



**MONTANA**  
DEPARTMENT OF  
**REVENUE**

**2026 Capitalization Rate Study  
Pipelines - Incorporated**

*Final*

*Completed: April 22, 2026*

**MONTANA DEPARTMENT OF REVENUE**

**Yield Capitalization Rate Conclusion**

**Industry: Pipelines - Incorporated**

**2026 Assessment Year**

**Capital Structure <sup>[1]</sup>**

Equity	<b>67.00%</b>
Debt	<b>33.00%</b>

**Equity Cost of Capital**

		<b>Weighting</b>
Capital Asset Pricing Model - Ex Post <sup>[2]</sup>	12.90%	48%
Capital Asset Pricing Model - Ex Ante <sup>[2]</sup>	10.09%	12%
3 Stage Dividend Discount Model - Dividends <sup>[3]</sup>	9.90%	20%
3 Stage Dividend Discount Model - Earnings <sup>[3]</sup>	12.41%	<u>20%</u>
Weighted Average	<u>11.86%</u>	100%
Selected Cost of Equity	<b><u>11.86%</u></b>	

**Debt Cost of Capital**

		<b>Weighting</b>
A - Avg. YTM of A Rated Corporate Bonds <sup>[4]</sup>	5.71%	0%
Baa - Avg. YTM of Baa Rated Corporate Bonds <sup>[4]</sup>	5.98%	71%
Ba - Avg. YTM of Ba Rated Corporate Bonds <sup>[5]</sup>	7.39%	29%
B - Avg. YTM of B Rated Corporate Bonds <sup>[5]</sup>	8.47%	<u>0%</u>
Weighted Average	<u>6.38%</u>	100%
Selected Cost of Debt	<b><u>6.38%</u></b>	

**Weighted Average Cost of Capital (WACC)**

<b>Source of Capital</b>	<b>Capital Structure</b>	<b>Cost of Capital</b>	<b>Marginal Tax Rate</b>	<b>After-tax Unweighted</b>	<b>Pre-tax Debt Weighted</b>	<b>After-tax Weighted</b>
Equity	67.00%	11.86%		11.86%	7.95%	7.95%
Debt	33.00%	6.38%	24.00%	4.85%	2.11%	1.60%
<b>WACC</b>	<b>100.00%</b>				<b>10.05%</b>	<b>9.55%</b>

**WACC (Rounded)**

**9.55%**

Notes

[1] From worksheet: Capital Structure

[2] From worksheet: Capital Asset Pricing Model Summary

[3] From worksheet: Yield Equity Summary

[4] January 2026 Mergent Bond Record, Bloomberg, and Capital IQ

[5] MDOR High Yield Debt Study, Bloomberg, and Capital IQ

**MONTANA DEPARTMENT OF REVENUE**

**Direct Capitalization Rate Conclusion**

**Industry: Pipelines - Incorporated**

**2026 Assessment Year**

**Capital Structure <sup>[1]</sup>**

Equity	<b>67.00%</b>
Debt	<b>33.00%</b>

**Equity Capitalization Rate <sup>[2]</sup>**

NOI After-tax	<b>4.86%</b>
GCF	<b>7.66%</b>

**Debt Capitalization Rate <sup>[3]</sup>**

Calculated Current Yield	<b>5.59%</b>
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**NOI After-tax Direct Capitalization Rate**

Source of Capital	Capital Structure	Capitalization Rate	Marginal Tax Rate	After-tax Unweighted	Pre-tax Debt Weighted	After-tax Weighted
Equity	67.00%	4.86%		4.86%	3.26%	3.26%
Debt	33.00%	5.59%	24.00%	4.25%	1.84%	1.40%
<b>Total</b>	<b>100.00%</b>				<b>5.10%</b>	<b>4.66%</b>
<b>Total (Rounded)</b>						<b>4.66%</b>

**GCF Direct Capitalization Rate**

Source of Capital	Capital Structure	Capitalization Rate	Marginal Tax Rate	After-tax Unweighted	Pre-tax Debt Weighted	After-tax Weighted
Equity	67.00%	7.66%		7.66%	5.13%	5.13%
Debt	33.00%	5.59%	24.00%	4.25%	1.84%	1.40%
<b>Total</b>	<b>100.00%</b>				<b>6.98%</b>	<b>6.54%</b>
<b>Total (Rounded)</b>						<b>6.54%</b>

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 - Incorporated

2026 Assessment Year

#### Screening Requirements:

The universe of companies is all companies listed in Value Line under the Oil-Gas Distribution industry.

Companies were then selected using the following screening criteria:

1. Engaged primarily in providing midstream transportation services.
2. Incorporated as a corporation (not a partnership).
3. Actively traded on an American exchange.
4. Headquartered / incorporated in the United States
5. No significant merger & acquisition activity during the year.

Company Ticker	Midstream transportation	Not a partnership	Actively traded on an American exchange	Incorporated in U.S.	Consider as Potential Guideline Company	Not Engaged in Material M&A Activity	Use as Guideline Company	Note
AM	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
DTM	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
ENB.TO				No				
KMI	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
KNTK	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
LNG	No							
OKE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
PPL.TO				No				
TRGP	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
TRP				No				
VG	No							
WMB	Yes	Yes	Yes	Yes	Yes	Yes	Yes	

**MONTANA DEPARTMENT OF REVENUE**

Support for Capital Structure  
Industry: Pipelines - Incorporated  
2026 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 Symbol	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
		<i>Value Line</i>	<i>Value Line</i>	<i>10-K</i>	<i>Yahoo</i>	<i>ExF</i>	<i>10-K</i>	<i>10-K</i>	<i>10-K</i>	<i>G+H+I+J</i>	<i>G/K</i>	<i>H/K</i>	<i>(I+J)/K</i>
							<i>Note [1]</i>	<i>Note [2]</i>					
AM	Antero Midstream Corp.	OILGAS	B++	479	17.79	8,529	0	3,278	0	11,807	72%	0%	28%
DTM	DT Midstream	OILGAS	B++	102	119.68	12,168	0	3,318	48	15,534	78%	0%	22%
KMI	Kinder Morgan Inc.	OILGAS	B++	2,222	27.49	61,073	0	31,786	216	93,075	66%	0%	34%
KNTK	Kinetik Holdings	OILGAS	B+	64	36.05	2,310	0	4,045	73	6,428	36%	0%	64%
OKE	ONEOK Inc.	OILGAS	B++	630	73.50	46,284	0	32,696	237	79,217	58%	0%	42%
TRGP	Targa Resources	OILGAS	B++	215	184.50	39,605	0	17,636	114	57,355	69%	0%	31%
WMB	Williams Cos.	OILGAS	B++	1,222	60.11	73,454	35	28,629	183	102,301	72%	0%	28%
<b>All Companies</b>						243,424	35	121,389	870	365,718	<b>67%</b>	<b>0%</b>	<b>33%</b>
<b>Average</b>											<b>64%</b>	<b>0%</b>	<b>36%</b>
<b>Median</b>											<b>69%</b>	<b>0%</b>	<b>31%</b>
<b>Trimmed Average</b>											<b>67%</b>	<b>0%</b>	<b>33%</b>
High											78%	0%	64%
Low											36%	0%	22%
<b>Say</b>											<b>67%</b>		<b>33%</b>

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:**

2026 - Added OKE

		<u>Median</u>	
Current Year	69%	0%	31%
Prior Year	71%	0%	29%
2 Years Prior	59%	0%	41%
3 Year Average	66%	0%	34%

**MONTANA DEPARTMENT OF REVENUE**

**Capital Asset Pricing Model (CAPM)**

**Industry: Pipelines - Incorporated**

**2026 Assessment Year**

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

		<i>Ex Post</i>	<i>Ex Ante</i>
$k_e =$	Cost of Equity	<b>12.90%</b>	<b>10.09%</b>
$R_f =$	Risk Free Rate	4.79%	4.79%
$\beta =$	Beta	1.10	1.10
$ERP =$	Equity Risk Premium ( $R_m - R_f$ )	7.37%	4.82%
$R_m =$	Market Rate of Return	12.16%	9.61%

**Risk Free Rate Measures ( $R_f$ ):**

The Value Line Investment Survey: Selection & Opinion<sup>[1]</sup>

January 2, 2026 Page 1934

Selected Yields on Taxable U.S. Treasury Securities as of 12/22/25

10-year	4.17%
30-year	4.84%

Federal Reserve Statistical Release<sup>[2]</sup>

U.S. government securities, Treasury constant maturities, Nominal, December 31, 2025

10-year	4.18%
20-year	4.79%
30-year	4.84%
<b>Risk Free Rate Selected</b>	<b><u>4.79%</u></b>

Notes

[1] "Value Line Selection & Opinion", Value Line (January 2, 2026)

[2] <https://www.federalreserve.gov/releases/h15/>

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

Kroll, 2026 Cost of Capital Navigator

		<u><math>R_m</math></u>	<u><math>R_f</math></u>	<u>ERP</u>
ERP "Historical" - <i>Ex Post</i>	<i>Arithmetic Avg.</i>	12.16%	4.79%	7.37%
ERP "Supply-side" - <i>Ex Post</i>	<i>Arithmetic Avg.</i>	11.10%	4.79%	6.31%
<b>Ex Post Equity Risk Premium Selected</b>		<b><u>12.16%</u></b>	<b><u>4.79%</u></b>	<b><u>7.37%</u></b>

**MONTANA DEPARTMENT OF REVENUE**

Capital Asset Pricing Model (CAPM)

Industry: Pipelines - Incorporated

2026 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<sub>m</sub></u>	<u>R<sub>f</sub></u>	<u>ERP</u>
3 Stage Dividend Discount Model - <i>Ex Ante</i>	7.73%	4.79%	2.94%
Implied Premium - <i>Ex Ante</i>	8.92%	4.79%	4.13%

Kroll, 2026 Cost of Capital Navigator

	<u>R<sub>m</sub></u>	<u>R<sub>f</sub></u>	<u>ERP</u>
ERP "Conditional" - <i>Ex Ante</i>	9.79%	4.79%	5.00%

Damodaran Implied ERP (Jan 1, 2026)

	<u>R<sub>m</sub></u>	<u>R<sub>f</sub></u>	<u>ERP</u>
Implied Premium - <i>Ex Ante</i> - Trailing 12 month, with sustainable payout	8.36%	4.18%	4.18%
Implied Premium - <i>Ex Ante</i> - Trailing 12 month cash yields	8.41%	4.18%	4.23%
Implied Premium - <i>Ex Ante</i> - Average CF yield last 10 years	10.36%	4.18%	6.18%
Implied Premium - <i>Ex Ante</i> - Net cash yield	8.14%	4.18%	3.96%
Implied Premium - <i>Ex Ante</i> - Normalized earnings and payout	7.80%	4.18%	3.62%
Damodaran Average	8.61%	4.18%	4.43%

	<u>R<sub>m</sub></u>	<u>R<sub>f</sub></u>	<u>ERP</u>
<u>Average</u>	8.69%		4.28%
<u>Median</u>	8.39%		4.16%
<u>High</u>	10.36%		6.18%
<u>Low</u>	7.73%		2.94%

**Ex Ante Equity Risk Premium Selected**

<b>9.61%</b>	<b>4.79%</b>	<b>4.82%</b>
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**MONTANA DEPARTMENT OF REVENUE**

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Support for Beta Selection in CAPM

Industry: Pipelines - Incorporated

2026 Assessment Year

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<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
<b>Ticker Symbol</b>	<b>Company</b>	<b>Industry Group</b>	<b>Financial Strength</b>	<b>Beta</b>
		<i>Value Line</i>	<i>Value Line</i>	<i>Value Line</i>
AM	Antero Midstream Corp.	OILGAS	B++	1.05
DTM	DT Midstream	OILGAS	B++	0.95
KMI	Kinder Morgan Inc.	OILGAS	B++	1.00
KNTK	Kinetik Holdings	OILGAS	B+	1.10
OKE	ONEOK Inc.	OILGAS	B++	1.30
TRGP	Targa Resources	OILGAS	B++	1.25
WMB	Williams Cos.	OILGAS	B++	0.90
<b>Average</b>				<b>1.08</b>
<b>Median</b>				<b>1.05</b>
<b>Trimmed Average</b>				<b>1.07</b>
High				1.30
Low				0.90
<b>Say</b>				<b>1.10</b>

**MONTANA DEPARTMENT OF REVENUE**

**Inflation & Real Growth  
Industry: Pipelines - Incorporated  
2026 Assessment Year**

A	B	C	D	Nominal Growth	
				E	F
Source Description	Inflation (CPI)	Real Growth (GDP)	Nominal Growth	Low	High
Livingston Survey <sup>[1]</sup>	2.29%	2.01%	4.30%		
Survey of Professional Forecasters <sup>[2]</sup>	2.25%	2.40%	4.65%		
Congressional Budget Office <sup>[3]</sup>	2.30%	1.80%	4.10%		
<b>Average</b>	<b>2.28%</b>	<b>2.07%</b>	<b>4.35%</b>		
<b>Median</b>	<b>2.29%</b>	<b>2.01%</b>	<b>4.30%</b>		
High	2.30%	2.40%	4.70%		
Low	2.25%	1.80%	4.05%		
<b>Selected</b>	<b>2.30%</b>	<b>2.00%</b>	<b>4.30%</b>	<b>4.05%</b>	<b>4.70%</b>

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>
2014	234.812	0.8%	1.3801	236.736	1.6%	1.3599
2015	236.525	0.7%	1.3701	237.017	0.1%	1.3583
2016	241.432	2.0%	1.3422	240.007	1.2%	1.3414
2017	246.524	2.1%	1.3145	245.120	2.1%	1.3134
2018	251.233	1.9%	1.2899	251.107	2.4%	1.2821
2019	256.974	2.2%	1.2610	255.657	1.8%	1.2593
2020	260.474	1.3%	1.2441	258.811	1.2%	1.2439
2021	278.802	6.6%	1.1623	270.970	4.5%	1.1881
2022	296.797	6.1%	1.0918	292.655	7.4%	1.1001
2023	306.746	3.2%	1.0564	304.702	4.0%	1.0566
2024	315.605	2.8%	1.0268	313.689	2.9%	1.0263
2025	324.054	2.6%	1.0000	321.943	2.6%	1.0000

**Notes**

[1] Federal Reserve Bank of Philadelphia The Livingston Survey December 19, 2025 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 November 17, 2025 Table 8 Average over next 10-Year mean

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

[3] The Budget and Economic Outlook: 2026 To 2036

<https://www.cbo.gov/data/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/>

[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 - Incorporated**

**2026 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	2025 Year End Stock Price	2026 Est Div'ds Decl'd per share	Expected Equity Payout Yield	Sustainable Long-Term Growth Rate <sup>[1]</sup>	Sustainable Long-Term Growth Rate <sup>[1]</sup>	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>
		$P_0$	$D_1$	$D_1/P_0$	$g$	$g$	$k_e$	$k_e$
AM	Antero Midstream Corp.	17.79	0.98	5.51%	5.98%	10.91%	11.49%	16.42%
DTM	DT Midstream	119.68	3.30	2.76%	3.67%	3.81%	6.43%	6.57%
KMI	Kinder Morgan Inc.	27.49	1.19	4.33%	7.14%	6.84%	11.47%	11.17%
KNTK	Kinetik Holdings	36.05	3.20	8.88%	2.64%	16.29%	11.52%	25.17%
OKE	ONEOK Inc.	73.50	4.28	5.82%	4.05%	7.13%	9.88%	12.95%
TRGP	Targa Resources	184.50	4.75	2.57%	7.33%	8.11%	9.91%	10.69%
WMB	Williams Cos.	60.11	2.09	3.48%	3.27%	7.32%	6.75%	10.79%
<b>Average</b>							<b>9.63%</b>	<b>13.40%</b>
<b>Median</b>							<b>9.91%</b>	<b>11.17%</b>
<b>Timmed Average</b>							<b>9.90%</b>	<b>12.41%</b>
High							11.52%	25.17%
Low							6.43%	6.57%
<b>Selected</b>							<b>9.90%</b>	<b>12.41%</b>

*Implied Sustainable LTG:*

4.87%

8.63%

Notes:

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

**MONTANA DEPARTMENT OF REVENUE**

**Support for DDM - Short Term Growth Rate Calculations**

**Industry: Pipelines - Incorporated**

**2026 Assessment Year**

A	B	C	D	E	F	G
Ticker	Company	End of Year Closing Stock Price	Div'ds Decl'd per sh 2026 Est	Expected Dividend Yield	Div'ds Decl'd per sh 2028-2030 Est	Short-Term Growth Rate
		<i>Yahoo</i>	<i>Value Line</i>	<i>D / C</i>	<i>Value Line</i>	<i>Note [1]</i>
AM	Antero Midstream Corp.	17.79	0.98	5.51%	1.20	6.98%
DTM	DT Midstream	119.68	3.30	2.76%	3.55	2.46%
KMI	Kinder Morgan Inc.	27.49	1.19	4.33%	1.55	9.21%
KNTK	Kinetik Holdings	36.05	3.20	8.88%	3.40	2.04%
OKE	ONEOK Inc.	73.50	4.28	5.82%	4.80	3.90%
TRGP	Targa Resources	184.50	4.75	2.57%	6.50	11.02%
WMB	Williams Cos.	60.11	2.09	3.48%	2.20	1.72%

A	B	C	D	E
Ticker	Company	Earnings per share 2026 Est	Earnings per share 2028-2030 Est	Short-Term Growth Rate
		<i>Value Line</i>	<i>Value Line</i>	<i>Note [1]</i>
AM	Antero Midstream Corp.	1.15	1.70	13.92%
DTM	DT Midstream	4.45	4.85	2.91%
KMI	Kinder Morgan Inc.	1.40	1.80	8.74%
KNTK	Kinetik Holdings	1.90	3.20	18.98%
OKE	ONEOK Inc.	6.25	8.00	8.58%
TRGP	Targa Resources	9.50	13.50	12.43%
WMB	Williams Cos.	2.40	3.20	10.06%

Notes

[1] 4 year compound annual growth rate (CAGR) - 3 periods

**MONTANA DEPARTMENT OF REVENUE**

Support for DDM - Sustainable Long Term Growth

Industry: Pipelines - Incorporated

2026 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 <sub>1</sub>	D <sub>2</sub>	D <sub>3</sub>	D <sub>4</sub>	D <sub>5</sub>
		Yahoo	Note [1]	Note [2]	$D_1/P_0$	$K_e = IRR \text{ of } D_1 : D_{500}$	$g = IRR - Div. \text{ Yield}$						
AM	Antero Midstream Corp.	17.79	6.98%	4.30%	5.51%	11.49%	5.98%	(17.79)	0.98	1.05	1.12	1.20	1.28
DTM	DT Midstream	119.68	2.46%	4.30%	2.76%	6.43%	3.67%	(119.68)	3.30	3.38	3.46	3.55	3.64
KMI	Kinder Morgan Inc.	27.49	9.21%	4.30%	4.33%	11.47%	7.14%	(27.49)	1.19	1.30	1.42	1.55	1.69
KNTK	Kinetik Holdings	36.05	2.04%	4.30%	8.88%	11.52%	2.64%	(36.05)	3.20	3.27	3.33	3.40	3.47
OKE	ONEOK Inc.	73.50	3.90%	4.30%	5.82%	9.88%	4.05%	(73.50)	4.28	4.45	4.62	4.80	4.99
TRGP	Targa Resources	184.50	11.02%	4.30%	2.57%	9.91%	7.33%	(184.50)	4.75	5.27	5.85	6.50	7.22
WMB	Williams Cos.	60.11	1.72%	4.30%	3.48%	6.75%	3.27%	(60.11)	2.09	2.13	2.16	2.20	2.24

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 <sub>1</sub>	D <sub>2</sub>	D <sub>3</sub>	D <sub>4</sub>	D <sub>5</sub>
		Yahoo	Note [1]	Note [2]	$D_1/P_0$	$K_e = IRR \text{ of } D_1 : D_{500}$	$g = IRR - Div. \text{ Yield}$						
AM	Antero Midstream Corp.	17.79	13.92%	4.30%	5.51%	16.42%	10.91%	(17.79)	0.98	1.12	1.27	1.45	1.65
DTM	DT Midstream	119.68	2.91%	4.30%	2.76%	6.57%	3.81%	(119.68)	3.30	3.40	3.49	3.60	3.70
KMI	Kinder Morgan Inc.	27.49	8.74%	4.30%	4.33%	11.17%	6.84%	(27.49)	1.19	1.29	1.41	1.53	1.66
KNTK	Kinetik Holdings	36.05	18.98%	4.30%	8.88%	25.17%	16.29%	(36.05)	3.20	3.81	4.53	5.39	6.41
OKE	ONEOK Inc.	73.50	8.58%	4.30%	5.82%	12.95%	7.13%	(73.50)	4.28	4.65	5.05	5.48	5.95
TRGP	Targa Resources	184.50	12.43%	4.30%	2.57%	10.69%	8.11%	(184.50)	4.75	5.34	6.00	6.75	7.59
WMB	Williams Cos.	60.11	10.06%	4.30%	3.48%	10.79%	7.32%	(60.11)	2.09	2.30	2.53	2.79	3.07

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 - Incorporated

2026 Assessment Year

Dividend	Stage 2															Stage 3		
Ticker	D <sub>6</sub>	D <sub>7</sub>	D <sub>8</sub>	D <sub>9</sub>	D <sub>10</sub>	D <sub>11</sub>	D <sub>12</sub>	D <sub>13</sub>	D <sub>14</sub>	D <sub>15</sub>	D <sub>16</sub>	D <sub>17</sub>	D <sub>18</sub>	D <sub>19</sub>	D <sub>20</sub>	D <sub>21</sub>	D <sub>22</sub>	D <sub>500</sub>
AM	1.37	1.46	1.56	1.67	1.78	1.91	2.04	2.17	2.32	2.48	2.65	2.83	3.02	3.23	3.45	3.59	3.75	2,059,867,670
DTM	3.73	3.83	3.93	4.03	4.13	4.24	4.35	4.46	4.58	4.70	4.82	4.94	5.07	5.20	5.34	5.56	5.80	3,188,724,680
KMI	1.84	2.01	2.19	2.38	2.59	2.82	3.07	3.34	3.64	3.96	4.32	4.70	5.12	5.57	6.07	6.33	6.60	3,626,026,078
KNTK	3.55	3.62	3.70	3.78	3.87	3.95	4.04	4.13	4.22	4.31	4.40	4.50	4.60	4.70	4.80	5.01	5.22	2,870,606,878
OKE	5.18	5.39	5.60	5.82	6.05	6.28	6.53	6.78	7.05	7.33	7.61	7.91	8.22	8.55	8.88	9.26	9.66	5,308,648,704
TRGP	7.98	8.82	9.76	10.79	11.93	13.19	14.58	16.13	17.83	19.72	21.80	24.11	26.65	29.47	32.59	33.99	35.45	19,477,840,032
WMB	2.28	2.32	2.37	2.41	2.46	2.50	2.55	2.60	2.65	2.70	2.75	2.80	2.86	2.91	2.97	3.09	3.23	1,772,901,595

Earnings	Stage 2															Stage 3		
Ticker	D <sub>6</sub>	D <sub>7</sub>	D <sub>8</sub>	D <sub>9</sub>	D <sub>10</sub>	D <sub>11</sub>	D <sub>12</sub>	D <sub>13</sub>	D <sub>14</sub>	D <sub>15</sub>	D <sub>16</sub>	D <sub>17</sub>	D <sub>18</sub>	D <sub>19</sub>	D <sub>20</sub>	D <sub>21</sub>	D <sub>22</sub>	D <sub>500</sub>
AM	1.87	2.12	2.40	2.72	3.08	3.49	3.95	4.47	5.07	5.74	6.50	7.36	8.34	9.45	10.70	11.16	11.64	6,397,666,196
DTM	3.81	3.93	4.04	4.17	4.29	4.42	4.55	4.69	4.83	4.98	5.13	5.28	5.44	5.60	5.77	6.02	6.28	3,448,206,326
KMI	1.80	1.96	2.12	2.30	2.49	2.71	2.93	3.18	3.45	3.74	4.06	4.40	4.77	5.17	5.61	5.85	6.10	3,353,619,968
KNTK	7.57	8.93	10.54	12.43	14.67	17.31	20.43	24.10	28.44	33.56	39.60	46.73	55.14	65.06	76.77	80.07	83.51	45,884,236,958
OKE	6.44	6.98	7.55	8.18	8.86	9.59	10.39	11.25	12.18	13.19	14.29	15.47	16.75	18.14	19.65	20.49	21.37	11,743,010,687
TRGP	8.49	9.50	10.63	11.89	13.31	14.89	16.66	18.64	20.85	23.33	26.10	29.20	32.67	36.56	40.90	42.66	44.50	24,446,884,657
WMB	3.36	3.69	4.05	4.44	4.87	5.34	5.86	6.42	7.04	7.73	8.47	9.30	10.19	11.18	12.26	12.79	13.34	7,330,076,310

**MONTANA DEPARTMENT OF REVENUE**

Support for Yield Capitalization Rate - Debt Rating

Industry: Pipelines - Incorporated

2026 Assessment Year

A	B	C	D	E	F
Ticker Symbol	Company	Industry Group	Financial Strength	Moody's Long Term Rating	Yield to Maturity
		<i>Value Line</i>	<i>Value Line</i>	<i>Moodys.com</i>	
AM	Antero Midstream Corp.	OILGAS	B++	Ba1	7.39%
DTM	DT Midstream	OILGAS	B++	Baa2	5.98%
KMI	Kinder Morgan Inc.	OILGAS	B++	Baa2	5.98%
KNTK	Kinetik Holdings	OILGAS	B+	Ba1	7.39%
OKE	ONEOK Inc.	OILGAS	B++	Baa2	5.98%
TRGP	Targa Resources	OILGAS	B++	Baa2	5.98%
WMB	Williams Cos.	OILGAS	B++	Baa2	5.98%
<b>All Companies</b>					
	<b>Average</b>				<b>6.38%</b>
	<b>Median</b>				<b>5.98%</b>
	<b>Trimmed Average</b>				<b>6.26%</b>
	High				7.39%
	Low				5.98%
	<b>Say</b>				<b>6.38%</b>

*\*Highlighted ratings are estimated based on financial strength and historical interest coverage ratios*

**MONTANA DEPARTMENT OF REVENUE**  
Support for Direct Capitalization - Equity Capitalization Rates  
Industry: Pipelines - Incorporated  
2026 Assessment Year

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
Ticker Symbol	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
AM	Antero Midstream Corp.	17.79	0.86	1.15	20.69	15.47	4.83%	6.46%	1.28	1.45	13.90	12.27	7.20%	8.15%	8,529	2,115	4.03
DTM	DT Midstream	119.68	4.31	4.45	27.77	26.89	3.60%	3.72%	5.56	6.30	21.53	19.00	4.65%	5.26%	12,168	4,627	2.63
KMI	Kinder Morgan Inc.	27.49	1.37	1.40	20.07	19.64	4.98%	5.09%	2.24	2.48	12.27	11.08	8.15%	9.02%	61,073	30,531	2.00
KNTK	Kinetik Holdings	36.05	1.28	1.90	28.16	18.97	3.55%	5.27%	2.56	2.85	14.08	12.65	7.10%	7.91%	2,310	(2,977)	(0.78)
OKE	ONEOK Inc.	73.50	5.42	6.25	13.56	11.76	7.37%	8.50%	7.15	7.80	10.28	9.42	9.73%	10.61%	46,284	17,036	2.72
TRGP	Targa Resources	184.50	8.51	9.50	21.68	19.42	4.61%	5.15%	12.56	15.45	14.69	11.94	6.81%	8.37%	39,605	2,592	15.28
WMB	Williams Cos.	60.11	2.27	2.40	26.48	25.05	3.78%	3.99%	3.83	4.00	15.69	15.03	6.37%	6.65%	73,454	12,436	5.91
<b>Average</b>					<b>22.63</b>	<b>19.60</b>	<b>4.68%</b>	<b>5.46%</b>			<b>14.63</b>	<b>13.06</b>	<b>7.14%</b>	<b>8.00%</b>			<b>4.54</b>
<b>Median</b>					<b>21.68</b>	<b>19.42</b>	<b>4.61%</b>	<b>5.15%</b>			<b>14.08</b>	<b>12.27</b>	<b>7.10%</b>	<b>8.15%</b>			<b>2.72</b>
<b>Trimmed Average</b>					<b>23.34</b>	<b>19.71</b>	<b>4.36%</b>	<b>5.19%</b>			<b>14.13</b>	<b>12.59</b>	<b>7.12%</b>	<b>8.02%</b>			<b>3.46</b>
High					28.16	26.89	7.37%	8.50%			21.53	19.00	9.73%	10.61%			15.28
Low					13.56	11.76	3.55%	3.72%			10.28	9.42	4.65%	5.26%			(0.78)
<b>Say</b>					20.57		<b>4.86%</b>				13.05		<b>7.66%</b>				<b>3.46</b>

**MONTANA DEPARTMENT OF REVENUE**

Support for Direct Capitalization - Debt Capitalization Rate

Industry: Pipelines - Incorporated

2026 Assessment Year

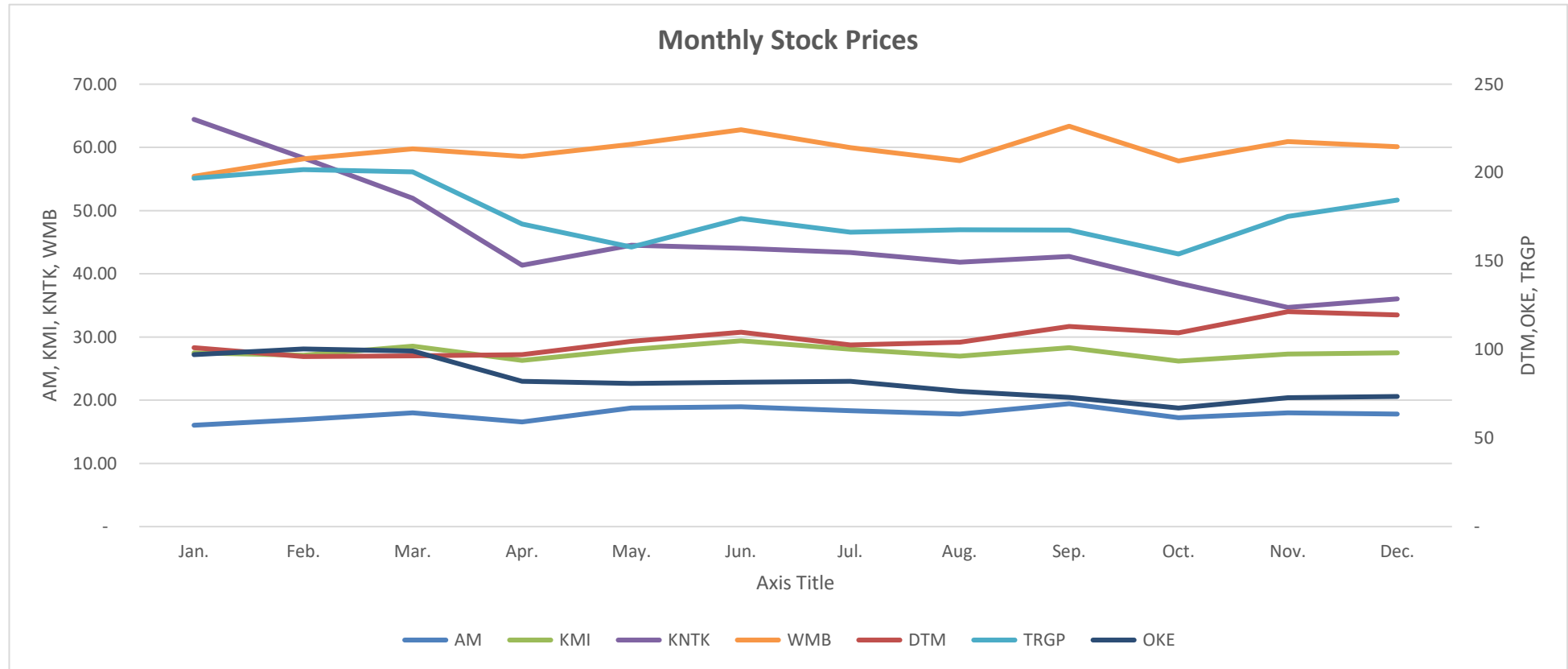
(\$ in Millions)

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)
AM	Antero Midstream Corp.	190	3,108	3,117	3,278	3,223	3,193	5.96%	1.02
DTM	DT Midstream	161	3,286	3,469	3,318	3,324	3,302	4.88%	1.00
KMI	Kinder Morgan Inc.	1,801	30,692	31,788	31,786	31,823	31,239	5.77%	1.00
KNTK	Kinetik Holdings	233	3,660	3,504	4,045	3,793	3,853	6.06%	1.07
OKE	ONEOK Inc.	1,783	31,877	32,077	32,696	31,996	32,287	5.52%	1.02
TRGP	Targa Resources	853	14,036	14,175	17,636	17,433	15,836	5.39%	1.01
WMB	Williams Cos.	1,442	25,830	26,456	28,629	28,661	27,230	5.30%	1.00
	<b>All Companies</b>	6,464			121,389	120,252	116,939	<b>5.53%</b>	<b>1.01</b>
	<b>Average</b>							<b>5.55%</b>	<b>1.02</b>
	<b>Median</b>							<b>5.52%</b>	<b>1.01</b>
	<b>Trimmed Average</b>							<b>5.59%</b>	<b>1.01</b>
	High							6.06%	1.07
	Low							4.88%	1.00
	<b>Say</b>							<b>5.59%</b>	<b>1.01</b>

**MONTANA DEPARTMENT OF REVENUE**

Support of Stock Price - From YAHOO Finance  
 Industry: Pipelines - Incorporated  
 2026 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.
AM	Antero Midstream Corp.	16.04	16.95	18.00	16.55	18.78	18.95	18.35	17.79	19.44	17.25	18.01	17.79
DTM	DT Midstream	101.08	96.09	96.48	97.20	104.74	109.91	102.73	104.18	113.06	109.49	121.46	119.68
KMI	Kinder Morgan Inc.	27.48	27.10	28.53	26.30	28.04	29.40	28.06	26.98	28.31	26.19	27.32	27.49
KNTK	Kinetik Holdings	64.43	58.34	51.94	41.34	44.54	44.05	43.38	41.83	42.74	38.51	34.68	36.05
OKE	ONEOK Inc.	97.17	100.39	99.22	82.16	80.84	81.63	82.11	76.38	72.97	67.00	72.82	73.50
TRGP	Targa Resources	196.80	201.72	200.47	170.90	157.93	174.08	166.41	167.76	167.54	154.04	175.31	184.50
WMB	Williams Cos.	55.43	58.18	59.76	58.57	60.51	62.81	59.95	57.88	63.35	57.87	60.93	60.11



**MONTANA DEPARTMENT OF REVENUE**

**Maintenance Capital Expenditures Estimate Based on Guideline Companies**

**Industry: Pipelines - Incorporated**

**2026 Assessment Year**

(\$ In Millions)

1	2	3	4	5	6	7	8	9	10	11	
A	B	C	D	E	F	G	H	I	J	K	L
Ticker	Company	Inflation	PP&E, Gross Current Year	PP&E, Gross Previous Year	Average PP&E (D+E)/2	Depreciation Expense Current Year	Average Life of Assets F/G	Note [1] C*H	Note [1] 1/(1+C)^H	Replacement Cost (RC) Note [1] G*/(1-J)	RC as % of Depreciation K/G
		MTDOR (CPI)	10-K, Notes	10-K, Notes		10-K					
AM	Antero Midstream Corp.	2.30%	4,552	4,200	4,376	134	33	0.75	0.48	192	143.20%
DTM	DT Midstream	2.30%	6,958	6,525	6,742	258	26	0.60	0.55	346	134.15%
KMI	Kinder Morgan Inc.	2.30%	63,393	60,195	61,794	2,453	25	0.58	0.56	3,259	132.87%
KNTK	Kinetik Holdings	2.30%	4,915	4,247	4,581	383	12	0.28	0.76	442	115.54%
OKE	ONEOK Inc.	2.30%	55,489	52,274	53,882	1,514	36	0.82	0.45	2,234	147.53%
TRGP	Targa Resources	2.30%	33,201	29,559	31,380	1,515	21	0.48	0.62	1,922	126.82%
WMB	Williams Cos.	2.30%	62,010	57,395	59,703	2,347	25	0.59	0.56	3,126	133.20%
<b>Average</b>											<b>133.33%</b>
<b>Median</b>											<b>133.20%</b>
<b>Trimmed Average</b>											<b>134.05%</b>
High											147.53%
Low											115.54%
<b>Selected</b>											<b>134.05%</b>

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.