



**2021 Capitalization Rate Study
Pipelines - Gas**

FINAL

Completed: April 16, 2021

MONTANA DEPARTMENT OF REVENUE

Yield Capitalization Rate Conclusion

Industry: Pipelines - Gas

2021 Assessment Year

Capital Structure ^[1]

Equity	50.00%
Debt	50.00%

Equity Cost of Capital

		Weighting
Capital Asset Pricing Model - Ex Post ^[2]	11.96%	35%
Capital Asset Pricing Model - Ex Ante ^[2]	9.64%	35%
3 Stage Dividend Discount Model - Dividends ^[3]	22.30%	15%
3 Stage Dividend Discount Model - Earnings ^[3]	15.90%	15%
Weighted Average	13.29%	100%
Selected Cost of Equity	13.29%	

Debt Cost of Capital

		Weighting
A - Mergent's - Avg. YTM of A Rated Corporate Bonds ^[4]	2.72%	0%
Baa - Mergent's - Avg. YTM of Baa Rated Corporate Bonds ^[4]	3.16%	0%
Ba - MTDOR - Avg. YTM of Ba Rated Corporate Bonds ^[5]	6.54%	100%
Weighted Average	6.54%	100%
Selected Cost of Debt	6.54%	

Weighted Average Cost of Capital (WACC)

Source of Capital	Capital Structure	Capital Cost of Capital	Marginal Tax Rate	After-tax Cost of Capital	Weighted Cost
Equity	50.00%	13.29%		13.29%	6.65%
Debt	50.00%	6.54%	24.00%	4.97%	2.49%
WACC	100.00%				9.13%
WACC (Rounded)					9.15%

Notes

- [1] From worksheet: Capital Structure
- [2] From worksheet: Capital Asset Pricing Model Summary
- [3] From worksheet: Yield Equity Summary
- [4] January 2021, Mergent Bond Record
- [5] Montana Department of Revenue High Yield Debt Study

MONTANA DEPARTMENT OF REVENUE

Direct Capitalization Rate Conclusion

Industry: Pipelines - Gas

2021 Assessment Year

Capital Structure ^[1]

Equity	50.00%
Debt	50.00%

Equity Capitalization Rate ^[2]

NOI After-tax	10.60%
GCF	29.85%

Debt Capitalization Rate ^[3]

Calculated Current Yield	4.70%
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NOI After-tax Direct Capitalization Rate

Source of Capital	Capital Structure	Capitalization Rate	Marginal Tax Rate	After-tax Capitalization Rate	Weighted Capitalization Rate
Equity	50.00%	10.60%		10.60%	5.30%
Debt	50.00%	4.70%	24.00%	3.57%	1.79%
Total	100.00%				7.09%
Total (Rounded)					7.10%

GCF Direct Capitalization Rate

Source of Capital	Capital Structure	Capitalization Rate	Marginal Tax Rate	After-tax Capitalization Rate	Weighted Capitalization Rate
Equity	50.00%	29.85%		29.85%	14.93%
Debt	50.00%	4.70%	24.00%	3.57%	1.79%
WACC	100.00%				16.71%
Total (Rounded)					16.75%

Notes:

[1] From worksheet: Capital Structure

[2] From worksheet: Direct Equity Summary

[3] From worksheet: Calculated Current Yield

MONTANA DEPARTMENT OF REVENUE

Selection of Guideline Companies

Industry: Pipelines - Gas

2021 Assessment Year

Screening Requirements:

The universe of companies is all companies listed in Value Line under the Pipeline MLPs industry.

Companies were then selected using the following screening criteria:

1. Primarily engaged in the gathering, treating, processing, and/or transportation of natural gas and natural gas liquids.
2. Actively traded on an American exchange.
3. Incorporated as a limited partnership.
4. Primarily onshore operations.
5. No significant merger & acquisition activity during the year.

Company Ticker	Transportation etc. of NG & NGL's	Actively traded on an American Exchange	Incorporated as LP	Primarily Onshore Operations	Consider as Potential Guideline Company	Not Engaged in Material M&A Activity	Use as Guideline Company	Note
BKEP						No		
BPMP	No							
CAPL	No							
CEQP	No							
CQP	No							
DCP	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
DKL	No							
ENBL	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
EPD	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
ET	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
GEL	No							
GLP	No							
GPP	No							
HEP	No							
HESM	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
MMLP	Yes	Yes	Yes	No				

MONTANA DEPARTMENT OF REVENUE

Selection of Guideline Companies

Industry: Pipelines - Gas

2021 Assessment Year

Screening Requirements:

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1. Primarily engaged in the gathering, treating, processing, and/or transportation of natural gas and natural gas liquids.
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5. No significant merger & acquisition activity during the year.

Company Ticker	Transportation etc. of NG & NGL's	Actively traded on an American Exchange	Incorporated as LP	Primarily Onshore Operations	Consider as Potential Guideline Company	Not Engaged in Material M&A Activity	Use as Guideline Company	Note
MMP	No							
MPLX	No							
NBLX	No							
NGL	Yes	Yes	Yes	Yes	Yes	Yes	No	[1]
NS	No							
OMP	No							
PAA	No							
PAGP	No							
PBFX	No							
PSXP	No							
RTLX	No							
SHLX	No							
SMLP	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
SPH	No							
SRLP	No							
TCP	Yes	Yes	Yes	Yes	Yes	No	No	[2]
WES	Yes	Yes	Yes	Yes	Yes	Yes	Yes	

[1] 10-K data indicates that the NG and NGL segment is not sufficiently impactful to the overall financial performance of the company.

[2] In October of 2020, TCP received non-binding offer from TC Energy Corporation to acquire all of the outstanding common units of TCP

MONTANA DEPARTMENT OF REVENUE

Support for Capital Structure
Industry: Pipelines - Gas
2021 Assessment Year

(\$ and Shares Outstanding In Millions, Except Per Share Amounts)

A	B	C	D	E	F	G	H	I	J	K	L	M	N
Ticker	Company	Industry Group	Financial Strength	Shares Outstanding	End of Year Closing Stock Price	MV Common Stock	MV Preferred Stock	MV Long Term Debt	PV of Operating Leases	Total Common, Preferred, LT Debt, & Op Leases	% Common	% Preferred	% Debt & Op Leases
		Value Line	Value Line	10-K	Yahoo	ExF	10-K	10-K	10-K	G+H+I+J	G/K	H/K	(I+J)/K
							Note [1]	Note [2]					
DCP	DCP Midstream LP	PIPEMLP	C++	208	18.18	3,788	751	5,927	100	10,566	36%	7%	57%
ENBL	Enable Midstream Part.	PIPEMLP	C++	436	5.12	2,228	362	3,962	28	6,580	34%	6%	61%
EPD	Enterprise Products	PIPEMLP	B+	2,182	19.16	41,823	0	35,000	349	77,172	54%	0%	46%
ET	Energy Transfer LP	PIPEMLP	B+	2,702	6.04	16,322	0	56,210	890	73,422	22%	0%	78%
HESM	Hess Midstream Partners LP	PIPEMLP	C	18	19.17	346	0	1,991	1	2,338	15%	0%	85%
SMLP	Summit Midstream Partners LP	PIPEMLP	C	6	12.49	76	174	1,241	5	1,497	5%	12%	83%
WES	Western Midstream Part.	PIPEMLP	C++	414	13.54	5,602	0	8,290	39	13,931	40%	0%	60%
All Companies											38%	1%	61%
Average											29%	3%	67%
Median											34%	0%	61%
Trimmed Average											29%	3%	68%
High											54%	12%	85%
Low											5%	0%	46%
Selected											50%		50%

Notes:

[1] Market value of preferred stock assumed to equal book value

[2] Market value of debt is fair value of long term debt from 10-K notes

MCA 15-1-210, rationale for changes to guideline companies:

2021 - Added ET & WES.

Removed CNXM & EQM because they're no longer listed in the Value Line MLP industry. Removed TCP due to M&A activity.

		<u>Median</u>	
Current Year	34%	0%	61%
Prior Year	48%	2%	45%
2 Years Prior	52%	0%	46%
3 Year Average	44%	1%	51%

MONTANA DEPARTMENT OF REVENUE

Capital Asset Pricing Model (CAPM)

Industry: Pipelines - Gas

2021 Assessment Year

$$k_e = R_f + \beta \times ERP$$

		<i>Ex Post</i>	<i>Ex Ante</i>
$k_e =$	Cost of Equity	11.96%	9.64%
$R_f =$	Risk Free Rate	1.45%	1.45%
$\beta =$	Beta	1.45	1.45
$ERP =$	Equity Risk Premium ($R_m - R_f$)	7.25%	5.65%
$R_m =$	Market Rate of Return	8.70%	7.10%

Risk Free Rate Measures (R_f):

The Value Line Investment Survey: Selection & Opinion ^[1]

January 1, 2021 Page 701

Selected Yields on Taxable U.S. Treasury Securities as of 12/21/20

10-year	0.95%
30-year	1.68%

Federal Reserve Statistical Release ^[2] and U.S. Department of the Treasury, Daily Treasury Yield Curve Rates ^[3]

U.S. government securities, Treasury constant maturities, Nominal, December 31, 2020

10-year	0.93%
20-year	1.45%
30-year	1.65%

Risk Free Rate Selected 1.45%

Notes

[1] "Value Line Selection & Opinion", Value Line (January 3, 2020)

[2] <https://www.federalreserve.gov/datadownload/Choose.aspx?rel=H.15>

[3] <https://www.treasury.gov/resource-center/data-chart-center/interest-rates/>

Ex Post - Equity Risk Premium Measures ($ERP = R_m - R_f$)

Duff & Phelps, 2021 Cost of Capital Navigator

		R_m ^[4]	R_m	R_f	ERP
ERP "Historical" - <i>Ex Post</i>	Arithmetic Avg.	8.70%	8.70%	1.45%	7.25%
ERP "Supply-side" - <i>Ex Post</i>	Arithmetic Avg.	7.45%	7.45%	1.45%	6.00%
Ex Post Equity Risk Premium Selected		8.70%		1.45%	7.25%

MONTANA DEPARTMENT OF REVENUE

Capital Asset Pricing Model (CAPM)

Industry: Pipelines - Gas

2021 Assessment Year

$$k_e = R_f + \beta \times ERP$$

Ex Ante - Equity Risk Premium Measures (ERP = Rm - Rf)

DOR 3 Stage Dividend Growth Model, S & P 500, See Exhibit

	<u>R_m^[4]</u>	<u>R_m</u>	<u>R_f</u>	<u>ERP</u>
ERP - <i>Ex Ante</i>	7.44%	7.44%	1.45%	5.99%

Duff & Phelps, 2021 Cost of Capital Navigator

	<u>R_m^[4]</u>	<u>R_m</u>	<u>R_f</u>	<u>ERP</u>
ERP "Conditional" - <i>Ex Ante</i>		8.00%	2.50%	5.50%

Damodaran Implied ERP (Jan 5, 2021)

	<u>R_m^[4]</u>	<u>R_m</u>	<u>R_f</u>	<u>ERP</u>
Implied Premium (FCFE) - <i>Ex Ante</i>	6.17%	5.65%	0.93%	4.72%
Implied Premium (FCFE with sustainable payout) - <i>Ex Ante</i>	6.39%	5.87%	0.93%	4.94%

	<u>R_m^[4]</u>	<u>R_m</u>	<u>R_f</u>	<u>ERP</u>
<u>Average</u>	6.67%	6.74%		5.29%
<u>Median</u>	6.39%	6.66%		5.22%
<u>High</u>	7.44%	8.00%		5.99%
<u>Low</u>	6.17%	5.65%		4.72%

Equity Risk Premium Selected

7.10%		1.45%	5.65%
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Notes

[4] R_m estimated using selected Risk Free Rate (R_f)

MONTANA DEPARTMENT OF REVENUE

Support for Beta Selection in CAPM**Industry: Pipelines - Gas****2021 Assessment Year**

A	B	C	D	E
Ticker	Company	Industry Group	Financial Strength	Beta
		<i>Value Line</i>	<i>Value Line</i>	<i>Value Line</i>
DCP	DCP Midstream LP	PIPEMLP	C++	1.60
ENBL	Enable Midstream Part.	PIPEMLP	C++	1.90
EPD	Enterprise Products	PIPEMLP	B+	1.10
ET	Energy Transfer LP	PIPEMLP	B+	1.30
HESM	Hess Midstream Partners LP	PIPEMLP	C	1.10
SMLP	Summit Midstream Partners LP	PIPEMLP	C	1.75
WES	Western Midstream Part.	PIPEMLP	C++	1.40
	Average			1.45
	Median			1.40
	Trimmed Average			1.43
	High			1.90
	Low			1.10
	Selected			1.45

MONTANA DEPARTMENT OF REVENUE

**Inflation & Real Growth
Industry: Pipelines - Gas
2021 Assessment Year**

A	B	C	D	Nominal Growth	
				E	F
Source Description	Inflation (CPI)	Real Growth (GDP)	Nominal Growth	Low	High
Livingston Survey ^[1]	2.19%	2.21%	4.40%		
Survey of Professional Forecasters ^[2]	2.24%	2.27%	4.51%		
Congressional Budget Office ^[3]	1.90%	3.70%	5.60%		
Average	2.11%	2.73%	4.84%		
Median	2.19%	2.27%	4.46%		
High	2.24%	3.70%	5.94%		
Low	1.90%	2.21%	4.11%		
Selected	2.00%	2.50%	4.50%	4.11%	5.94%

Inflationary Trend Factors						
Year	Dec. CPI-U Index	Percent Change From Previous	Dec. to Dec. Conversion Factor	Annual Avg. CPI-U Index	Percent Change From Previous	Annual Conversion Factor
	<i>Note [5]</i>	<i>Note [6]</i>	<i>Note [7]</i>	<i>Note [5]</i>	<i>Note [6]</i>	<i>Note [7]</i>
2008	210.228		1.2390	215.303		1.2021
2009	215.949	2.6%	1.2062	214.537	-0.4%	1.2064
2010	219.179	1.5%	1.1884	218.056	1.6%	1.1869
2011	225.672	2.9%	1.1542	224.939	3.1%	1.1506
2012	229.601	1.7%	1.1345	229.594	2.0%	1.1273
2013	233.049	1.5%	1.1177	232.957	1.4%	1.1110
2014	234.812	0.8%	1.1093	236.736	1.6%	1.0932
2015	236.525	0.7%	1.1013	237.017	0.1%	1.0920
2016	241.432	2.0%	1.0789	240.007	1.2%	1.0783
2017	246.524	2.1%	1.0566	245.120	2.1%	1.0559
2018	251.233	1.9%	1.0368	251.107	2.4%	1.0307
2019	256.974	2.2%	1.0136	255.657	1.8%	1.0123
2020	260.474	1.3%	1.0000	258.811	1.2%	1.0000

Notes

[1] Federal Reserve Bank of Philadelphia The Livingston Survey December 18, 2020 Table 3 Inflation Rate and Real GDP mean

<https://www.philadelphiafed.org/research-and-data/real-time-center/livingston-survey>

[2] Federal Reserve Bank of Philadelphia Survey of Professional Forecasters February 12, 2021 Table 8 and Table 9 Average over next 10-Year mean

<https://www.philadelphiafed.org/surveys-and-data/real-time-data-research/survey-of-professional-forecasters>

[3] Congressional Budget Office, The Budget and Economic Outlook: 2021 to 2031, Table 2-1

<https://www.cbo.gov/about/products/budget-economic-data#4>

[5] Historical Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, all items, index averages (1982-84=100, unless otherwise noted)

<https://www.bls.gov/cpi/tables/supplemental-files/historical-cpi-u-202001.pdf>

[6] (Row year - Previous Year) / Row Year

[7] Most current year / Row year

MONTANA DEPARTMENT OF REVENUE

3 Stage Dividend Discount Model (DDM)

Industry: Pipelines - Gas

2021 Assessment Year

$$k_e = (D_1 / P_0) + g$$

k_e = Cost of Equity

D_1 = Expected Dividend

P_0 = Current Price Per Share

g = Sustainable Long-Term Growth

A	B	C	D	E	F	G	H	I
Ticker	Company	2020 Year End Stock Price	2021 Est Div'ds Decl'd per sh	Expected Equity Payout Yield	Sustainable Long-Term Growth Rate ^[1]	Sustainable Long-Term Growth Rate ^[1]	Cost of Equity Dividend Growth	Cost of Equity Earnings Growth
		<i>Yahoo</i>	<i>Value Line</i>	<i>D/C</i>	<i>Dividends</i>	<i>Earnings</i>	<i>E+F</i>	<i>E+G</i>
		P_0	D_1	D_1/P_0	g	g	k_e	k_e
DCP	DCP Midstream LP	18.18	1.56	8.58%	16.01%	9.89%	24.59%	18.47%
ENBL	Enable Midstream Part.	5.12	0.66	12.90%	0.73%	21.39%	13.64%	34.29%
EPD	Enterprise Products	19.16	1.80	9.39%	11.12%	8.68%	20.51%	18.08%
ET	Energy Transfer LP	6.04	0.61	10.10%	11.66%	1.09%	21.76%	11.19%
HESM	Hess Midstream Partners LP	19.17	0.00	0.00%	0.00%	0.00%		
SMLP	Summit Midstream Partners LP	12.49	0.00	0.00%	0.00%	0.00%		
WES	Western Midstream Part.	13.54	1.24	9.16%	25.17%	1.25%	34.33%	10.41%
Average							22.96%	18.49%
Median							21.76%	18.08%
Trimmed Average							22.29%	15.91%
High							34.33%	34.29%
Low							13.64%	10.41%
Selected							22.30%	15.90%

Notes:

[1] From worksheet: DDM Sustainable Long-Term Growth

MONTANA DEPARTMENT OF REVENUE

Support for DDM - Short Term Growth Rate Calculations

Industry: Pipelines - Gas

2021 Assessment Year

A	B	C	D	E	F	G
Ticker	Company	End of Year Closing Stock Price	Div'ds Decl'd per sh 2021 Est	Expected Dividend Yield	Div'ds Decl'd per sh 2024-2026 Est	Short-Term Growth Rate
		<i>Yahoo</i>	<i>Value Line</i>	<i>D / C</i>	<i>Value Line</i>	<i>Note [1]</i>
DCP	DCP Midstream LP	18.18	1.56	8.58%	3.10	18.73%
ENBL	Enable Midstream Part.	5.12	0.66	12.90%	0.66	0.00%
EPD	Enterprise Products	19.16	1.80	9.39%	2.90	12.66%
ET	Energy Transfer LP	6.04	0.61	10.10%	1.00	13.15%
HESM	Hess Midstream Partners LP	19.17	0.00	0.00%		
SMLP	Summit Midstream Partners LP	12.49	0.00	0.00%		
WES	Western Midstream Part.	13.54	1.24	9.16%	3.45	29.15%

A	B	C	D	E
Ticker	Company	Earnings per share 2021 Est	Earnings per share 2024-2026 Est	Short-Term Growth Rate
		<i>Value Line</i>	<i>Value Line</i>	<i>Note [1]</i>
DCP	DCP Midstream LP	1.95	3.00	11.37%
ENBL	Enable Midstream Part.	0.60	1.40	23.59%
EPD	Enterprise Products	2.00	2.90	9.73%
ET	Energy Transfer LP	0.90	1.25	8.56%
HESM	Hess Midstream Partners LP	1.62		
SMLP	Summit Midstream Partners LP	0.00		
WES	Western Midstream Part.	2.20	3.45	11.90%

Notes:

[1] 5 year compound annual growth rate (CAGR) - 4 periods

MONTANA DEPARTMENT OF REVENUE

Support for DDM - Sustainable Long Term Growth

Industry: Pipelines - Gas

2021 Assessment Year

Dividend Growth Rate									Stage 1				
Ticker	Company	Year End Stock Price	Expected Short-Term Dividend Growth Rate	Expected Long-Term Growth Rate	Expected Dividend Yield	Internal Rate of Return	Implied Sustainable Long-Term Growth Rate (g)	Initial Investment	D ₁	D ₂	D ₃	D ₄	D ₅
		Yahoo	Note [1]	Note [2]	D_1/P_0	$K_e = IRR \text{ of } D_1 : D_{500}$	$g = IRR - Div. \text{ Yield}$						
DCP	DCP Midstream LP	18.18	18.73%	4.50%	8.58%	24.59%	16.01%	(18.18)	1.56	1.85	2.20	2.61	3.10
ENBL	Enable Midstream Part.	5.12	0.00%	4.50%	12.90%	13.64%	0.73%	(5.12)	0.66	0.66	0.66	0.66	0.66
EPD	Enterprise Products	19.16	12.66%	4.50%	9.39%	20.51%	11.12%	(19.16)	1.80	2.03	2.28	2.57	2.90
ET	Energy Transfer LP	6.04	13.15%	4.50%	10.10%	21.76%	11.66%	(6.04)	0.61	0.69	0.78	0.88	1.00
HESM	Hess Midstream Partners LP	19.17	0.00%	4.50%	0.00%			(19.17)	0.00	0.00	0.00	0.00	0.00
SMLP	Summit Midstream Partners LP	12.49	0.00%	4.50%	0.00%			(12.49)	0.00	0.00	0.00	0.00	0.00
WES	Western Midstream Part.	13.54	29.15%	4.50%	9.16%	34.33%	25.17%	(13.54)	1.24	1.60	2.07	2.67	3.45

Earnings Growth Rate									Stage 1				
Ticker	Company	Year End Stock Price	Expected Short-Term Earnings Growth Rate	Expected Long-Term Growth Rate	Expected Dividend Yield	Internal Rate of Return	Implied Sustainable Long-Term Growth Rate (g)	Initial Investment	D ₁	D ₂	D ₃	D ₄	D ₅
		Yahoo	Note [1]	Note [2]	D_1/P_0	$K_e = IRR \text{ of } D_1 : D_{500}$	$g = IRR - Div. \text{ Yield}$						
DCP	DCP Midstream LP	18.18	11.37%	4.50%	8.58%	18.47%	9.89%	(18.18)	1.56	1.74	1.93	2.15	2.40
ENBL	Enable Midstream Part.	5.12	23.59%	4.50%	12.90%	34.29%	21.39%	(5.12)	0.66	0.82	1.01	1.25	1.54
EPD	Enterprise Products	19.16	9.73%	4.50%	9.39%	18.08%	8.68%	(19.16)	1.80	1.98	2.17	2.38	2.61
ET	Energy Transfer LP	6.04	0.00%	4.50%	10.10%	11.19%	1.09%	(6.04)	0.61	0.61	0.61	0.61	0.61
HESM	Hess Midstream Partners LP	19.17	0.00%	4.50%	0.00%			(19.17)	0.00	0.00	0.00	0.00	0.00
SMLP	Summit Midstream Partners LP	12.49	11.90%	4.50%	0.00%			(12.49)	0.00	0.00	0.00	0.00	0.00
WES	Western Midstream Part.	13.54	0.00%	4.50%	9.16%	10.41%	1.25%	(13.54)	1.24	1.24	1.24	1.24	1.24

Notes:

[1] From worksheet: DDM Short Term Growth Rate Calculations

[2] From worksheet: Inflation & Real Growth

MONTANA DEPARTMENT OF REVENUE

Support for DDM - Sustainable Long Term Growth

Industry: Pipelines - Gas

2021 Assessment Year

Dividend	Stage 2															Stage 3		
Ticker	D ₆	D ₇	D ₈	D ₉	D ₁₀	D ₁₁	D ₁₂	D ₁₃	D ₁₄	D ₁₅	D ₁₆	D ₁₇	D ₁₈	D ₁₉	D ₂₀	D ₂₁	D ₂₂	D ₅₀₀
DCP	3.65	4.30	5.07	5.97	7.03	8.28	9.75	11.48	13.52	15.93	18.76	22.09	26.02	30.65	36.10	37.72	39.42	54,114,201,543
ENBL	0.66	0.66	0.67	0.67	0.67	0.67	0.67	0.68	0.68	0.68	0.68	0.68	0.69	0.69	0.69	0.72	0.75	1,034,849,861
EPD	3.25	3.65	4.09	4.58	5.14	5.76	6.46	7.24	8.12	9.10	10.21	11.44	12.83	14.38	16.13	16.85	17.61	24,176,581,566
ET	1.13	1.27	1.43	1.61	1.81	2.04	2.29	2.58	2.90	3.27	3.68	4.14	4.66	5.25	5.91	6.18	6.46	8,862,066,313
HESM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
SMLP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
WES	4.40	5.61	7.15	9.12	11.63	14.83	18.91	24.11	30.74	39.19	49.97	63.72	81.25	103.60	132.09	138.04	144.25	198,016,771,180

Earnings	Stage 2															Stage 3		
Ticker	D ₆	D ₇	D ₈	D ₉	D ₁₀	D ₁₁	D ₁₂	D ₁₃	D ₁₄	D ₁₅	D ₁₆	D ₁₇	D ₁₈	D ₁₉	D ₂₀	D ₂₁	D ₂₂	D ₅₀₀
DCP	2.66	2.95	3.27	3.63	4.03	4.47	4.96	5.50	6.10	6.76	7.50	8.32	9.23	10.23	11.35	11.86	12.39	17,012,066,912
ENBL	1.88	2.30	2.82	3.45	4.22	5.16	6.31	7.72	9.44	11.55	14.13	17.28	21.13	25.85	31.62	33.05	34.53	47,403,878,973
EPD	2.85	3.12	3.42	3.74	4.09	4.47	4.89	5.35	5.85	6.40	7.00	7.66	8.38	9.16	10.02	10.47	10.95	15,025,936,817
ET	0.61	0.61	0.62	0.62	0.62	0.62	0.62	0.62	0.63	0.63	0.63	0.63	0.63	0.64	0.64	0.67	0.70	956,452,144
HESM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
SMLP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0
WES	1.24	1.25	1.25	1.25	1.26	1.26	1.27	1.27	1.27	1.28	1.28	1.29	1.29	1.29	1.30	1.36	1.42	1,944,263,374

MONTANA DEPARTMENT OF REVENUE

Support for Yield Capitalization Rate - Debt Rating

Industry: Pipelines - Gas

2021 Assessment Year

A	B	C	D	E	F
Ticker	Company	Industry Group	Financial Strength	Moody's Long Term Rating	Numeric Rating
		<i>Value Line</i>	<i>Value Line</i>	<i>Moodys.com</i>	
DCP	DCP Midstream LP	PIPEMLP	C++	Ba2	12
ENBL	Enable Midstream Part.	PIPEMLP	C++	Baa3	10
EPD	Enterprise Products	PIPEMLP	B+		
ET	Energy Transfer LP	PIPEMLP	B+		
HESM	Hess Midstream Partners LP	PIPEMLP	C	Ba2	12
SMLP	Summit Midstream Partners LP	PIPEMLP	C	B3	16
WES	Western Midstream Part.	PIPEMLP	C++	Ba2	12
All Companies					
	Average				12
	Median				12
	Trimmed Average				12
	High				16
	Low				10
Selected				Ba2	12

MONTANA DEPARTMENT OF REVENUE

Support for Direct Capitalization - Equity Capitalization Rates

Industry: Pipelines - Gas

2021 Assessment Year

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
Ticker	Company	End of Year Closing Stock Price	VL Historic EPS	VL Est EPS	VL Historic P/E Ratio	VL Est P/E Ratio	Ke Estimate - Earnings (Hist. P/E)	Ke Estimate - Earnings (Est. P/E)	VL Historic Cash Flow Per Share	VL Est Cash Flow Per Share	VL Historic P/CF Ratio	VL Est P/CF Ratio	Ke Estimate Cash Flow (Hist. P/CF)	Ke Estimate Cash Flow (Est. P/CF)	Market Value of Equity	Book Value of Equity	MTBR
		Yahoo	Value Line	Value Line	C/D	C/E	1/F	1/G	Value Line	Value Line	C/J	C/K	1/L	1/M	Price x Shrs	Value Line	P/Q
DCP	DCP Midstream LP	18.18	(1.75)	1.95	(10.39)	9.32		10.73%	2.36	4.60	7.70	3.95	12.98%	25.30%	3,788	6,605	0.57
ENBL	Enable Midstream Part.	5.12	0.63	0.60	8.12	8.53	12.32%	11.73%	1.98	1.60	2.58	3.20	38.71%	31.28%	2,228	7,372	0.30
EPD	Enterprise Products	19.16	1.71	2.00	11.21	9.58	8.92%	10.44%	2.99	2.65	6.41	7.23	15.60%	13.83%	41,823	24,764	1.69
ET	Energy Transfer LP	6.04	0.76	0.90	7.95	6.71	12.58%	14.90%	2.50	2.05	2.42	2.95	41.39%	33.94%	16,322	21,827	0.75
HESM	Hess Midstream Partners LP	19.17	1.31	0.00	14.63		6.83%		12.12	0.00	1.58		63.22%		346	132	2.63
SMLP	Summit Midstream Partners LP	12.49	63.91	0.00	0.20				(98.94)	0.00	(0.13)				76	791	0.10
WES	Western Midstream Part.	13.54	1.20	2.20	11.28	6.15	8.86%	16.25%	2.66	4.10	5.09	3.30	19.65%	30.29%	5,602	3,196	1.75
Average					6.14	8.06	9.90%	12.81%			3.67	4.13	31.93%	26.93%			1.11
Median					8.12	8.53	8.92%	11.73%			2.58	3.30	29.18%	30.29%			0.75
Trimmed Average					7.75	8.19	10.03%	12.45%			3.62	3.48	28.84%	28.96%			1.01
High					14.63	9.58	12.58%	16.25%			7.70	7.23	63.22%	33.94%			2.63
Low					(10.39)	6.15	6.83%	10.44%			(0.13)	2.95	12.98%	13.83%			0.10
Selected							10.60%						29.85%				0.75

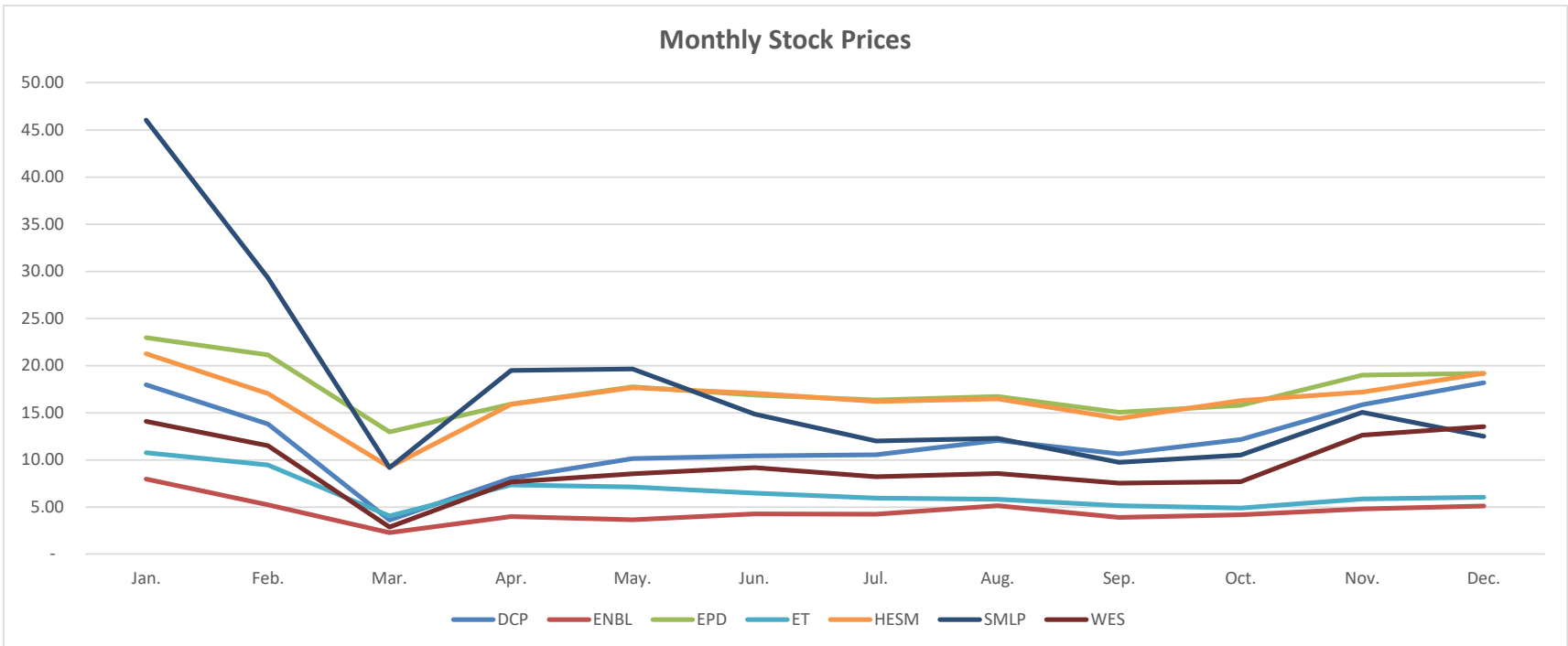
MONTANA DEPARTMENT OF REVENUE

Support of Stock Price - From YAHOO Finance

Industry: Pipelines - Gas

2021 Assessment Year

		End of Period Closing Stock Price											
1	2	3	4	5	6	7	8	9	10	11	12	13	14
A	B	C	D	E	F	G	H	I	J	K	L	M	N
Ticker	Company	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
DCP	DCP Midstream LP	17.98	13.82	3.61	8.07	10.14	10.42	10.56	12.06	10.63	12.15	15.85	18.18
ENBL	Enable Midstream Part.	7.96	5.25	2.26	3.99	3.65	4.28	4.25	5.14	3.90	4.19	4.79	5.12
EPD	Enterprise Products	22.96	21.14	12.95	15.90	17.76	16.89	16.36	16.73	15.04	15.78	18.98	19.16
ET	Energy Transfer LP	10.76	9.47	4.03	7.35	7.14	6.47	5.95	5.84	5.15	4.89	5.87	6.04
HESM	Hess Midstream Partners LP	21.26	17.03	9.23	15.89	17.65	17.07	16.20	16.47	14.40	16.29	17.20	19.17
SMLP	Summit Midstream Partners LP	46.03	29.29	9.15	19.50	19.65	14.85	12.00	12.30	9.75	10.50	15.04	12.49
WES	Western Midstream Part.	14.08	11.50	2.85	7.64	8.53	9.17	8.22	8.55	7.55	7.69	12.64	13.54



MONTANA DEPARTMENT OF REVENUE

Support for Direct Capitalization - Debt Capitalization Rate

Industry: Pipelines - Gas

2021 Assessment Year

(\$ in Millions)

A	B	C	D	E	F	G	H	I	J
Ticker	Company	Current Year Interest Exp.	Previous Year MV LT Debt	Previous Year BV LT Debt	Current Year MV LT Debt	Current Year BV LT Debt	Average MV LT Debt	Current Yield	MTBR
	Source	10-K	10-K	10-K	10-K	10-K	(D+F)/2	(C/H)	(F/G)
DCP	DCP Midstream LP	302	6,118	5,924	5,927	5,624	6,023	5.01%	1.05
ENBL	Enable Midstream Part.	178	4,184	4,220	3,962	3,951	4,073	4.37%	1.00
EPD	Enterprise Products	1,287	30,370	27,625	35,000	29,866	32,685	3.94%	1.17
ET	Energy Transfer LP	2,327	54,790	51,054	56,210	51,438	55,500	4.19%	1.09
HESM	Hess Midstream Partners LP	95	1,820	1,754	1,991	1,910	1,906	4.97%	1.04
SMLP	Summit Midstream Partners LP	79	1,484	1,628	1,241	1,347	1,362	5.79%	0.92
WES	Western Midstream Part.	380	7,858	7,959	8,290	7,855	8,074	4.71%	1.06
All Companies		4,648			112,621	101,991	109,622	4.24%	1.10
Average								4.71%	1.05
Median								4.71%	1.05
Trimmed Average								4.65%	1.05
High								5.79%	1.17
Low								3.94%	0.92
Selected								4.70%	1.05

MONTANA DEPARTMENT OF REVENUE

Maintenance Capital Expenditures Estimate Based on Guideline Companies

Industry: Pipelines - Gas

2021 Assessment Year

(\$ In Millions)

¹ A	² B	C	³ D	⁴ E	⁵ F	⁶ G	⁷ H	⁸ I	⁹ J	¹⁰ K	¹¹ L
Ticker	Company	Inflation	PP&E, Gross Current Year	PP&E, Gross Previous Year	Average PP&E (D+E)/2	Depreciation Expense 10-K (CF)	Average Life of Assets F/G			Replacement Cost (RC) Note [1] G*I/(1-J)	RC as % of Depreciation K/G
		MTDOR (CPI)	10-K, Notes	10-K, Notes				Note [1] C*H	Note [1] 1/(1+C)^H		
DCP	DCP Midstream LP	2.00%	13,420	14,504	13,962	376	37	0.74	0.48	536	142.64%
ENBL	Enable Midstream Part.	2.00%	13,220	13,161	13,191	420	31	0.63	0.54	570	135.64%
EPD	Enterprise Products	2.00%	57,498	55,285	56,391	2,072	27	0.54	0.58	2,707	130.65%
ET	Energy Transfer LP	2.00%	94,115	89,790	91,953	3,678	25	0.50	0.61	4,710	128.05%
HESM	Hess Midstream Partners LP	2.00%	4,163	3,905	4,034	157	26	0.51	0.60	202	128.88%
SMLP	Summit Midstream Partners LP	2.00%	2,346	2,326	2,336	119	20	0.39	0.68	145	121.88%
WES	Western Midstream Part.	2.00%	12,642	12,356	12,499	491	25	0.51	0.60	631	128.58%
Average											130.90%
Median											128.88%
Trimmed Average											130.36%
High											142.64%
Low											121.88%
Selected											130.00%

Notes

[1] Cornell, B. & Gerger, R. (2017). Estimating Terminal Values with Inflation: The Inputs Matter-It Is Not a Formulaic Exercise. *Business Valuation Review*, Volume 36, Number 4, 117-123.