	7.7%	8.0%	8.5%	
VANGUARD NATURAL RESOURCES		VNR	\$2.20	\$2.36	\$2.44	\$2.52	\$2.68	8.3%	8.9%	9.2%	9.5%	10.1%	
<b>Upstream MLP Median</b>							<b>7.9%</b>	<b>8.3%</b>	<b>8.7%</b>	<b>9.0%</b>	<b>9.4%</b>		
Propane	AMERIGAS PARTNERS -LP	APU	\$2.82	\$2.96	\$3.07	\$3.22	\$3.38	6.0%	6.3%	6.5%	6.8%	7.1%	
	FERRELLGAS PARTNERS -LP	FGP	\$2.00	\$2.10	\$2.10	\$2.21	\$2.32	7.4%	7.8%	7.8%	8.2%	8.6%	
	INERGY LP	NRGY	\$2.82	\$2.94	\$3.00	\$3.15	\$3.31	7.2%	7.5%	7.7%	8.1%	8.5%	
	SUBURBAN PROPANE PRTRNS -LP	SPH	\$3.40	\$3.68	\$3.77	\$4.00	\$4.24	6.2%	6.7%	6.9%	7.3%	7.8%	
<b>Propane MLP Median</b>							<b>6.7%</b>	<b>7.1%</b>	<b>7.3%</b>	<b>7.7%</b>	<b>8.1%</b>		
Shipping	CAPITAL PRODUCT PARTNERS LP	CPLP	\$0.93	\$0.93	\$0.93	\$0.93	\$0.93	11.1%	11.1%	11.1%	11.1%	11.1%	
	K-SEA TRANSPORTATION -LP	KSP	\$0.00	\$0.00	\$0.00	\$0.75	\$0.77	-	-	-	16.3%	16.8%	
	NAVIOS MARITIME PARTNERS LP	NMM	\$1.68	\$1.80	\$1.80	\$1.80	\$1.80	9.1%	9.7%	9.7%	9.7%	9.7%	
	TEEKAY LNG PARTNERS LP	TGP	\$2.40	\$2.64	\$2.73	\$2.86	\$2.94	6.6%	7.3%	7.5%	7.9%	8.1%	
	TEEKAY OFFSHORE PARTNERS LP	TOO	\$1.90	\$2.16	\$2.21	\$2.35	\$2.47	6.6%	7.5%	7.7%	8.1%	8.6%	
<b>Shipping MLP Median</b>							<b>7.8%</b>	<b>8.6%</b>	<b>8.7%</b>	<b>9.7%</b>	<b>9.7%</b>		
Coal	ALLIANCE RESOURCE PTNRS -LP	ARLP	\$3.32	\$3.83	\$4.23	\$4.57	\$4.95	5.4%	6.2%	6.8%	7.4%	8.0%	
	NATURAL RESOURCE PARTNERS LP	NRP	\$2.16	\$2.24	\$2.28	\$2.36	\$2.44	7.1%	7.4%	7.5%	7.8%	8.0%	
	OXFORD RESOURCE PARTNERS LP	OXF	\$1.75	\$1.83	\$1.95	\$2.09	\$2.19	8.1%	8.4%	9.0%	9.6%	10.1%	
	PENN VIRGINIA RES PRTRN LP	PVR	\$1.88	\$1.94	\$1.99	\$2.03	\$2.07	6.9%	7.1%	7.3%	7.5%	7.6%	
<b>Coal MLP Median</b>							<b>7.0%</b>	<b>7.2%</b>	<b>7.4%</b>	<b>7.6%</b>	<b>8.0%</b>		
GPs	ATLAS PIPELINE HOLDINGS LP	AHD	\$0.20	\$0.69	\$0.83	\$0.87	\$0.91	1.5%	5.3%	6.4%	6.7%	7.0%	
	ALLIANCE HOLDINGS GP LP	AHGP	\$2.00	\$2.44	\$2.78	\$3.07	\$3.39	4.4%	5.3%	6.1%	6.7%	7.4%	
	ENERGY TRANSFER EQUITY LP	ETE	\$2.16	\$2.30	\$2.64	\$2.88	\$3.14	5.5%	5.8%	6.7%	7.3%	7.9%	
	NUSTAR GP HOLDINGS LLC	NSH	\$1.92	\$2.01	\$2.13	\$2.25	\$2.37	5.4%	5.7%	6.0%	6.4%	6.7%	
	PENN VIRGINIA GP HOLDINGS LP	PVG	\$1.56	\$0.00	\$0.00	\$0.00	\$0.00	6.3%	-	-	-	-	
CROSSTEX ENERGY INC	XTXI	\$0.28	\$0.45	\$0.48	\$0.48	\$0.50	3.0%	4.9%	5.2%	5.2%	5.4%		
<b>General Partnership MLP Median</b>							<b>4.9%</b>	<b>5.3%</b>	<b>6.1%</b>	<b>6.7%</b>	<b>7.0%</b>		
<b>All MLPs Average</b>							<b>6.4%</b>	<b>7.2%</b>	<b>7.5%</b>	<b>8.0%</b>	<b>8.4%</b>		
<b>All MLPs Median</b>							<b>6.5%</b>	<b>7.2%</b>	<b>7.4%</b>	<b>7.8%</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



MLP Monthly: December 2010

Valuation Metrics

	Ticker	Price 11/30/2010	Current Yield 1	EV / Adj. EBITDA 2		Price / DCF		Estimated Distribution CAGRs			P/DCF To Growth 3	
				2010E	2011E	2010E	2011E	1-Yr ('11E)	3-Yr ('11-13E)	5-Yr ('11-15E)		
Large Cap MLPs	BUCKEYE PARTNERS LP	BPL	\$68.07	5.7%	15.9x	15.3x	16.3x	16.8x	3.0%	3.4%	3.3%	5.0x
	BOARDWALK PIPELINE PRTNRS-LP	BWP	\$31.00	6.6%	15.5x	14.8x	14.6x	14.1x	5.0%	4.5%	3.9%	3.1x
	ENBRIDGE ENERGY PRTNRS -LP	EEP	\$60.85	6.8%	13.3x	14.7x	12.3x	13.6x	2.1%	0.8%	2.0%	-
	EL PASO PIPELINE PARTNERS LP	EPB	\$33.12	5.0%	13.2x	12.5x	14.2x	13.6x	16.0%	12.0%	10.5%	1.1x
	ENTERPRISE PRODS PRTNER -LP	EPD	\$42.08	5.5%	16.0x	15.5x	13.9x	15.8x	5.6%	5.6%	5.4%	2.8x
	ENERGY TRANSFER PARTNERS -LP	ETP	\$50.67	7.1%	16.8x	15.3x	16.0x	13.1x	1.7%	3.5%	3.3%	3.8x
	KINDER MORGAN ENERGY -LP	KMP	\$70.45	6.3%	19.6x	18.8x	16.0x	14.7x	3.9%	3.9%	3.5%	3.7x
	MAGELLAN MIDSTREAM PRTNRS LP	MMP	\$56.00	5.3%	14.4x	13.8x	16.6x	15.6x	6.9%	5.8%	4.9%	2.7x
	NISKA GAS STORAGE PARTNERS	NKA	\$19.98	7.0%	10.6x	11.3x	11.3x	11.6x	0.0%	2.1%	3.1%	5.5x
	NUSTAR ENERGY LP	NS	\$67.45	6.4%	14.9x	14.7x	15.4x	13.7x	1.6%	3.1%	3.3%	4.4x
	ONEOK PARTNERS -LP	OKS	\$79.21	5.7%	16.3x	16.1x	17.4x	14.8x	3.6%	4.5%	4.7%	3.3x
	PLAINS ALL AMER PIPELINE -LP	PAA	\$61.50	6.2%	15.7x	17.1x	15.2x	15.2x	5.0%	5.0%	5.0%	3.0x
	PAA NATURAL GAS STORAGE LP	PNG	\$23.63	5.7%	21.3x	16.8x	24.4x	16.1x	3.9%	8.0%	7.5%	2.0x
	SPECTRA ENERGY PARTNERS LP	SEP	\$33.93	5.2%	17.7x	17.0x	17.4x	15.2x	9.2%	8.5%	7.4%	1.8x
	SUNOCO LOGISTICS PARTNERS LP	SXL	\$80.65	5.8%	13.6x	13.1x	13.3x	12.6x	5.4%	6.0%	6.0%	2.1x
	WILLIAMS PARTNERS LP	WPZ	\$47.05	5.8%	13.5x	12.9x	11.2x	12.6x	7.9%	6.5%	5.2%	1.9x
<b>Large Cap Pipeline MLP Median</b>			<b>5.8%</b>	<b>15.6x</b>	<b>15.0x</b>	<b>15.3x</b>	<b>14.4x</b>	<b>4.4%</b>	<b>4.7%</b>	<b>4.8%</b>	<b>3.0x</b>	
Small & Mid Cap Pipelines	BLUEKNIGHT ENERGY PRTNRS LP	BKEP	\$7.09	-	7.2x	8.4x	31.4x	16.7x	-	-	-	-
	DUNCAN ENERGY PARTNERS LP	DEP	\$31.37	5.8%	8.5x	7.3x	13.7x	12.4x	2.6%	4.2%	4.4%	3.0x
	EXTERRAN PARTNERS LP	EXLP	\$24.17	7.7%	10.0x	9.7x	10.2x	9.4x	4.8%	6.6%	6.5%	1.4x
	GENESIS ENERGY -LP	GEL	\$24.43	6.3%	13.1x	17.2x	11.0x	10.2x	16.3%	11.6%	9.7%	0.9x
	GLOBAL PARTNERS LP	GLP	\$25.84	7.7%	12.9x	12.3x	8.9x	9.5x	6.9%	6.0%	5.2%	1.6x
	HOLLY ENERGY PARTNERS LP	HEP	\$51.15	6.5%	15.5x	14.7x	14.6x	13.8x	4.8%	4.9%	4.4%	2.8x
	MARTIN MIDSTREAM PARTNERS LP	MMLP	\$36.73	8.2%	12.2x	12.5x	11.5x	9.6x	5.0%	4.7%	3.8%	2.1x
	TC PIPELINES LP	TCLP	\$46.49	6.5%	15.0x	15.2x	11.9x	11.6x	4.7%	5.6%	5.5%	2.1x
	TRANSMONTAIGNE PARTNERS LP	TLP	\$35.24	6.8%	10.2x	10.1x	9.2x	10.1x	5.0%	4.6%	4.2%	2.2x
	<b>Small Cap Pipeline MLP Median</b>			<b>6.6%</b>	<b>12.2x</b>	<b>12.3x</b>	<b>11.5x</b>	<b>10.2x</b>	<b>4.9%</b>	<b>5.3%</b>	<b>4.8%</b>	<b>2.1x</b>
	Gathering & Processing MLPs	ATLAS PIPELINE PARTNER LP	APL	\$23.79	5.0%	12.1x	9.8x	15.5x	11.7x	-	-	-
CHESAPEAKE MIDSTREAM PRTNRS		CHKM	\$28.44	4.7%	8.6x	10.2x	18.1x	18.0x	4.4%	9.8%	10.2%	1.8x
CRESTWOOD MIDSTREAM PTNRS LP		CMLP	\$26.59	6.3%	12.5x	12.3x	13.0x	11.2x	12.6%	10.5%	9.1%	1.1x
COPANO ENERGY LLC		CPNO	\$29.93	7.7%	13.5x	14.2x	13.7x	12.5x	0.0%	3.6%	4.2%	3.5x
DCP MIDSTREAM PARTNERS LP		DPM	\$34.90	7.0%	12.9x	13.2x	13.0x	11.4x	5.7%	5.5%	4.8%	2.1x
EAGLE ROCK ENERGY PARTNRS LP		EROC	\$8.01	1.2%	9.1x	6.2x	8.7x	6.1x	-	-	-	-
MARKWEST ENERGY PARTNERS LP		MWE	\$42.33	6.0%	13.3x	12.5x	13.1x	13.2x	2.3%	5.0%	5.6%	2.6x
TARGA RESOURCES PARTNERS LP		NGLS	\$30.29	7.1%	11.7x	9.9x	11.2x	9.5x	7.5%	7.0%	6.4%	1.4x
REGENCY ENERGY PARTNERS LP		RGNC	\$25.65	6.9%	12.5x	11.6x	13.8x	12.9x	5.6%	5.8%	5.1%	2.2x
WESTERN GAS PARTNERS LP		WES	\$29.78	5.0%	14.0x	13.2x	13.0x	12.6x	21.4%	14.3%	10.4%	0.9x
CROSSTEX ENERGY LP		XTEX	\$13.93	7.2%	7.5x	7.0x	10.1x	8.1x	-	-	-	-
<b>Gathering &amp; Processing MLP Median</b>			<b>6.3%</b>	<b>12.5x</b>	<b>11.6x</b>	<b>13.0x</b>	<b>11.7x</b>	<b>5.7%</b>	<b>6.4%</b>	<b>6.0%</b>	<b>2.0x</b>	
Upstream MLPs	BREITBURN ENERGY PARTNERS LP	BBEP	\$19.68	7.9%	6.8x	7.4x	7.5x	8.6x	7.8%	6.3%	5.3%	1.4x
	ENCORE ENERGY PARTNERS LP	ENP	\$20.19	9.9%	9.5x	8.7x	8.9x	9.0x	(6.2%)	(1.7%)	0.4%	-
	EV ENERGY PARTNERS LP	EVEP	\$38.18	7.9%	9.6x	8.0x	12.7x	9.3x	2.3%	3.3%	3.8%	2.9x
	LEGACY RESERVES LP	LGCY	\$26.11	8.0%	9.4x	7.4x	12.0x	8.4x	2.9%	3.8%	4.0%	2.2x
	LINN ENERGY LLC	LINE	\$36.30	7.3%	10.1x	8.7x	11.8x	10.4x	4.7%	4.6%	4.4%	2.3x
	PIONEER SOUTHWEST ENERGY -LP	PSE	\$27.91	7.2%	10.0x	8.6x	12.9x	11.0x	1.5%	3.4%	3.8%	3.3x
	VANGUARD NATURAL RESOURCES	VNR	\$26.43	8.3%	8.5x	8.2x	9.6x	9.3x	5.3%	4.3%	4.9%	2.2x
	<b>Upstream MLP Median</b>			<b>7.9%</b>	<b>9.5x</b>	<b>8.2x</b>	<b>11.8x</b>	<b>9.3x</b>	<b>2.9%</b>	<b>3.8%</b>	<b>4.0%</b>	<b>2.2x</b>
Propane	AMERIGAS PARTNERS -LP	APU	\$47.34	6.0%	10.9x	10.9x	11.6x	11.3x	5.0%	4.5%	4.7%	2.5x
	FERRELLGAS PARTNERS -LP	FGP	\$26.98	7.4%	11.5x	11.5x	11.8x	12.2x	2.5%	3.3%	3.6%	3.7x
	INERGY LP	NRGY	\$39.02	7.2%	17.6x	15.1x	15.7x	13.8x	2.5%	3.9%	4.0%	3.5x
	SUBURBAN PROPANE PRTNRS -LP	SPH	\$54.62	6.2%	11.9x	12.2x	12.4x	13.2x	5.7%	5.6%	5.6%	2.4x
<b>Propane MLP Median</b>			<b>6.7%</b>	<b>11.7x</b>	<b>11.9x</b>	<b>12.1x</b>	<b>12.7x</b>	<b>3.7%</b>	<b>4.2%</b>	<b>4.4%</b>	<b>3.0x</b>	
Shipping	CAPITAL PRODUCT PARTNERS LP	CPLP	\$8.41	11.1%	10.5x	9.3x	7.2x	6.8x	-	-	-	-
	K-SEA TRANSPORTATION -LP	KSP	\$4.59	-	-	-	6.1x	5.0x	-	-	-	-
	NAVIOS MARITIME PARTNERS LP	NMM	\$18.56	9.1%	10.2x	9.4x	10.6x	9.5x	7.6%	2.5%	1.5%	3.8x
	TEEKAY LNG PARTNERS LP	TGP	\$36.32	6.6%	13.8x	13.2x	14.2x	12.7x	7.5%	6.0%	4.6%	2.1x
TEEKAY OFFSHORE PARTNERS LP	TOO	\$28.82	6.6%	8.8x	8.9x	12.5x	11.1x	8.1%	7.0%	5.8%	1.6x	
<b>Shipping MLP Median</b>			<b>7.8%</b>	<b>10.3x</b>	<b>9.3x</b>	<b>10.6x</b>	<b>9.5x</b>	<b>7.6%</b>	<b>6.0%</b>	<b>4.6%</b>	<b>2.1x</b>	
Coal	ALLIANCE RESOURCE PTNRS -LP	ARLP	\$62.00	5.4%	8.4x	8.0x	8.0x	7.9x	11.7%	10.6%	9.2%	0.7x
	NATURAL RESOURCE PARTNERS LP	NRP	\$30.41	7.1%	15.7x	13.0x	15.0x	12.8x	2.3%	3.0%	3.1%	4.3x
	OXFORD RESOURCE PARTNERS LP	OXF	\$21.66	8.1%	8.1x	5.6x	36.8x	8.2x	2.3%	6.1%	5.6%	1.4x
	PENN VIRGINIA RES PRTNR LP	PVR	\$27.22	6.9%	14.2x	11.7x	13.1x	14.3x	2.3%	2.6%	2.3%	5.5x
<b>Coal MLP Median</b>			<b>7.0%</b>	<b>11.3x</b>	<b>9.9x</b>	<b>14.0x</b>	<b>10.5x</b>	<b>2.8%</b>	<b>4.5%</b>	<b>4.4%</b>	<b>2.8x</b>	
GPs	ATLAS PIPELINE HOLDINGS LP	AHD	\$13.00	1.5%	NM for GP	-	22.1x	-	-	-	-	-
	ALLIANCE HOLDINGS GP LP	AHGP	\$45.60	4.4%	NM for GP	-	23.2x	19.7x	17.1%	14.6%	12.5%	1.3x
	ENERGY TRANSFER EQUITY LP	ETE	\$39.56	5.5%	NM for GP	-	18.2x	17.8x	3.1%	8.7%	8.6%	2.0x
	NUSTAR GP HOLDINGS LLC	NSH	\$35.38	5.4%	NM for GP	-	18.8x	18.3x	5.1%	5.4%	5.4%	3.4x
	PENN VIRGINIA GP HOLDINGS LP	PVG	\$24.93	6.3%	NM for GP	-	16.1x	27.5x	-	-	-	-
	CROSSTEX ENERGY INC	XTXI	\$9.25	3.0%	NM for GP	-	-	24.3x	-	-	-	-
<b>General Partnership MLP Median</b>			<b>4.9%</b>	<b>NM</b>	<b>NM</b>	<b>18.5x</b>	<b>20.9x</b>	<b>5.1%</b>	<b>8.7%</b>	<b>8.6%</b>	<b>2.0x</b>	
<b>All MLPs Average</b>			<b>6.4%</b>	<b>12.5x</b>	<b>11.9x</b>	<b>13.9x</b>	<b>12.8x</b>	<b>5.5%</b>	<b>5.7%</b>	<b>5.3%</b>	<b>2.6x</b>	
<b>All MLPs Median</b>			<b>6.5%</b>	<b>12.5x</b>	<b>12.3x</b>	<b>13.0x</b>	<b>12.6x</b>	<b>5.0%</b>	<b>5.0%</b>	<b>4.9%</b>	<b>2.2x</b>	
<b>All MLPs (Excl. GPs) Median</b>			<b>6.6%</b>	<b>12.5x</b>	<b>12.3x</b>	<b>13.0x</b>	<b>12.3x</b>	<b>4.9%</b>	<b>5.0%</b>	<b>4.7%</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

Master Limited Partnerships

Overview Of Fiscal Estimates

	Ticker	Earnings Per Unit		EBITDA (\$MM)		DCF Per Unit		Distribution Per Unit		Distrib. Coverage		
		FY2010E	FY2011E	FY2010E	FY2011E	FY2010E	FY2011E	FY2010E	FY2011E	FY2010E	FY2011E	
Large Cap MLPs	BUCKEYE PARTNERS LP	BPL	\$3.39	\$3.52	\$385	\$408	\$4.19	\$4.05	\$3.87	\$3.99	1.1x	1.0x
	BOARDWALK PIPELINE PRTRNS-LP	BWP	\$1.30	\$1.44	\$643	\$714	\$2.12	\$2.19	\$2.05	\$2.15	1.1x	1.1x
	ENBRIDGE ENERGY PRTRNS -LP	EEP	\$3.11	\$2.72	\$1,044	\$1,117	\$4.95	\$4.46	\$4.09	\$4.17	1.2x	1.1x
	EL PASO PIPELINE PARTNERS LP	EPB	\$1.93	\$2.06	\$557	\$909	\$2.34	\$2.44	\$1.63	\$1.89	1.3x	1.2x
	ENTERPRISE PRODS PRTRNER -LP	EPD	\$1.17	(\$0.51)	\$3,204	\$3,301	\$3.04	\$2.72	\$2.32	\$2.45	1.3x	1.1x
	ENERGY TRANSFER PARTNERS -LP	ETP	\$1.49	\$2.56	\$1,524	\$1,764	\$3.17	\$3.87	\$3.58	\$3.64	0.9x	1.0x
	KINDER MORGAN ENERGY -LP	KMP	\$1.39	\$1.79	\$2,959	\$3,260	\$4.40	\$4.80	\$4.40	\$4.57	1.0x	1.0x
	MAGELLAN MIDSTREAM PRTRNS LP	MMP	\$2.85	\$2.93	\$517	\$572	\$3.38	\$3.58	\$2.96	\$3.16	1.1x	1.1x
	NISKA GAS STORAGE PARTNERS	NKA	-	\$0.77	-	\$196	-	\$1.76	-	\$1.40	-	1.3x
	NUSTAR ENERGY LP	NS	\$2.86	\$3.34	\$484	\$512	\$4.39	\$4.91	\$4.28	\$4.35	1.0x	1.1x
	ONEOK PARTNERS -LP	OKS	\$3.38	\$4.23	\$854	\$937	\$4.55	\$5.37	\$4.50	\$4.66	1.0x	1.1x
	PLAINS ALL AMER PIPELINE -LP	PAA	\$2.93	\$3.00	\$1,074	\$1,170	\$4.06	\$4.05	\$3.79	\$3.97	1.1x	1.0x
	PAA NATURAL GAS STORAGE LP	PNG	\$0.65	\$1.03	\$53	\$80	\$0.97	\$1.47	\$1.35	\$1.40	0.7x	1.0x
	SPECTRA ENERGY PARTNERS LP	SEP	\$1.72	\$1.86	\$209	\$231	\$2.06	\$2.23	\$1.74	\$1.90	1.2x	1.2x
	SUNOCO LOGISTICS PARTNERS LP	SXL	\$5.36	\$5.45	\$359	\$399	\$6.05	\$6.40	\$4.61	\$4.85	1.2x	1.2x
	WILLIAMS PARTNERS LP	WPZ	\$2.57	\$2.82	\$1,879	\$2,146	\$4.19	\$3.74	\$2.72	\$2.94	1.2x	1.2x
	<b>Large Cap Pipeline MLP Median</b>											<b>1.1x</b>
Small & Mid Cap Pipeline	BLUEKNIGHT ENERGY PRTRNS LP	BKEP	(\$0.19)	\$0.86	\$61	\$65	\$0.23	\$0.42	\$0.00	\$1.35	-	1.2x
	DUNCAN ENERGY PARTNERS LP	DEP	\$1.56	\$1.84	\$303	\$348	\$2.29	\$2.54	\$1.81	\$1.85	1.3x	1.4x
	EXTERRAN PARTNERS LP	EXLP	(\$0.03)	\$0.72	\$105	\$147	\$2.38	\$2.57	\$1.87	\$1.96	1.2x	1.2x
	GENESIS ENERGY -LP	GEL	\$0.91	\$1.28	\$119	\$137	\$2.23	\$2.40	\$1.53	\$1.78	1.4x	1.3x
	GLOBAL PARTNERS LP	GLP	\$1.97	\$1.56	\$57	\$76	\$2.89	\$2.72	\$1.97	\$2.10	1.4x	1.3x
	HOLLY ENERGY PARTNERS LP	HEP	\$2.01	\$2.37	\$118	\$134	\$3.50	\$3.71	\$3.32	\$3.48	1.0x	1.1x
	MARTIN MIDSTREAM PARTNERS LP	MMLP	\$0.77	\$1.49	\$77	\$89	\$3.20	\$3.82	\$3.00	\$3.15	1.1x	1.2x
	TC PIPELINES LP	TCLP	\$2.88	\$2.83	\$177	\$177	\$3.90	\$4.01	\$2.96	\$3.10	1.3x	1.3x
	TRANSMONTAIGNE PARTNERS LP	TLP	\$2.48	\$2.14	\$71	\$70	\$3.81	\$3.48	\$2.42	\$2.54	1.5x	1.3x
	<b>Small Cap Pipeline MLP Median</b>											<b>1.3x</b>
Gathering & Processing MLPs	ATLAS PIPELINE PARTNER LP	APL	(\$0.23)	\$0.74	\$177	\$160	\$1.53	\$2.04	\$0.70	\$1.71	-	1.2x
	CHESAPEAKE MIDSTREAM PRTRNS	CHKM	\$1.39	\$1.39	\$294	\$309	\$1.57	\$1.58	\$1.35	\$1.41	1.2x	1.1x
	CRESTWOOD MIDSTREAM PTNRS LP	CMLP	\$1.29	\$1.70	\$77	\$101	\$2.05	\$2.37	\$1.67	\$1.88	1.2x	1.2x
	COPANO ENERGY LLC	CPNO	(\$0.22)	\$0.14	\$166	\$184	\$2.18	\$2.39	\$2.30	\$2.30	0.9x	1.0x
	DCP MIDSTREAM PARTNERS LP	DPM	\$1.51	\$1.35	\$150	\$180	\$2.68	\$3.07	\$2.44	\$2.58	1.1x	1.1x
	EAGLE ROCK ENERGY PARTNRS LP	EROC	\$0.32	\$0.50	\$133	\$169	\$0.92	\$1.30	\$0.23	\$0.68	-	1.9x
	MARKWEST ENERGY PARTNERS LP	MWE	\$0.97	\$0.92	\$326	\$341	\$3.23	\$3.21	\$2.56	\$2.62	1.2x	1.2x
	TARGA RESOURCES PARTNERS LP	NGLS	\$0.79	\$1.46	\$324	\$416	\$2.70	\$3.32	\$2.13	\$2.29	1.2x	1.3x
	REGENCY ENERGY PARTNERS LP	RGNC	\$0.10	\$0.92	\$322	\$439	\$1.86	\$1.99	\$1.78	\$1.88	1.0x	1.1x
	WESTERN GAS PARTNERS LP	WES	\$1.60	\$1.65	\$180	\$241	\$2.29	\$2.36	\$1.45	\$1.76	1.5x	1.3x
	CROSSTEX ENERGY LP	XTEX	(\$0.99)	(\$0.11)	\$186	\$208	\$1.38	\$1.71	\$0.51	\$1.19	2.6x	1.4x
	<b>Gathering &amp; Processing MLP Median</b>											<b>1.2x</b>
Upstream MLPs	BREITBURN ENERGY PARTNERS LP	BBEP	\$1.47	\$1.01	\$227	\$213	\$2.61	\$2.29	\$1.55	\$1.67	1.8x	1.4x
	ENCORE ENERGY PARTNERS LP	ENP	\$1.07	\$1.41	\$123	\$132	\$2.26	\$2.24	\$2.00	\$1.88	1.1x	1.2x
	EV ENERGY PARTNERS LP	EVEP	\$2.03	\$2.91	\$150	\$250	\$3.01	\$4.10	\$3.03	\$3.10	1.0x	1.3x
	LEGACY RESERVES LP	LGCY	\$0.92	\$2.01	\$136	\$190	\$2.18	\$3.10	\$2.08	\$2.14	1.0x	1.4x
	LINN ENERGY LLC	LINE	\$1.56	\$1.72	\$713	\$907	\$3.07	\$3.50	\$2.58	\$2.70	1.1x	1.3x
	PIONEER SOUTHWEST ENERGY -LP	PSE	\$2.81	\$2.90	\$99	\$114	\$2.16	\$2.54	\$2.00	\$2.03	1.1x	1.2x
	VANGUARD NATURAL RESOURCES	VNR	\$2.18	\$2.06	\$82	\$148	\$2.77	\$2.85	\$2.19	\$2.30	1.3x	1.2x
<b>Upstream MLP Median</b>											<b>1.1x</b>	<b>1.3x</b>
Propane	AMERIGAS PARTNERS -LP	APU	\$3.15	\$3.18	\$340	\$343	\$4.20	\$4.18	\$2.79	\$2.93	1.4x	1.4x
	FERRELLGAS PARTNERS -LP	FGP	\$0.29	\$0.87	\$266	\$277	\$2.20	\$2.42	\$2.00	\$2.00	1.1x	1.1x
	INERGY LP	NRGY	(\$0.23)	\$0.84	\$325	\$436	\$2.71	\$2.97	\$2.79	\$2.85	0.9x	1.0x
	SUBURBAN PROPANE PRTRNS -LP	SPH	\$3.25	\$3.49	\$192	\$185	\$4.09	\$4.28	\$3.37	\$3.53	1.3x	1.2x
<b>Propane MLP Median</b>											<b>1.2x</b>	<b>1.1x</b>
Shipping	CAPITAL PRODUCT PARTNERS LP	CPLP	\$0.56	\$0.45	\$84	\$86	\$1.16	\$1.23	\$1.11	\$0.93	1.1x	1.2x
	K-SEA TRANSPORTATION -LP	KSP	\$0.33	\$0.32	\$75	\$77	\$0.91	\$0.93	\$0.00	\$0.00	-	-
	NAVIOS MARITIME PARTNERS LP	NMM	\$1.47	\$1.43	\$105	\$133	\$1.75	\$1.95	\$1.67	\$1.80	1.0x	1.1x
	TEEKAY LNG PARTNERS LP	TGP	\$1.69	\$1.89	\$268	\$343	\$2.55	\$2.86	\$2.40	\$2.58	1.0x	1.1x
	TEEKAY OFFSHORE PARTNERS LP	TOO	\$1.56	\$1.62	\$348	\$413	\$2.30	\$2.60	\$1.92	\$2.07	1.2x	1.2x
<b>Shipping MLP Median</b>											<b>1.1x</b>	<b>1.1x</b>
Coal	ALLIANCE RESOURCE PTNRS -LP	ARLP	\$6.61	\$7.09	\$497	\$532	\$7.76	\$7.88	\$3.28	\$3.66	1.9x	1.7x
	NATURAL RESOURCE PARTNERS LP	NRP	\$1.49	\$1.74	\$252	\$301	\$2.03	\$2.37	\$2.16	\$2.21	0.9x	1.1x
	OXFORD RESOURCE PARTNERS LP	OXF	(\$0.13)	\$1.76	\$56	\$102	\$0.59	\$2.64	\$0.79	\$1.79	-	1.5x
	PENN VIRGINIA RES PRTRNR LP	PVR	\$0.82	\$1.29	\$183	\$218	\$2.08	\$1.90	\$1.88	\$1.94	1.1x	1.0x
<b>Coal MLP Median</b>											<b>1.1x</b>	<b>1.3x</b>
GPs	ATLAS PIPELINE HOLDINGS LP	AHD	-	-	\$2	\$29	\$0.02	\$0.59	\$0.10	\$0.45	-	1.1x
	ALLIANCE HOLDINGS GP LP	AHGP	\$2.98	\$3.64	\$118	\$400	\$1.97	\$2.32	\$1.96	\$2.30	1.0x	1.0x
	ENERGY TRANSFER EQUITY LP	ETE	-	-	\$604	\$655	\$2.17	\$2.23	\$2.16	\$2.23	1.0x	1.0x
	NUSTAR GP HOLDINGS LLC	NSH	\$1.69	\$1.63	\$81	\$83	\$1.89	\$1.94	\$1.87	\$1.97	1.0x	1.0x
	PENN VIRGINIA GP HOLDINGS LP	PVG	\$1.13	\$2.04	\$60	\$35	\$1.55	-	\$1.56	\$0.00	1.0x	-
CROSSTEX ENERGY INC	XTXI	(\$0.21)	\$0.07	\$5	\$18	\$0.11	\$0.38	\$0.15	\$0.38	0.8x	1.0x	
<b>General Partnership MLP Median</b>											<b>1.0x</b>	<b>1.0x</b>
<b>All MLPs Average (Excl. GPs)</b>											<b>1.2x</b>	<b>1.2x</b>
<b>All MLPs Median (Excl. GPs)</b>											<b>1.1x</b>	<b>1.2x</b>

Source: Partnership reports and Wells Fargo Securities, LLC estimates



MLP Monthly: December 2010

Capex Assumptions

	Ticker	Maintenance Capex Spending				Organic Growth Spending				Acquisition Spending				
		2010E	2011E	2012E	% EBITDA	2010E	2011E	2012E	2013E	2010E	2011E	2012E	2013E	
<i>(\$MM, except per unit data)</i>														
Large Cap MLPs	BUCKEYE PARTNERS LP	BPL	\$30.0	\$31.0	\$32.0	7%	\$50	\$100	\$100	\$100	\$28	\$36	\$0	\$0
	BOARDWALK PIPELINE PRTRNS-LP	BWP	\$55.0	\$69.2	\$69.4	8%	\$222	\$148	\$100	\$100	\$0	\$0	\$0	\$0
	ENBRIDGE ENERGY PRTRNS -LP	EEL	\$75.0	\$122.9	\$127.3	7%	\$875	\$400	\$400	\$400	\$682	\$0	\$0	\$0
	EL PASO PIPELINE PARTNERS LP	EPB	\$34.1	\$142.5	\$156.0	4%	\$188	\$145	\$93	\$75	\$2,437	\$1,500	\$1,500	\$1,500
	ENTERPRISE PRODS PRTRNER -LP	EPD	\$251.3	\$219.7	\$240.7	8%	\$3,496	\$2,000	\$1,000	\$1,000	\$1,218	\$0	\$0	\$0
	ENERGY TRANSFER PARTNERS -LP	ETP	\$100.0	\$123.5	\$148.3	6%	\$1,538	\$739	\$500	\$500	\$150	\$0	\$0	\$0
	KINDER MORGAN ENERGY -LP	KMP	\$182.0	\$203.7	\$226.9	6%	\$1,203	\$1,672	\$1,075	\$1,000	\$1,247	\$0	\$0	\$0
	MAGELLAN MIDSTREAM PRTRNRS LP	MMP	\$45.0	\$50.8	\$51.9	8%	\$276	\$200	\$126	\$100	\$339	\$0	\$0	\$0
	NISKA GAS STORAGE PARTNERS	NKA	\$1.3	\$1.9	\$2.1	1%	\$45	\$55	\$52	\$20	\$0	\$50	\$50	\$50
	NUSTAR ENERGY LP	NS	\$55.0	\$56.0	\$58.0	11%	\$215	\$325	\$175	\$100	\$100	\$0	\$0	\$0
	ONEOK PARTNERS -LP	OKS	\$65.0	\$79.6	\$84.6	7%	\$394	\$476	\$648	\$466	\$0	\$0	\$0	\$0
	PLAINS ALL AMER PIPELINE -LP	PAA	\$85.0	\$87.7	\$91.1	7%	\$380	\$550	\$400	\$400	\$175	\$0	\$0	\$0
	PAA NATURAL GAS STORAGE LP	PNG	\$0.6	\$0.6	\$1.2	1%	\$90	\$95	\$78	\$70	\$0	\$200	\$200	\$200
	SPECTRA ENERGY PARTNERS LP	SEP	\$15.0	\$16.0	\$16.5	6%	\$60	\$183	\$50	\$50	\$0	\$0	\$0	\$0
	SUNOCO LOGISTICS PARTNERS LP	SXL	\$40.0	\$40.8	\$41.6	10%	\$160	\$75	\$75	\$75	\$240	\$0	\$0	\$0
	WILLIAMS PARTNERS LP	WPZ	\$315.0	\$416.0	\$368.4	15%	\$713	\$939	\$710	\$300	\$1,232	\$0	\$0	\$0
<b>Large Cap Pipeline MLP Total</b>		<b>\$1,349</b>	<b>\$1,662</b>	<b>\$1,716</b>	<b>7%</b>	<b>\$9,905</b>	<b>\$8,103</b>	<b>\$5,582</b>	<b>\$4,756</b>	<b>\$7,848</b>	<b>\$1,786</b>	<b>\$1,750</b>	<b>\$1,750</b>	
Small & Mid Cap Pipeline	BLUEKNIGHT ENERGY PRTRNS LP	BKEP	\$7.0	\$16.0	\$11.3	11%	\$6	\$0	\$0	\$0	\$0	\$0	\$100	\$100
	DUNCAN ENERGY PARTNERS LP	DEP	\$9.9	\$12.7	\$23.9	3%	\$434	\$589	\$66	\$50	\$0	\$0	\$0	\$0
	EXTERRAN PARTNERS LP	EXLP	\$15.2	\$21.9	\$28.7	10%	\$22	\$44	\$48	\$52	\$232	\$250	\$250	\$250
	GENESIS ENERGY -LP	GEL	\$2.8	\$4.0	\$4.2	2%	\$11	\$12	\$13	\$14	\$25	\$330	\$0	\$0
	GLOBAL PARTNERS LP	GLP	\$4.0	\$7.0	\$8.0	5%	\$5	\$6	\$6	\$6	\$248	\$0	\$0	\$0
	HOLLY ENERGY PARTNERS LP	HEP	\$3.9	\$4.0	\$4.0	3%	\$34	\$20	\$25	\$25	\$93	\$0	\$0	\$0
	MARTIN MIDSTREAM PARTNERS LP	MMLP	\$4.9	\$6.6	\$6.8	6%	\$24	\$40	\$10	\$10	\$32	\$0	\$0	\$0
	TC PIPELINES LP	TCLP	\$4.1	\$4.9	\$4.9	2%	\$5	\$11	\$11	\$11	\$10	\$0	\$0	\$0
	TRANSMONTAIGNE PARTNERS LP	TLP	\$6.0	\$9.0	\$9.5	8%	\$18	\$22	\$17	\$17	\$2	\$0	\$0	\$0
	<b>Small Cap Pipeline MLP Total</b>		<b>\$58</b>	<b>\$86</b>	<b>\$101</b>	<b>5%</b>	<b>\$561</b>	<b>\$744</b>	<b>\$196</b>	<b>\$184</b>	<b>\$641</b>	<b>\$580</b>	<b>\$350</b>	<b>\$350</b>
Gathering & Processing MLPs	ATLAS PIPELINE PARTNER LP	APL	\$10.0	\$12.4	\$13.3	6%	\$90	\$100	\$100	\$65	\$0	\$0	\$0	\$0
	CHESAPEAKE MIDSTREAM PRTRNS	CHKM	\$70.0	\$75.7	\$94.0	23%	\$174	\$258	\$380	\$568	\$0	\$300	\$300	\$300
	CRESTWOOD MIDSTREAM PTNRS LP	CMLP	\$6.6	\$7.4	\$7.6	7%	\$69	\$60	\$50	\$50	\$84	\$0	\$0	\$0
	COPANO ENERGY LLC	CPNO	\$11.0	\$12.5	\$15.0	6%	\$172	\$250	\$200	\$150	\$0	\$0	\$0	\$0
	DCP MIDSTREAM PARTNERS LP	DPM	\$11.9	\$14.0	\$15.0	7%	\$36	\$0	\$0	\$0	\$88	\$300	\$150	\$150
	EAGLE ROCK ENERGY PARTNRS LP	EROC	\$25.0	\$28.0	\$30.0	15%	\$27	\$40	\$18	\$16	\$0	\$0	\$0	\$0
	MARKWEST ENERGY PARTNERS LP	MWE	\$10.0	\$13.0	\$15.0	3%	\$458	\$300	\$300	\$300	\$0	\$0	\$0	\$0
	TARGA RESOURCES PARTNERS LP	NGLS	\$50.8	\$50.0	\$51.5	12%	\$109	\$130	\$100	\$100	\$843	\$0	\$0	\$0
	REGENCY ENERGY PARTNERS LP	RGNC	\$22.8	\$25.2	\$26.5	5%	\$365	\$250	\$250	\$216	\$877	\$0	\$0	\$0
	WESTERN GAS PARTNERS LP	WES	\$21.0	\$31.4	\$40.2	9%	\$21	\$31	\$40	\$49	\$790	\$500	\$500	\$500
	CROSSTEX ENERGY LP	XTEX	\$12.0	\$16.1	\$16.6	6%	\$42	\$50	\$50	\$50	\$0	\$0	\$0	\$0
<b>Gathering &amp; Processing MLP Total</b>		<b>\$251</b>	<b>\$286</b>	<b>\$325</b>	<b>7%</b>	<b>\$1,563</b>	<b>\$1,469</b>	<b>\$1,488</b>	<b>\$1,564</b>	<b>\$2,682</b>	<b>\$1,100</b>	<b>\$950</b>	<b>\$950</b>	
Upstream MLPs	BREITBURN ENERGY PARTNERS LP	BBEP	\$50.4	\$49.0	\$56.9	24%	\$28	\$28	\$29	\$29	\$0	\$50	\$50	\$50
	ENCORE ENERGY PARTNERS LP	ENP	\$6.2	\$13.2	\$11.8	5%	\$0	\$0	\$0	\$0	\$0	\$100	\$100	\$100
	EV ENERGY PARTNERS LP	EVEP	\$35.7	\$60.7	\$71.1	14%	\$0	\$17	\$20	\$25	\$261	\$450	\$150	\$150
	LEGACY RESERVES LP	LGCY	\$31.0	\$39.0	\$46.0	16%	\$0	\$0	\$0	\$0	\$181	\$155	\$50	\$50
	LINN ENERGY LLC	LINE	\$87.3	\$119.3	\$127.8	10%	\$163	\$169	\$160	\$102	\$1,232	\$500	\$500	\$500
	PIONEER SOUTHWEST ENERGY -LP	PSE	\$25.1	\$26.1	\$24.7	22%	\$22	\$24	\$25	\$16	\$0	\$0	\$150	\$150
	VANGUARD NATURAL RESOURCES	VNR	\$14.8	\$17.8	\$22.4	10%	\$0	\$0	\$0	\$0	\$113	\$480	\$100	\$100
<b>Upstream MLP Total</b>		<b>\$251</b>	<b>\$325</b>	<b>\$361</b>	<b>14%</b>	<b>\$212</b>	<b>\$238</b>	<b>\$234</b>	<b>\$171</b>	<b>\$1,786</b>	<b>\$1,735</b>	<b>\$1,100</b>	<b>\$1,100</b>	
Propane	AMERIGAS PARTNERS -LP	APU	\$40.6	\$38.1	\$35.1	12%	\$34	\$35	\$20	\$20	\$0	\$0	\$0	\$0
	FERRELLGAS PARTNERS -LP	FGP	\$18.3	\$19.2	\$20.6	7%	\$32	\$20	\$20	\$21	\$0	\$0	\$0	\$0
	INERGY LP	NRGY	\$9.9	\$9.2	\$9.8	2%	\$158	\$235	\$210	\$250	\$796	\$0	\$0	\$100
	SUBURBAN PROPANE PRTRNS -LP	SPH	\$9.8	\$10.2	\$10.5	5%	\$8	\$9	\$10	\$10	\$11	\$0	\$0	\$0
<b>Propane MLP Total</b>		<b>\$78.5</b>	<b>\$76.7</b>	<b>\$76.0</b>	<b>6%</b>	<b>\$232</b>	<b>\$299</b>	<b>\$260</b>	<b>\$301</b>	<b>\$807</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100</b>	
Shipping	CAPITAL PRODUCT PARTNERS LP	CPLP	\$12.0	\$12.0	\$12.0	14%	\$0	\$0	\$0	\$0	\$108	\$0	\$0	\$0
	K-SEA TRANSPORTATION -LP	KSP	\$20.5	\$16.0	\$17.0	27%	\$19	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	NAVIOS MARITIME PARTNERS LP	NMM	\$14.4	\$15.0	\$15.0	11%	\$337	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	TEEKAY LNG PARTNERS LP	TGP	\$41.9	\$49.2	\$50.2	12%	\$0	\$0	\$0	\$0	\$363	\$393	\$0	\$0
TEEKAY OFFSHORE PARTNERS LP	TOO	\$93.1	\$102.5	\$103.5	23%	\$0	\$0	\$0	\$0	\$330	\$390	\$0	\$0	
<b>Shipping MLP Total</b>		<b>\$181.9</b>	<b>\$194.7</b>	<b>\$197.7</b>	<b>14%</b>	<b>\$355</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$801</b>	<b>\$783</b>	<b>\$0</b>	<b>\$0</b>	
Coal	ALLIANCE RESOURCE PTNRS -LP	ARLP	\$109.4	\$126.5	\$139.0	21%	\$195	\$80	\$60	\$60	\$0	\$0	\$0	\$0
	NATURAL RESOURCE PARTNERS LP	NRP	\$31.5	\$31.5	\$31.5	10%	\$0	\$0	\$0	\$0	\$240	\$40	\$40	\$0
	OXFORD RESOURCE PARTNERS LP	OXF	\$0.0	\$28.1	\$31.1	0%	\$23	\$24	\$22	\$20	\$0	\$0	\$0	\$0
	PENN VIRGINIA RES PRTRNR LP	PVR	\$16.4	\$15.0	\$16.0	8%	\$102	\$65	\$44	\$43	\$18	\$0	\$0	\$0
<b>Coal MLP Total</b>		<b>\$157.3</b>	<b>\$201.1</b>	<b>\$217.6</b>	<b>9%</b>	<b>\$320</b>	<b>\$169</b>	<b>\$126</b>	<b>\$123</b>	<b>\$258</b>	<b>\$40</b>	<b>\$40</b>	<b>\$0</b>	
GPs	ATLAS PIPELINE HOLDINGS LP	AHD	\$0.0	\$4.9	\$11.1	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	ALLIANCE HOLDINGS GP LP	AHGP	NA	NA	NA	-	NA	NA	NA	NA	NA	NA	NA	NA
	ENERGY TRANSFER EQUITY LP	ETE	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
	PENN VIRGINIA GP HOLDINGS LP	PVG	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>\$0.0</b>	<b>\$4.9</b>	<b>\$11.1</b>	<b>0%</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>All MLPs Average</b>		<b>\$40.8</b>	<b>\$49.8</b>	<b>\$52.7</b>	<b>9%</b>	<b>\$230.7</b>	<b>\$193.4</b>	<b>\$138.4</b>	<b>\$124.5</b>	<b>\$260.1</b>	<b>\$105.7</b>	<b>\$73.5</b>	<b>\$74.6</b>	
<b>All MLPs Median</b>		<b>\$20.5</b>	<b>\$25.2</b>	<b>\$26.5</b>	<b>7%</b>	<b>\$44.9</b>	<b>\$50.0</b>	<b>\$48.2</b>	<b>\$49.0</b>	<b>\$27.8</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	
<b>All MLPs Sum</b>		<b>\$2,326</b>	<b>\$2,836</b>	<b>\$3,005</b>		<b>\$13,147</b>	<b>\$11,022</b>	<b>\$7,886</b>	<b>\$7,099</b>	<b>\$14,823</b>	<b>\$6,024</b>	<b>\$4,190</b>	<b>\$4,250</b>	

Source: Partnership reports and Wells Fargo Securities, LLC estimates

Date: 11/30/10

Master Limited Partnerships

Equity Issuance And WACC

	(SMM, except per unit data)	Ticker	Equity Issuances				WACC (50% weight)			Max IDR Splits			
			2010 YTD	2010E	2011E	2012E	Ke	Kd <sup>1</sup>	WACC	LP	GP	% To GP	
Large Cap Pipeline MLPs	BUCKEYE PARTNERS LP	BPL	\$0	\$0	\$0	\$0	10.3%	4.2%	7.3%	69%	31%	22%	
	BOARDWALK PIPELINE PRTRNS-LP	BWP	\$0	\$200	\$0	\$0	9.8%	3.9%	6.9%	50%	50%	7%	
	ENBRIDGE ENERGY PRTRNS -LP	EEL	\$360	\$350	\$250	\$150	9.5%	5.8%	7.7%	50%	50%	14%	
	EL PASO PIPELINE PARTNERS LP	EPB	\$1,500	\$1,460	\$750	\$750	11.0%	5.5%	8.3%	50%	50%	7%	
	ENTERPRISE PRODS PRTRNER -LP	EPD	\$835	\$1,233	\$1,200	\$400	10.6%	4.4%	7.5%	75%	25%	15%	
	ENERGY TRANSFER PARTNERS -LP	ETP	\$942	\$1,129	\$300	\$200	13.7%	5.2%	9.4%	50%	50%	37%	
	KINDER MORGAN ENERGY -LP	KMP	\$506	\$587	\$200	\$0	14.0%	4.7%	9.4%	50%	50%	45%	
	MAGELLAN MIDSTREAM PRTRNS LP	MMP	\$233	\$258	\$0	\$0	9.0%	4.3%	6.6%	100%	0%	0%	
	NISKA GAS STORAGE PARTNERS	NKA	\$0	NA	\$0	\$0	9.6%	7.7%	8.7%	50%	50%	2%	
	NUSTAR ENERGY LP	NS	\$249	\$241	\$0	\$0	10.1%	4.8%	7.5%	75%	25%	13%	
	ONEOK PARTNERS -LP	OKS	\$304	\$323	\$100	\$100	10.4%	4.5%	7.4%	50%	50%	21%	
	PLAINS ALL AMER PIPELINE -LP	PAA	\$263	\$0	\$200	\$200	12.3%	4.6%	8.5%	50%	50%	31%	
	PAA NATURAL GAS STORAGE LP	PNG	\$0	\$0	\$120	\$120	10.6%	5.0%	7.8%	50%	50%	2%	
	SPECTRA ENERGY PARTNERS LP	SEP	\$0	\$0	\$0	\$0	9.9%	5.0%	7.4%	50%	50%	7%	
	SUNOCO LOGISTICS PARTNERS LP	SXL	\$130	\$125	\$0	\$0	11.4%	6.2%	8.8%	50%	50%	24%	
	WILLIAMS PARTNERS LP	WPZ	\$392	\$526	\$350	\$0	10.8%	4.3%	7.6%	50%	50%	23%	
<b>Large Cap Pipeline MLP Total / Median</b>			<b>\$5,714</b>	<b>\$6,431</b>	<b>\$3,470</b>	<b>\$1,920</b>	<b>10.5%</b>	<b>4.8%</b>	<b>7.6%</b>	<b>50%</b>	<b>50%</b>	<b>15%</b>	
Small & Mid Cap Pipeline	BLUEKNIGHT ENERGY PRTRNS LP	BKEP	\$0	\$0	\$157	\$50	-	6.4%	-	50%	50%	0%	
	DUNCAN ENERGY PARTNERS LP	DEP	\$0	\$0	\$0	\$0	9.5%	6.4%	8.0%	98%	2%	1%	
	EXTERRAN PARTNERS LP	EXLP	\$0	\$214	\$161	\$172	12.3%	6.4%	9.4%	50%	50%	5%	
	GENESIS ENERGY -LP	GEL	\$122	\$0	\$165	\$0	13.2%	6.4%	9.8%	50%	50%	18%	
	GLOBAL PARTNERS LP	GLP	\$0	\$0	\$0	\$0	11.1%	6.4%	8.7%	100%	0%	2%	
	HOLLY ENERGY PARTNERS LP	HEP	\$0	\$0	\$0	\$0	10.6%	6.4%	8.5%	50%	50%	15%	
	MARTIN MIDSTREAM PARTNERS LP	MMLP	\$81	\$53	\$0	\$0	11.5%	6.4%	9.0%	50%	50%	8%	
	TC PIPELINES LP	TCLP	\$0	\$0	\$0	\$0	10.4%	6.4%	8.4%	75%	25%	2%	
	TRANSMONTAIGNE PARTNERS LP	TLP	\$47	\$54	\$0	\$0	10.3%	6.4%	8.3%	50%	50%	8%	
	<b>Small Cap Pipeline MLP Total / Median</b>			<b>\$250</b>	<b>\$321</b>	<b>\$483</b>	<b>\$222</b>	<b>10.9%</b>	<b>6.4%</b>	<b>8.6%</b>	<b>50%</b>	<b>50%</b>	<b>5%</b>
Gathering & Processing MLPs	ATLAS PIPELINE PARTNER LP	APL	\$0	\$15	\$0	\$0	-	6.9%	-	50%	50%	2%	
	CHESAPEAKE MIDSTREAM PRTRNS	CHKM	\$0	\$0	\$0	\$340	11.2%	7.1%	9.1%	50%	50%	2%	
	CRESTWOOD MIDSTREAM PTNRS LP	CMLP	\$0	\$0	\$0	\$0	11.9%	7.6%	9.8%	50%	50%	6%	
	COPANO ENERGY LLC	CPNO	\$450	\$456	\$0	\$0	11.5%	7.6%	9.6%	100%	0%	0%	
	DCP MIDSTREAM PARTNERS LP	DPM	\$172	\$81	\$150	\$75	11.6%	7.1%	9.4%	50%	50%	17%	
	EAGLE ROCK ENERGY PARTNRS LP	EROC	\$83	\$84	\$0	\$0	11.6%	7.1%	9.3%	50%	50%	0%	
	MARKWEST ENERGY PARTNERS LP	MWE	\$149	\$142	\$150	\$125	10.5%	6.6%	8.6%	100%	0%	0%	
	TARGA RESOURCES PARTNERS LP	NGLS	\$288	\$318	\$0	\$0	12.0%	7.1%	9.6%	50%	50%	12%	
	REGENCY ENERGY PARTNERS LP	RGNC	\$964	\$1,097	\$0	\$0	10.5%	6.5%	8.5%	50%	50%	4%	
	WESTERN GAS PARTNERS LP	WES	\$341	\$136	\$250	\$250	10.2%	7.1%	8.6%	50%	50%	3%	
	CROSSTEX ENERGY LP	XTEX	\$0	\$0	\$0	\$0	-	7.1%	-	50%	50%	2%	
<b>Gathering &amp; Processing Total / Median</b>			<b>\$2,446</b>	<b>\$2,330</b>	<b>\$550</b>	<b>\$790</b>	<b>11.5%</b>	<b>7.1%</b>	<b>9.3%</b>	<b>50%</b>	<b>50%</b>	<b>2%</b>	
Upstream MLPs	BREITBURN ENERGY PARTNERS LP	BBEP	\$0	\$0	\$25	\$25	10.6%	8.7%	9.6%	98%	2%	0%	
	ENCORE ENERGY PARTNERS LP	ENP	\$0	\$0	\$50	\$50	10.5%	8.1%	9.3%	95%	5%	1%	
	EV ENERGY PARTNERS LP	EVEP	\$214	\$194	\$210	\$60	11.1%	8.1%	9.6%	75%	25%	12%	
	LEGACY RESERVES LP	LGCY	\$171	\$96	\$50	\$0	10.1%	8.1%	9.1%	100%	0%	0%	
	LINN ENERGY LLC	LINE	\$375	\$431	\$400	\$300	9.4%	7.5%	8.5%	100%	0%	0%	
	PIONEER SOUTHWEST ENERGY -LP	PSE	\$0	\$0	\$75	\$0	9.4%	8.1%	8.7%	100%	0%	0%	
	VANGUARD NATURAL RESOURCES	VNR	\$180	\$180	\$150	\$40	10.9%	8.1%	9.5%	100%	0%	0%	
	<b>Upstream MLP Total / Median</b>			<b>\$940</b>	<b>\$901</b>	<b>\$885</b>	<b>\$550</b>	<b>10.5%</b>	<b>8.1%</b>	<b>9.3%</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>
	Propane	AMERIGAS PARTNERS -LP	APU	\$0	\$0	\$0	\$0	9.2%	6.0%	7.6%	50%	50%	3%
FERRELLGAS PARTNERS -LP		FGP	\$0	\$0	\$0	\$0	10.2%	6.2%	8.2%	50%	50%	2%	
INERGY LP		NRGY	\$528	\$630	\$0	\$0	13.6%	6.5%	10.1%	50%	50%	28%	
SUBURBAN PROPANE PRTRNS -LP		SPH	\$0	\$0	\$0	\$0	10.4%	6.2%	8.3%	100%	0%	0%	
<b>Propane MLP Total / Median</b>			<b>\$528</b>	<b>\$630</b>	<b>\$0</b>	<b>\$0</b>	<b>10.3%</b>	<b>6.2%</b>	<b>8.3%</b>	<b>50%</b>	<b>50%</b>	<b>3%</b>	
Shipping	CAPITAL PRODUCT PARTNERS LP	CPLP	\$95	\$105	\$0	\$0	11.9%	8.1%	10.0%	50%	50%	2%	
	K-SEA TRANSPORTATION -LP	KSP	\$100	\$0	\$0	\$0	-	8.1%	-	50%	50%	0%	
	NAVIOS MARITIME PARTNERS LP	NMM	\$0	\$263	\$0	\$0	10.4%	8.1%	9.3%	50%	50%	3%	
	TEEKAY LNG PARTNERS LP	TGP	\$51	\$85	\$90	\$0	9.9%	8.1%	9.0%	50%	50%	7%	
TEEKAY OFFSHORE PARTNERS LP	TOO	\$202	\$232	\$0	\$0	10.6%	8.1%	9.3%	50%	50%	5%		
<b>Shipping MLP Total / Median</b>			<b>\$448</b>	<b>\$685</b>	<b>\$90</b>	<b>\$0</b>	<b>10.5%</b>	<b>8.1%</b>	<b>9.3%</b>	<b>50%</b>	<b>50%</b>	<b>3%</b>	
Coal	ALLIANCE RESOURCE PTNRS -LP	ARLP	\$0	NA	\$0	\$0	13.9%	8.1%	11.0%	50%	50%	37%	
	NATURAL RESOURCE PARTNERS LP	NRP	\$115	\$115	\$0	\$0	10.2%	8.1%	9.1%	50%	50%	2%	
	OXFORD RESOURCE PARTNERS LP	OXF	\$0	\$0	\$0	\$0	12.1%	8.1%	10.1%	50%	50%	2%	
	PENN VIRGINIA RES PRTRNR LP	PVR	\$0	\$0	\$0	\$0	11.3%	8.1%	9.7%	50%	50%	21%	
<b>Coal MLP Median Total / Median</b>			<b>\$115</b>	<b>\$115</b>	<b>\$0</b>	<b>\$0</b>	<b>11.7%</b>	<b>8.1%</b>	<b>9.9%</b>	<b>50%</b>	<b>50%</b>	<b>12%</b>	
GPs	ATLAS PIPELINE HOLDINGS LP	AHD	\$0	\$0	\$0	\$0	-	6.9%	-	GP	GP	0.0%	
	ALLIANCE HOLDINGS GP LP	AHGP	\$0	\$0	\$0	\$0	11.2%	6.9%	9.0%	GP	GP	NA	
	ENERGY TRANSFER EQUITY LP	ETE	\$0	\$0	\$0	\$0	11.1%	7.0%	9.0%	GP	GP	NA	
	NUSTAR GP HOLDINGS LLC	NSH	\$0	\$0	\$0	\$0	9.5%	6.9%	8.2%	GP	GP	NA	
	PENN VIRGINIA GP HOLDINGS LP	PVG	\$0	\$0	\$0	\$0	-	6.9%	-	GP	GP	NA	
	CROSSTEX ENERGY INC	XTXI	\$0	\$0	\$0	\$0	-	6.9%	-	GP	GP	NA	
<b>General Partnership MLP Total / Median</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>11.1%</b>	<b>6.9%</b>	<b>9.0%</b>				
<b>All MLPs Average (Excl. GPs)</b>			<b>\$186.4</b>	<b>\$211.4</b>	<b>\$97.8</b>	<b>\$62.2</b>	<b>10.9%</b>	<b>6.6%</b>	<b>8.7%</b>	<b>63%</b>	<b>37%</b>	<b>9%</b>	
<b>All MLPs Median (Excl. GPs)</b>			<b>\$82.1</b>	<b>\$84.5</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>10.6%</b>	<b>6.5%</b>	<b>8.8%</b>	<b>50%</b>	<b>50%</b>	<b>3%</b>	
<b>All MLPs Sum</b>			<b>\$10,441</b>	<b>\$11,414</b>	<b>\$5,478</b>	<b>\$3,482</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

MLP Monthly: December 2010

Credit Metrics

	(\$MM, except per unit data)	Ticker	Total Debt (At Q3'10)	S&P Debt Rating	Investment Grade
Large Cap MLPs	BUCKEYE PARTNERS LP	BPL	\$1,441	BBB	Yes
	BOARDWALK PIPELINE PRTRNS-LP	BWP	\$3,252	BBB	Yes
	ENBRIDGE ENERGY PRTRNS -LP	EEP	\$5,220	BBB	Yes
	EL PASO PIPELINE PARTNERS LP	EPB	\$1,796	BB	No
	ENTERPRISE PRODS PRTRNER -LP	EPD	\$11,945	BBB-	Yes
	ENERGY TRANSFER PARTNERS -LP	ETP	\$6,040	BBB-	Yes
	KINDER MORGAN ENERGY -LP	KMP	\$11,689	BBB	Yes
	MAGELLAN MIDSTREAM PRTRNS LP	MMP	\$1,892	BBB	Yes
	NISKA GAS STORAGE PARTNERS	NKA	\$806	BB	No
	NUSTAR ENERGY LP	NS	\$1,848	BBB-	Yes
	ONEOK PARTNERS -LP	OKS	\$3,149	BBB	Yes
	PLAINS ALL AMER PIPELINE -LP	PAA	\$4,606	BBB-	Yes
	PAA NATURAL GAS STORAGE LP	PNG	\$222	None	No
	SPECTRA ENERGY PARTNERS LP	SEP	\$380	None	No
	SUNOCO LOGISTICS PARTNERS LP	SXL	\$1,348	BBB	Yes
	WILLIAMS PARTNERS LP	WPZ	\$6,223	BBB-	Yes
	<b>Large Cap Pipeline MLP Median</b>			<b>\$2,520</b>	
Small & Mid Cap Pipeline	BLUEKNIGHT ENERGY PRTRNS LP	BKEP	\$414	None	No
	DUNCAN ENERGY PARTNERS LP	DEP	\$655	None	No
	EXTERRAN PARTNERS LP	EXLP	\$436	None	No
	GENESIS ENERGY -LP	GEL	\$426	None	No
	GLOBAL PARTNERS LP	GLP	\$485	None	No
	HOLLY ENERGY PARTNERS LP	HEP	\$502	BB-	No
	MARTIN MIDSTREAM PARTNERS LP	MMLP	\$314	None	No
	TC PIPELINES LP	TCLP	\$582	None	No
	TRANSMONTAIGNE PARTNERS LP	TLP	\$108	None	No
	<b>Small Cap Pipeline MLP Median</b>			<b>\$436</b>	
Gathering & Processing MLPs	ATLAS PIPELINE PARTNER LP	APL	\$508	B-	No
	CHESAPEAKE MIDSTREAM PRTRNS	CHKM	None	None	No
	CRESTWOOD MIDSTREAM PTNRS LP	CMLP	\$239	None	No
	COPANO ENERGY LLC	CPNO	\$583	BB-	No
	DCP MIDSTREAM PARTNERS LP	DPM	\$613	BBB-	Yes
	EAGLE ROCK ENERGY PARTNRS LP	EROC	\$515	None	No
	MARKWEST ENERGY PARTNERS LP	MWE	\$1,216	BB	No
	TARGA RESOURCES PARTNERS LP	NGLS	\$1,433	BB-	No
	REGENCY ENERGY PARTNERS LP	RGNC	\$995	BB-	No
	WESTERN GAS PARTNERS LP	WES	\$735	None	No
	CROSSTEX ENERGY LP	XTEX	\$718	None	No
	<b>Gathering &amp; Processing MLP Median</b>			<b>\$665</b>	
Upstream MLPs	BREITBURN ENERGY PARTNERS LP	BBEP	\$516	None	No
	ENCORE ENERGY PARTNERS LP	ENP	\$240	None	No
	EV ENERGY PARTNERS LP	EVEP	\$334	None	No
	LEGACY RESERVES LP	LGCY	\$290	None	No
	LINN ENERGY LLC	LINE	\$2,742	B+	No
	PIONEER SOUTHWEST ENERGY -LP	PSE	\$74	None	No
	VANGUARD NATURAL RESOURCES	VNR	\$171	None	No
<b>Upstream MLP Median</b>			<b>\$290</b>		
Propane	AMERIGAS PARTNERS -LP	APU	\$868	None	No
	FERRELLGAS PARTNERS -LP	FGP	\$1,232	B+	No
	INERGY LP	NRGY	\$1,666	None	No
	SUBURBAN PROPANE PRTRNS -LP	SPH	\$348	BB	No
<b>Propane MLP Median</b>			<b>\$1,050</b>		
Shipping	CAPITAL PRODUCT PARTNERS LP	CPLP	\$474	None	No
	K-SEA TRANSPORTATION -LP	KSP	\$285	None	No
	NAVIOS MARITIME PARTNERS LP	NMM	\$272	None	No
	TEEKAY LNG PARTNERS LP	TGP	\$1,564	None	No
	TEEKAY OFFSHORE PARTNERS LP	TOO	\$1,493	None	No
<b>Shipping MLP Median</b>			<b>\$474</b>		
Coal	ALLIANCE RESOURCE PTNRS -LP	ARLP	\$422	None	No
	NATURAL RESOURCE PARTNERS LP	NRP	\$637	None	No
	OXFORD RESOURCE PARTNERS LP	OXF	\$119	None	No
	PENN VIRGINIA RES PRTRNR LP	PVR	\$665	None	No
<b>Coal MLP Median</b>			<b>\$530</b>		
GPs	ATLAS PIPELINE HOLDINGS LP	AHD	\$34	None	No
	ALLIANCE HOLDINGS GP LP	AHGP	None	None	No
	ENERGY TRANSFER EQUITY LP	ETE	\$1,800	None	No
	NUSTAR GP HOLDINGS LLC	NSH	\$20	None	No
	PENN VIRGINIA GP HOLDINGS LP	PVG	None	None	No
	CROSSTEX ENERGY INC	XTXI	None	None	No
<b>General Partnership MLP Median</b>			<b>\$34</b>		
<b>All MLPs Average</b>			<b>\$1,545</b>		
<b>All MLPs Median</b>			<b>\$625</b>		

Source: Partnership reports and FactSet

Master Limited Partnerships

MLP Performance

	Ticker	Price 11/30/2010	Price Performance (% Δ)			YTD	Total Return Performance (% Δ)					
			WTD	MTD	QTD		MTD	QTD	YTD	TTM		
Large Cap Pipeline MLPs	WILLIAMS PARTNERS LP	WPZ	\$47.05	(0.4%)	6.4%	10.6%	53.4%	8.0%	12.3%	62.8%	79.5%	
	ENTERPRISE PRODS PARTNER -LP	EPD	\$42.08	(1.0%)	(1.4%)	6.5%	34.0%	(1.4%)	8.0%	43.2%	50.4%	
	MAGELLAN MIDSTREAM PARTNRS LP	MMP	\$56.00	(0.1%)	3.8%	8.9%	29.2%	5.2%	10.4%	37.5%	45.6%	
	EL PASO PIPELINE PARTNERS LP	EPB	\$33.12	0.4%	(2.1%)	2.8%	27.6%	(2.1%)	4.1%	34.1%	48.9%	
	ONEOK PARTNERS -LP	OKS	\$79.21	(0.0%)	1.0%	5.6%	27.1%	1.0%	7.1%	35.6%	42.2%	
	KINDER MORGAN MANAGEMENT LLC	KMR	\$63.99	0.4%	2.9%	7.2%	25.8%	2.9%	7.2%	24.8%	36.5%	
	BUCKEYE PARTNERS LP	BPL	\$68.07	(0.0%)	4.8%	4.5%	25.0%	6.3%	5.9%	29.7%	34.9%	
	ENBRIDGE ENERGY MGMT LLC	EEQ	\$60.92	(0.5%)	4.1%	12.6%	23.5%	4.1%	12.6%	23.7%	35.1%	
	SUNOCO LOGISTICS PARTNERS LP	SXL	\$80.65	0.4%	0.7%	2.4%	20.6%	2.2%	3.9%	28.3%	38.2%	
	NUSTAR ENERGY LP	NS	\$67.45	(0.4%)	7.0%	9.2%	20.3%	7.0%	11.1%	29.1%	37.2%	
	PLAINS ALL AMER PIPELINE -LP	PAA	\$61.50	0.1%	(2.4%)	(2.1%)	16.4%	(2.4%)	(0.6%)	24.2%	29.0%	
	KINDER MORGAN ENERGY -LP	KMP	\$70.45	0.2%	1.0%	2.4%	15.5%	1.0%	4.0%	22.7%	29.6%	
	SPECTRA ENERGY PARTNERS LP	SEP	\$33.93	0.6%	(0.5%)	(1.4%)	14.7%	(0.5%)	(0.2%)	21.5%	29.7%	
	ENBRIDGE ENERGY PARTNRS -LP	EEP	\$60.85	0.0%	(1.5%)	8.3%	10.1%	0.1%	10.1%	21.4%	32.5%	
	ENERGY TRANSFER PARTNERS -LP	ETP	\$50.67	(0.7%)	(0.5%)	5.1%	12.7%	1.2%	6.9%	21.4%	25.2%	
	PAA NATURAL GAS STORAGE LP	PNG	\$23.63	(1.0%)	(0.9%)	(1.2%)	9.9%	(0.9%)	0.2%	NA	NA	
	BOARDWALK PIPELINE PARTNRS-LP	BWP	\$31.00	(0.3%)	(4.5%)	(4.7%)	3.2%	(4.5%)	(3.2%)	10.7%	16.8%	
	NISKA GAS STORAGE PARTNERS	NKA	\$19.98	0.1%	(0.6%)	2.2%	(2.5%)	1.2%	4.0%	NA	NA	
	<b>Large Cap Pipeline MLP Median</b>			<b>(0.0%)</b>	<b>0.1%</b>	<b>4.8%</b>	<b>20.4%</b>	<b>1.1%</b>	<b>6.4%</b>	<b>26.6%</b>	<b>35.8%</b>	
	Small & Mid Cap Pipeline	CHENIERE ENERGY PARTNERS LP	CQP	\$19.93	0.3%	4.4%	7.2%	54.4%	4.4%	9.6%	70.9%	83.9%
DUNCAN ENERGY PARTNERS LP		DEP	\$31.37	0.2%	(0.7%)	1.1%	32.1%	(0.7%)	2.6%	41.7%	49.6%	
GENESIS ENERGY -LP		GEL	\$24.43	(0.4%)	(4.3%)	3.3%	29.3%	(4.3%)	4.8%	37.8%	51.8%	
HOLLY ENERGY PARTNERS LP		HEP	\$51.15	(0.3%)	2.0%	0.0%	28.4%	3.6%	1.6%	38.0%	49.7%	
TRANSMONTAIGNE PARTNERS LP		TLP	\$35.24	(0.4%)	3.2%	2.0%	28.0%	3.2%	3.9%	37.7%	45.8%	
TC PIPELINES LP		TCLP	\$46.49	(1.0%)	(6.2%)	(0.6%)	26.2%	(6.2%)	0.9%	34.7%	35.6%	
MARTIN MIDSTREAM PARTNERS LP		MMLP	\$36.73	0.4%	7.0%	12.7%	16.7%	9.3%	15.1%	28.1%	52.2%	
GLOBAL PARTNERS LP		GLP	\$25.84	0.6%	(5.5%)	4.1%	12.5%	(3.7%)	6.1%	21.8%	17.5%	
EXTRERRAN PARTNERS LP		EXLP	\$24.17	0.4%	4.5%	11.5%	8.8%	6.5%	13.7%	18.5%	35.0%	
BLUEKNIGHT ENERGY PARTNRS LP		BKEP	\$7.09	(2.1%)	(2.1%)	(22.3%)	(19.3%)	(2.1%)	(22.3%)	(20.9%)	(25.3%)	
<b>Small Cap Pipeline MLP Median</b>				<b>(0.0%)</b>	<b>0.7%</b>	<b>2.7%</b>	<b>27.1%</b>	<b>1.3%</b>	<b>4.4%</b>	<b>36.2%</b>	<b>47.7%</b>	
Gathering & Processing MLPs		ATLAS PIPELINE PARTNER LP	APL	\$23.79	1.0%	23.3%	39.1%	142.5%	25.5%	41.6%	153.1%	243.4%
		CROSSTEX ENERGY LP	XTEX	\$13.93	0.0%	(0.4%)	9.9%	62.0%	(0.4%)	11.8%	65.0%	138.5%
	WESTERN GAS PARTNERS LP	WES	\$29.78	(0.7%)	0.8%	8.5%	52.8%	0.8%	9.9%	59.9%	60.3%	
	MARKWEST ENERGY PARTNERS LP	MWE	\$42.33	(0.0%)	11.3%	18.1%	44.6%	13.0%	20.0%	56.4%	79.7%	
	EAGLE ROCK ENERGY PARTNRS LP	EROC	\$8.01	(1.6%)	17.6%	29.5%	38.3%	18.0%	29.9%	38.6%	74.8%	
	CHESAPEAKE MIDSTREAM PARTNRS	CHKM	\$28.44	(0.8%)	6.8%	13.2%	35.4%	7.6%	14.1%	NA	NA	
	CRESTWOOD MIDSTREAM PARTNRS LP	CMLP	\$26.59	(2.8%)	4.0%	10.6%	26.8%	4.0%	12.4%	38.6%	42.0%	
	COPANO ENERGY LLC	CPNO	\$29.93	(0.2%)	7.8%	10.2%	25.2%	7.8%	12.5%	37.7%	62.0%	
	TARGA RESOURCES PARTNERS LP	NGLS	\$30.29	(2.5%)	3.7%	10.7%	24.6%	3.7%	12.7%	36.9%	66.4%	
	REGENCY ENERGY PARTNERS LP	RGNC	\$25.65	1.4%	0.1%	3.6%	22.4%	1.8%	5.4%	30.5%	35.6%	
	CALUMET SPECIALTY PRODS -LP	CLMT	\$21.76	(1.0%)	(4.5%)	5.5%	18.7%	(4.5%)	7.8%	24.0%	28.4%	
	DCP MIDSTREAM PARTNERS LP	DPM	\$34.90	0.3%	(2.2%)	4.1%	18.0%	(0.5%)	5.9%	26.8%	48.7%	
	<b>Gathering &amp; Processing MLP Median</b>			<b>(0.5%)</b>	<b>3.9%</b>	<b>10.4%</b>	<b>31.1%</b>	<b>3.9%</b>	<b>12.4%</b>	<b>38.6%</b>	<b>62.0%</b>	
Upstream MLPs	BREITBURN ENERGY PARTNERS LP	BBEP	\$19.68	(0.6%)	2.7%	9.4%	85.8%	4.8%	11.6%	102.2%	95.0%	
	LEGACY RESERVES LP	LGCY	\$26.11	0.4%	0.9%	6.5%	32.7%	0.9%	8.6%	45.8%	64.4%	
	LINN ENERGY LLC	LINE	\$36.30	(0.2%)	4.1%	13.9%	30.2%	6.1%	16.1%	42.5%	59.9%	
	EV ENERGY PARTNERS LP	EVEP	\$38.18	(0.4%)	1.9%	8.8%	26.3%	4.0%	11.1%	37.8%	63.3%	
	PIONEER SOUTHWEST ENERGY -LP	PSE	\$27.91	(0.3%)	(1.8%)	3.5%	24.3%	(0.1%)	5.3%	36.9%	46.0%	
	VANGUARD NATURAL RESOURCES	VNR	\$26.43	0.3%	1.0%	3.0%	19.8%	3.2%	5.2%	29.6%	59.3%	
	ENCORE ENERGY PARTNERS LP	ENP	\$20.19	0.7%	(0.9%)	7.2%	1.9%	1.6%	9.8%	13.8%	25.9%	
	CONSTELLATION ENERGY PARTNRS	CEP	\$2.83	(1.7%)	(2.0%)	2.4%	(26.1%)	(2.0%)	2.4%	(23.0%)	(11.7%)	
	<b>Upstream MLP Median</b>			<b>(0.3%)</b>	<b>0.9%</b>	<b>6.8%</b>	<b>25.3%</b>	<b>2.4%</b>	<b>9.2%</b>	<b>37.4%</b>	<b>59.6%</b>	
Propane	STAR GAS PARTNERS -LP	SGU	\$5.33	0.2%	8.7%	13.1%	28.7%	10.3%	14.8%	38.2%	48.6%	
	FERRELLGAS PARTNERS -LP	FGP	\$26.98	2.1%	3.4%	7.0%	27.7%	3.4%	7.0%	36.0%	32.7%	
	AMERIGAS PARTNERS -LP	APU	\$47.34	(0.6%)	2.4%	6.2%	20.4%	3.9%	7.8%	29.2%	34.8%	
	SUBURBAN PROPANE PARTNRS -LP	SPH	\$54.62	0.1%	1.1%	1.2%	16.0%	1.1%	2.8%	25.2%	33.9%	
	INERGY LP	NRGY	\$39.02	(0.6%)	0.1%	(0.9%)	9.4%	0.1%	0.8%	18.3%	26.8%	
<b>Propane MLP Median</b>			<b>0.1%</b>	<b>2.4%</b>	<b>6.2%</b>	<b>20.4%</b>	<b>3.4%</b>	<b>7.0%</b>	<b>29.2%</b>	<b>33.9%</b>		
Shipping	TEEKAY OFFSHORE PARTNERS LP	TOO	\$28.82	(1.3%)	10.6%	26.8%	44.5%	12.6%	29.0%	59.9%	82.5%	
	TEEKAY LNG PARTNERS LP	TGP	\$36.32	1.5%	5.3%	13.8%	37.2%	7.1%	15.7%	47.5%	60.6%	
	NAVIOS MARITIME PARTNERS LP	NMM	\$18.56	0.2%	(1.6%)	0.0%	25.5%	0.6%	2.2%	38.6%	44.3%	
	CAPITAL PRODUCT PARTNERS LP	CPLP	\$8.41	1.0%	(5.1%)	1.6%	(8.5%)	(2.5%)	4.3%	3.6%	23.0%	
	K-SEA TRANSPORTATION -LP	KSP	\$4.59	(2.3%)	16.8%	13.9%	(60.4%)	16.8%	13.9%	(59.8%)	(56.9%)	
<b>Shipping MLP Median</b>			<b>0.2%</b>	<b>5.3%</b>	<b>13.8%</b>	<b>25.5%</b>	<b>7.1%</b>	<b>13.9%</b>	<b>38.6%</b>	<b>44.3%</b>		
Coal	RHINO RESOURCE PARTNERS LP	RNO	\$22.97	(1.1%)	3.7%	7.1%	NA	3.7%	7.1%	NA	NA	
	ALLIANCE RESOURCE PARTNRS -LP	ARLP	\$62.00	(0.5%)	3.8%	4.7%	43.0%	5.3%	6.2%	50.3%	65.9%	
	PENN VIRGINIA RES PARTNR LP	PVR	\$27.22	(0.8%)	1.5%	11.0%	26.3%	3.2%	12.9%	37.2%	53.3%	
	NATURAL RESOURCE PARTNERS LP	NRP	\$30.41	(0.5%)	4.8%	13.4%	25.5%	6.8%	15.6%	36.4%	39.8%	
	OXFORD RESOURCE PARTNERS LP	OXF	\$21.66	(0.9%)	2.4%	13.4%	17.1%	2.4%	15.3%	NA	NA	
<b>Coal MLP Median</b>			<b>(0.8%)</b>	<b>3.7%</b>	<b>11.0%</b>	<b>25.9%</b>	<b>3.7%</b>	<b>12.9%</b>	<b>37.2%</b>	<b>53.3%</b>		
GPs	ATLAS PIPELINE HOLDINGS LP	AHD	\$13.00	(1.0%)	43.0%	50.4%	91.7%	43.7%	51.2%	98.2%	297.6%	
	ALLIANCE HOLDINGS GP LP	AHGP	\$45.60	0.4%	7.9%	3.3%	66.4%	9.1%	4.4%	72.8%	96.3%	
	CROSSTEX ENERGY INC.	XTXI	\$9.25	(0.1%)	15.2%	18.2%	52.9%	15.2%	19.2%	55.7%	94.2%	
	PENN VIRGINIA GP HOLDINGS LP	PVG	\$24.93	(1.3%)	(0.8%)	9.0%	49.5%	0.7%	10.6%	61.7%	90.5%	
	NUSTAR GP HOLDINGS LLC	NSH	\$35.38	(0.2%)	1.3%	4.9%	31.4%	1.3%	6.3%	40.3%	51.0%	
	ENERGY TRANSFER EQUITY LP	ETE	\$39.56	(0.1%)	1.1%	6.5%	29.4%	2.5%	8.0%	37.6%	42.1%	
<b>General Partnership MLP Median</b>			<b>(0.2%)</b>	<b>4.6%</b>	<b>7.8%</b>	<b>51.2%</b>	<b>5.8%</b>	<b>9.3%</b>	<b>58.7%</b>	<b>92.3%</b>		
<b>All MLPs Average</b>			<b>(0.3%)</b>	<b>3.2%</b>	<b>7.8%</b>	<b>27.4%</b>	<b>4.1%</b>	<b>9.4%</b>	<b>36.9%</b>	<b>53.9%</b>		
<b>All MLPs Median</b>			<b>(0.2%)</b>	<b>1.5%</b>	<b>6.5%</b>	<b>26.0%</b>	<b>2.9%</b>	<b>7.8%</b>	<b>36.9%</b>	<b>45.9%</b>		
Indices	WELLS FARGO SECURITIES MLP INDE	WMLP	458	(0.2%)	1.5%	6.1%	26.2%	2.1%	7.6%	34.6%	43.8%	
	S&P 500 STOCK INDEX	SP50	1181	(0.1%)	(0.2%)	4.1%	5.9%	0.6%	4.4%	8.5%	11.0%	
	S&P 500 UTILITIES IND G	SP825	155	(0.4%)	(3.5%)	(2.6%)	(1.8%)	(3.0%)	(1.9%)	2.3%	8.9%	
	MSCI US REIT INDEX PRICE-ONL	RMZK	731	0.1%	(1.7%)	2.8%	18.6%	NA	NA	NA	NA	

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

Date: 11/30/2010

MLP Monthly: December 2010

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 LP	BPL	122,721	154,586	0.6x	563,920	675,845	2.1%	8.3	
	BOARDWALK PIPELINE PRTRNS-LP	BWP	249,889	320,423	0.3x	695,472	575,849	0.3%	1.8	
	ENBRIDGE ENERGY PRTRNS -LP	EEL	366,085	518,844	0.8x	606,372	581,702	2.5%	3.1	
	ENBRIDGE ENERGY MGMT LLC	EEQ	40,751	41,744	0.6x	180,284	159,222	1.9%	5.1	
	EL PASO PIPELINE PARTNERS LP	EPB	696,879	940,469	1.1x	338,153	360,823	0.6%	1.0	
	ENTERPRISE PRODS PRTRNER -LP	EPD	1,128,700	1,057,289	0.4x	4,339,978	5,328,283	2.3%	4.2	
	ENERGY TRANSFER PARTNERS -LP	ETP	563,367	579,931	0.8x	420,125	605,574	0.8%	1.1	
	KINDER MORGAN ENERGY -LP	KMP	513,892	528,821	0.4x	3,796,220	4,171,630	2.0%	6.9	
	NISKA GAS STORAGE PARTNERS	NKA	136,018	107,976	0.5x	57,538	90,205	0.3%	0.7	
	KINDER MORGAN MANAGEMENT LLC	KMR	265,185	274,221	0.7x	720,691	743,929	1.5%	2.4	
	MAGELLAN MIDSTREAM PRTRNS LP	MMP	280,170	281,373	0.6x	730,595	639,103	0.6%	2.6	
	NUSTAR ENERGY LP	NS	164,900	201,662	0.6x	431,220	443,017	1.1%	2.9	
	ONEOK PARTNERS -LP	OKS	116,390	110,643	0.3x	695,408	475,424	1.0%	4.6	
	PLAINS ALL AMER PIPELINE -LP	PAA	333,150	491,618	0.6x	379,773	455,686	0.4%	2.0	
	PAA NATURAL GAS STORAGE LP	PNG	62,059	69,323	0.4x	106,645	115,596	0.3%	2.1	
	SPECTRA ENERGY PARTNERS LP	SEP	66,942	69,797	0.2x	93,142	97,972	0.5%	1.8	
SUNOCO LOGISTICS PARTNERS LP	SXL	71,612	71,033	0.6x	85,844	129,435	0.7%	1.8		
WILLIAMS PARTNERS LP	WPZ	509,636	347,271	0.5x	761,676	1,433,372	2.4%	3.6		
<b>Large Cap Pipeline MLP Median</b>			<b>257,537</b>	<b>277,797</b>	<b>0.6x</b>	<b>497,570</b>	<b>525,637</b>	<b>0.9%</b>	<b>2.5</b>	
Small & Mid Cap Pipeline	BLUEKNIGHT ENERGY PRTRNS LP	BKEP	72,659	140,092	0.5x	-	-	-	-	
	CHENIERE ENERGY PARTNERS LP	CQP	195,834	216,380	0.3x	1,026,639	966,913	4.0%	3.8	
	DUNCAN ENERGY PARTNERS LP	DEP	83,117	76,526	0.4x	527,426	343,875	1.2%	2.6	
	EXTERRAN PARTNERS LP	EXLP	159,547	118,080	1.4x	-	-	1.0%	1.2	
	GENESIS ENERGY -LP	GEL	230,061	414,375	1.5x	-	-	1.0%	3.1	
	GLOBAL PARTNERS LP	GLP	66,866	123,158	1.0x	-	-	0.4%	0.8	
	HOLLY ENERGY PARTNERS LP	HEP	48,348	42,485	0.6x	128,983	80,664	0.4%	2.3	
	MARTIN MIDSTREAM PARTNERS LP	MMLP	62,889	79,561	0.9x	-	-	0.3%	0.8	
	TC PIPELINES LP	TCLP	80,371	136,603	0.4x	-	-	0.6%	3.1	
	TRANSMONTAIGNE PARTNERS LP	TLP	35,732	35,150	0.6x	21,060	42,068	0.3%	1.0	
	<b>Small Cap Pipeline MLP Median</b>			<b>76,515</b>	<b>120,619</b>	<b>0.6x</b>	<b>328,205</b>	<b>212,270</b>	<b>0.6%</b>	<b>2.3</b>
Gathering & Processing MLPs	ATLAS PIPELINE PARTNER LP	APL	480,629	646,662	2.3x	682,304	802,810	1.4%	2.0	
	CRESTWOOD MIDSTREAM PTNRS LP	CMLP	52,930	42,445	0.5x	-	-	0.3%	1.4	
	CHESAPEAKE MIDSTREAM PRTRNS	CHKM	136,170	74,283	0.2x	-	-	0.3%	0.5	
	CALUMET SPECIALTY PRODS -LP	CLMT	127,305	156,799	0.9x	-	-	0.6%	1.5	
	COPANO ENERGY LLC	CPNO	374,229	354,955	1.4x	-	-	1.5%	2.0	
	DCP MIDSTREAM PARTNERS LP	DPM	117,661	194,766	0.8x	-	-	0.5%	1.6	
	EAGLE ROCK ENERGY PARTNRS LP	EROC	310,247	458,773	0.9x	-	-	2.0%	5.1	
	MARKWEST ENERGY PARTNERS LP	MWE	247,991	307,477	0.9x	472,910	492,235	0.9%	2.5	
	TARGA RESOURCES PARTNERS LP	NGLS	350,027	276,089	1.2x	-	-	1.9%	2.9	
	REGENCY ENERGY PARTNERS LP	RGNC	559,089	530,852	1.1x	-	-	0.5%	1.2	
	WESTERN GAS PARTNERS LP	WES	207,559	416,684	0.8x	645,935	482,413	0.9%	5.9	
	CROSSTEX ENERGY LP	XTEX	211,320	164,738	1.1x	-	-	0.9%	1.6	
	<b>Gathering &amp; Processing MLP Median</b>			<b>229,656</b>	<b>291,783</b>	<b>0.9x</b>	<b>645,935</b>	<b>492,235</b>	<b>0.9%</b>	<b>1.8</b>
Upstream MLPs	BREITBURN ENERGY PARTNERS LP	BBEP	266,813	306,008	1.3x	-	-	0.5%	0.8	
	CONSTELLATION ENERGY PRTRNS	CEP	62,054	75,018	0.6x	16,371	17,102	0.1%	0.3	
	ENCORE ENERGY PARTNERS LP	ENP	217,107	319,950	1.2x	137,426	108,128	0.6%	0.6	
	EV ENERGY PARTNERS LP	EVEP	166,356	201,941	1.4x	-	-	0.6%	0.9	
	LEGACY RESERVES LP	LGCY	160,071	228,072	1.0x	-	-	0.3%	0.9	
	LINN ENERGY LLC	LINE	816,500	860,849	1.4x	-	-	1.5%	2.9	
	PIONEER SOUTHWEST ENERGY -LP	PSE	60,728	54,643	0.5x	78,535	56,673	0.5%	1.2	
	VANGUARD NATURAL RESOURCES	VNR	295,575	352,506	3.4x	244,687	247,548	1.6%	1.2	
	<b>Upstream MLP Median</b>			<b>191,732</b>	<b>267,040</b>	<b>1.2x</b>	<b>107,981</b>	<b>82,401</b>	<b>0.5%</b>	<b>0.9</b>
	Propane	AMERIGAS PARTNERS -LP	APU	46,696	56,403	0.2x	134,801	163,585	0.7%	4.2
FERRELLGAS PARTNERS -LP		FGP	125,288	154,279	0.5x	289,932	204,648	0.8%	2.0	
INERGY LP		NRGY	564,155	303,874	2.1x	-	-	0.5%	1.8	
STAR GAS PARTNERS -LP		SGU	140,195	157,523	0.5x	27,800	18,990	0.0%	0.1	
SUBURBAN PROPANE PRTRNS -LP		SPH	97,229	77,520	0.7x	387,859	354,701	0.4%	4.1	
<b>Propane MLP Median</b>			<b>125,288</b>	<b>154,279</b>	<b>0.5x</b>	<b>212,367</b>	<b>184,117</b>	<b>0.5%</b>	<b>2.0</b>	
Shipping	CAPITAL PRODUCT PARTNERS LP	CPLP	193,423	186,441	1.4x	-	-	1.6%	1.4	
	K-SEA TRANSPORTATION -LP	KSP	118,455	159,581	1.6x	551,471	519,466	3.4%	4.5	
	NAVIOS MARITIME PARTNERS LP	NMM	349,601	283,371	2.0x	494,644	559,635	1.4%	2.0	
	TEEKAY LNG PARTNERS LP	TGP	93,347	106,693	0.4x	131,663	189,741	1.5%	1.9	
	TEEKAY OFFSHORE PARTNERS LP	TOO	235,817	203,305	1.3x	48,640	112,595	0.6%	0.5	
<b>Shipping MLP Median</b>			<b>193,423</b>	<b>186,441</b>	<b>1.4x</b>	<b>313,154</b>	<b>354,604</b>	<b>1.5%</b>	<b>1.6</b>	
Coal	ALLIANCE RESOURCE PTNRS -LP	ARLP	95,990	95,477	0.7x	-	-	1.4%	2.9	
	NATURAL RESOURCE PARTNERS LP	NRP	187,645	249,873	0.6x	296,948	147,569	0.3%	1.0	
	RHINO RESOURCE PARTNERS LP	RNO	54,709	29,891	0.6x	0	1,030	0.0%	0.0	
	OXFORD RESOURCE PARTNERS LP	OXF	145,037	109,778	1.8x	32,875	79,826	1.1%	0.7	
	PENN VIRGINIA RES PRTRNR LP	PVR	146,633	174,711	0.7x	760,727	979,519	2.9%	7.7	
<b>Coal MLP Median</b>			<b>145,037</b>	<b>109,778</b>	<b>0.7x</b>	<b>164,912</b>	<b>113,698</b>	<b>1.1%</b>	<b>1.0</b>	
GPs	ATLAS PIPELINE HOLDINGS LP	AHD	161,482	296,420	1.5x	201,814	143,830	2.2%	1.8	
	ALLIANCE HOLDINGS GP LP	AHGP	51,083	40,321	0.2x	-	-	0.3%	1.2	
	ENERGY TRANSFER EQUITY LP	ETE	268,427	269,956	0.3x	680,316	503,660	0.3%	2.9	
	NUSTAR GP HOLDINGS LLC	NSH	95,547	99,448	0.6x	366,032	282,383	0.7%	3.0	
	PENN VIRGINIA GP HOLDINGS LP	PVG	207,200	163,075	1.3x	207,857	128,220	0.2%	1.1	
	CROSSTEX ENERGY INC	XTXI	334,504	341,556	1.8x	-	-	6.1%	11.2	
<b>General Partnership MLP Median</b>			<b>184,341</b>	<b>216,515</b>	<b>1.0x</b>	<b>286,945</b>	<b>213,107</b>	<b>0.5%</b>	<b>2.4</b>	
<b>All MLPs Average</b>			<b>226,907</b>	<b>248,296</b>	<b>0.9x</b>	<b>524,416</b>	<b>558,055</b>	<b>1.1%</b>	<b>2.5</b>	
<b>All MLPs Median</b>			<b>161,482</b>	<b>186,441</b>	<b>0.7x</b>	<b>366,032</b>	<b>343,875</b>	<b>0.7%</b>	<b>1.9</b>	

Source: FactSet

Date: 11/30/2010

## Risks

**Commodity Price Risk.** Some MLPs have significant exposure to commodity price fluctuations including partnerships involved in oil and gas production, gathering and processing, and coal. If commodity prices are weaker than expected, some MLPs' cash flows could be negatively affected.

**A Decline In Drilling Activity.** A slowdown in drilling activity could reduce oil and gas producer revenue, gathering fees, throughput volumes into processing plants, and ultimately, pipeline volumes. In particular, many MLPs have assets tied to unconventional shale plays, which typically have a higher cost structure. Thus, lower commodity prices are more likely to affect drilling in these regions before drilling is curtailed in more convention oil and gas fields.

**A Severe Economic Downturn.** Energy demand is closely linked to overall economic growth. A severe economic downturn could reduce the demand for energy and commodity products, which could result in lower earnings and cash flow.

**Financing Growth.** MLPs are dependent on debt and equity markets to finance growth projects and acquisitions. A dislocation in either of these markets could reduce a partnership's ability to grow distributions, as projects would become more expensive on the margin.

**Execution Risk Related To Acquisitions And Organic Projects.** MLPs' ability to grow is dependent, in part, on their ability to complete identified organic growth projects on time and on budget and/or to successfully identify and execute future acquisitions. If the MLPs are unsuccessful in completing projects on time or within budget or if the partnerships cannot identify attractive acquisitions, future cash flow and distribution growth rates could be adversely affected.

**Interest Rate Risk.** As evidenced from the period from 1998-99, MLPs have generally underperformed during periods of rising interest rates.

**Tax And Legislative Risk.** Headline risk related to potential legislative changes on the treatment of carried interest and challenges to FERC tariff regulations. Specific to the former, as 2008 progresses, investor psychology could be influenced by election rhetoric concerning tax laws. To note, even though these issues may appear daunting, MLP managements have been successful in dealing with similar uncertainties related to the MLP landscape over recent years.

**Regulatory Risk.** MLPs are regulated across a number of industries. Intrastate pipelines are typically regulated by the FERC. Coal is one of the most heavily regulated industries in the country, being subject to regulation by federal, state, and local authorities. Any number of regulatory hurdles could affect MLPs' ability to grow.

**Environmental Incidents And Terrorism.** Many MLPs have assets that have been designated by the Department of Homeland Security as potential terrorist targets, such as pipelines and storage assets. A terrorist attack or environmental incident could disrupt the operations of an MLP, which could negatively affect cash flow and earnings in the near term.



**Valuation Range Information:**

**AHD Basis and Risks:** Our valuation range is based on a blend of (1) sum-of-the parts model and (2) 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%. Risks to the stock trading in our range include execution of the Elk City and Laurel Mountain divestitures, a decline in commodity prices, and/or a slow-down in drilling activity within APL's operating regions.

**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 9.5% and a long-term growth rate of 1.75%, and (2) a price-to-DCF multiple of about 17.3x 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 10.0% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of about 11.5x our 2011 estimate. Risks to the stock trading in our range include execution of the Elk City and Laurel Mountain divestitures, a decline in commodity prices, and/or a slowdown in drilling activity within APL's operation regions.

**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 9.3x 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 9.5% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of about 7.1x 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.

**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 11% required rate of return and a long-term growth rate of 0% and (2) a price-to-distributable cash flow multiple of about 8.5x 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:** The high-end of our valuation range is predicated on a modest recovery in BKEP's base business, as well as \$100MM of assumed acquisitions per year from 2012-2015. The low-end of our valuation range is based solely on a modest improvement in the partnership's base business. Our DDM assumes a long-term distribution growth rate of 0% for the low end of our range, 1.25% for the high end of our range, and a required rate of return of 10.5%. 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 15.5x 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 14x 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 9% 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.

**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 9.5% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of 11.0x 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.

**Master Limited Partnerships**

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**CPLP Basis and Risks:** Our valuation range is based on our 2011 EBITDA estimate of \$83 million and a multiple range of 9.0-9.25x. Company-specific risks include exposure to volatile shipping rates and asset values, and dilution from incentive shares. Sector risks include continued global economic weakness and increasing capacity.

**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 10.5% 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 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 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 approximately 12x our 2011 estimate. Risks to DEP include dependence on EPD as a key customer and source of acquisitions, 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 10.0% and a long-term growth rate of 1.25%, and (2) a price-to-DCF multiple of about 10x 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 12.5x 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 12.5x 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 a blend of (1) our three-stage discounted free-cash flow model, which assumes a 11% required rate of return and a long-term growth rate of 0%, and (2) a price-to-distributable cash flow multiple of about 8.5x our 2011 estimate. Risks to the units trading below our range include a dependence on acquisitions to fuel growth and partially offset the depletion of reserves, 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 14x 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 15.5x 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 11.0% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of 4.5x 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 18x our 2011 estimate. Risks to ETE trading in the range include (1) unsuccessful execution of an acquisition or an organic growth project; (2) potential conflicts of interest; (3) competition in the Texas-Louisiana natural gas market; and (4) a decline in natural gas prices.

**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 14x our 2011 estimate. Risks to ETP achieving our valuation range include: (1) execution risk related to integrating acquisitions and completing organic growth projects; (2) negative outcome from third-party litigation; (3) competition in the Texas-Louisiana natural gas market; and (4) abnormally warm weather.



**EVEP Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage maximum potential distribution discount model, which assumes a required rate of return of 11% and a long-term growth rate of 0%, and (2) a price-to-distributable cash flow multiple of about 8.5x our 2011 estimate. Risks to the units trading below our valuation range include a sustained decline in natural gas prices, rising interest rates, and the dependence upon acquisitions to offset depletion and 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 9.5% and a long-term growth rate of 1.25%, 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 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 10.0% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of 11.0x 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 9.5% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of 11.0x 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 10.0% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of about 9.5x 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.

**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 9.5% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of 12.5x our 2011 estimate. Risks to HEP units achieving 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.

**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 14x our 2011 estimate. Risks to the units trading in our valuation range include (1) delays/cost overruns on expansion projects and (2) rising interest rates.

**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 14x our 2011 estimate. Risks to the units trading in our valuation range include (1) delays/cost overruns on expansion projects and (2) rising interest rates.

**KSP 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 12.0% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of 4.5x our 2011 estimate. Risks to KSP trading below the valuation range include competition in the marine vessel industry, a lingering reduction in demand for petroleum products, potential debt covenant violations, possible environmental liabilities, changes in marine transportation regulation and further equity dilution if industry fundamentals worsen.

**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 11% and a long-term growth rate of 0%, and (2) a price-to-distributable cash flow multiple of about 8.5x 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 11% required rate of return and a long-term growth rate of 0%, and (2) a price-to-DCF multiple of about 9x 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.

**Master Limited Partnerships**

**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 10.5% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of 9.5x 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 10.0% 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 10.0% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of about 8.5x our 2011 estimate. Risks to the units trading below our valuation range include a slower-than-forecasted rate of dropdown acquisitions, 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 10.5x 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.

**NMM Basis and Risks:** Our valuation range is based on our 2011 distribution estimate of \$1.80 and a target forward dividend yield of 7.5%-8.0%, which represents a slight discount to the MLP universe and gives NMM some credit for its secure cash flows while also reflecting the length of the revaluation process. 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 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 2.5%, and (2) a price-to-distributable cash flow multiple of 15.0x 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 10.0% and a long-term growth rate of 2.5%, and (2) a price-to-distributable cash flow multiple of about 13.8x 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 9.0% and a long-term growth rate of 1.875%, and (2) a price-to-distributable cash flow multiple of about 12.5x 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 9.0% and a long-term growth rate of 2.7%, and (2) a price-to-distributable cash flow multiple of about 16.5x 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 15.5x our 2011 estimate. Risks to OKS units trading in our valuation range include (1) ability to re-contract pipeline capacity and (2) 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 10.0% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of about 8.8x 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 15x 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 16x 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 11% required rate of return and a long-term growth rate of 0%, and (2) a price-to-distributable cash flow multiple of about 9.5x 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.

**PVG Basis and Risks:** Our valuation range is based on a 0.98 conversion ratio to our PVR valuation range (\$23-\$25). Risks to PVG trading in our valuation range include (1) a decline in commodity prices, (2) a slowdown in acquisitions, and (3) 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 10.0% 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, and (4) rising interest rates.

**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 9.0% 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 a slower-than-forecasted rate of investments, a decline in commodity prices, and rising interest rates.

**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 9.5% and a long-term growth rate of 2.5%, and (2) a price-to-distributable cash flow multiple of 13.5x 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 12x 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 10.0% and a long-term growth rate of 1.875%, and (2) a price-to-distributable cash flow multiple of 10.5x 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 9.5% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of 11.5x 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.

**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 9.5% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of 9.5x 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 9.5% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of 10.8x 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.

**VNR Basis and Risks:** Our valuation range is based on a blend of (1) our three-stage distribution discount model, which assumes a 11% required rate of return and a long-term 0% growth rate, and (2) a price-to-distributable cash flow multiple of about 9.5x 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 9.0% and a long-term growth rate of 1.25%, and (2) a price-to-distributable cash flow multiple of about 11.5x 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 12x 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 11% required rate of return and a 1.25% long-term growth rate and (2) a price-to-distributable cash flow multiple of about 5x our 2011 estimate. Risks to XTEX trading in our valuation range include: (1) execution risk related to improving liquidity and reducing leverage; (2) competition in the Texas-Louisiana natural gas market; (3) rising interest rates; and (4) 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 11.0% and a long-term growth rate of 3.80%, and (2) a price-to-distributable cash flow multiple of about 17.5x our 2011 estimate. Risks to XTXI trading in our valuation range include (1) execution risk related to XTEX improving liquidity and reducing leverage; (2) potential conflicts of interest; 3) competition in the Texas-Louisiana natural gas market; and 4) lower processing margins.



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L.P., Energy Transfer Partners, L.P., Enterprise Products Partners L.P., EV Energy Partners, L.P., Exterran Partners, L.P., Ferrellgas Partners, L.P., Genesis Energy, L.P., Global Partners, L.P., Holly Energy Partners, L.P., Inergy, L.P., K-Sea Transportation Partners, L.P., Kinder Morgan Energy Partners, L.P., Kinder Morgan Management, LLC, Legacy Reserves, L.P., LINN Energy, LLC, Magellan Midstream Partners, L.P., MarkWest Energy Partners, L.P., Martin Midstream Partners, L.P., Natural Resource Partners L.P., Niska Gas Storage Partners, LLC, NuStar Energy, L.P., NuStar GP Holdings, LLC, ONEOK Partners, L.P., Oxford Resource Partners, L.P., PAA Natural Gas Storage, L.P., Penn Virginia GP Holdings, L.P., Penn Virginia Resource Partners, L.P., Pioneer Southwest Energy Partners, L.P., Plains All American Pipeline, L.P., Regency Energy Partners, L.P., Spectra Energy Partners, L.P., Suburban Propane Partners, L.P., Sunoco Logistics Partners L.P., Targa Resources Partners, L.P., TC Pipelines, L.P., Teekay LNG Partners, L.P., Teekay Offshore Partners, L.P., TransMontaigne Partners L.P., Vanguard Natural Resources, LLC, Western Gas Partners, L.P., Williams Partners L.P.

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**AHD:** Risks to the stock trading in our range include execution of the Elk City and Laurel Mountain divestitures, a decline in commodity prices, and/or a slow-down in drilling activity within APL's operating regions.

**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 execution of the Elk City and Laurel Mountain divestitures, a decline in commodity prices, and/or a slowdown in drilling activity within APL's operation regions.

**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.

**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:** Company-specific risks include exposure to volatile shipping rates and asset values, and dilution from incentive shares. Sector risks include continued global economic weakness and increasing capacity.

**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 dependence on EPD as a key customer and source of acquisitions, 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.

**EEP:** 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 dependence on acquisitions to fuel growth and partially offset the depletion of reserves, 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.

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- 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) unsuccessful execution of an acquisition or an organic growth project; (2) potential conflicts of interest; (3) competition in the Texas-Louisiana natural gas market; and (4) a decline in natural gas prices.
- ETP:** Risks to ETP achieving our valuation range include: (1) execution risk related to integrating acquisitions and completing organic growth projects; (2) negative outcome from third-party litigation; (3) competition in the Texas-Louisiana natural gas market; and (4) abnormally warm weather.
- EVEP:** Risks to the units trading below our valuation range include a sustained decline in natural gas prices, rising interest rates, and the dependence upon acquisitions to offset depletion and 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 CO2 volumes, competition for volumes of oil and CO2 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.
- HEP:** Risks to HEP units achieving 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.
- KMP:** Risks to the units trading in our valuation range include (1) delays/cost overruns on expansion projects and (2) rising interest rates.
- KMR:** Risks to the units trading in our valuation range include (1) delays/cost overruns on expansion projects and (2) rising interest rates.
- KSP:** Risks to KSP trading below the valuation range include competition in the marine vessel industry, a lingering reduction in demand for petroleum products, potential debt covenant violations, possible environmental liabilities, changes in marine transportation regulation and further equity dilution if industry fundamentals worsen.
- 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 a slower-than-forecasted rate of dropdown acquisitions, 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) ability to re-contract pipeline capacity and (2) 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.

**PVG:** Risks to PVG trading in our valuation range include (1) a decline in commodity prices, (2) a slowdown in acquisitions, and (3) 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, and (4) rising interest rates.

**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.

**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.

**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) execution risk related to improving liquidity and reducing leverage; (2) competition in the Texas-Louisiana natural gas market; (3) rising interest rates; and (4) lower processing margins.

**XTXI:** Risks to XTXI trading in our valuation range include (1) execution risk related to XTEX improving liquidity and reducing leverage; (2) potential conflicts of interest; 3) competition in the Texas-Louisiana natural gas market; and 4) lower processing margins.

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**1=Outperform:** The stock appears attractively valued, and we believe the stock's total return will exceed that of the market over the next 12 months. BUY

**2=Market Perform:** The stock appears appropriately valued, and we believe the stock's total return will be in line with the market over the next 12 months. HOLD

**3=Underperform:** The stock appears overvalued, and we believe the stock's total return will be below the market over the next 12 months. SELL

## **SECTOR RATING**

**O=Overweight:** Industry expected to outperform the relevant broad market benchmark over the next 12 months.

**M=Market Weight:** Industry expected to perform in-line with the relevant broad market benchmark over the next 12 months.

**U=Underweight:** Industry expected to underperform the relevant broad market benchmark over the next 12 months.

## **VOLATILITY RATING**

**V** = A stock is defined as volatile if the stock price has fluctuated by +/-20% or greater in at least 8 of the past 24 months or if the analyst expects significant volatility. All IPO stocks are automatically rated volatile within the first 24 months of trading.

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