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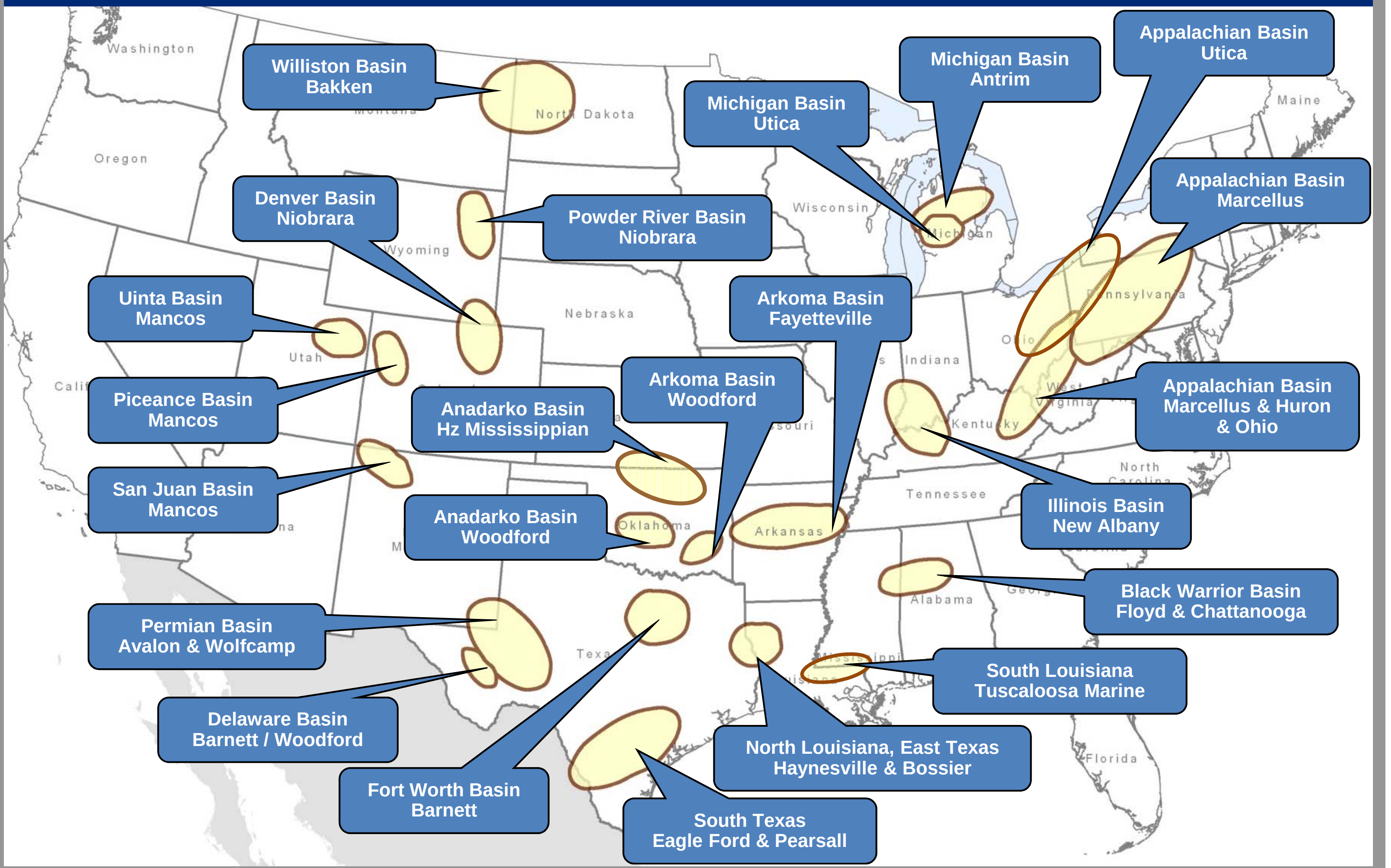
Emerging Shale / Non-Conventional Resource Development Requires ≈$640 Billion of Additional Investment in Infrastructure



Estimated Investment Required for North American Energy Infrastructure

Cost of Infrastructure Added in the Combined Natural Gas and Liquids Reference Case (Billions of Real Dollars)	2014–2035	Average Annual Expenditure
Gas Pipelines (Mainline, Gathering & Laterals)	$168.0	$7.7
LNG Export Facilities	$43.7	$2.0
Gas Processing Capacity	$27.4	$1.2
Gas Storage, Compression & Equipment	$74.0	$3.3
Sub-Total of Gas Requirements	**$313.1**	**$14.2**
NGL Transmission Mainline (Pipe & Pump)	$29.0	$1.3
NGL Fractionation	$21.1	$1.0
NGL Export Facilities	$5.9	$0.3
Sub-Total NGL Requirements	**$56.0**	**$2.6**
Crude Oil Lease Equipment	$192.6	$8.8
Crude Oil Pipeline (Mainline, Gathering & Laterals)	$77.5	$3.6
Crude Oil Storage	$1.7	$0.1
Sub-Total Crude Oil Requirements	**$271.8**	**$12.5**
Total Gas and Liquids Requirements	**$640.9**	**$29.3**

Prepared for the INGAA Foundation

ICF

Comparison of 10 Largest REITs and Midstream PTPs

	REITs	Midstream PTPs
Aggregate Total Assets YE 2014 (Billions)	$ 211.2	$ 213.6
Aggregate Market Capitalization (Billions)	$ 265.6	$ 222.4
Aggregate Enterprise Value (Billions)	$ 372.8	$ 342.1
2014 Distributable Cash Flow (Millions)	$ 11,745	$ 15,673
2014 Distributions (Millions)	$ 8,757	$ 12,938
% of Cash Flow Distributed to Investors	75%	83%

Sources: Bloomberg, Capital IQ, Analyst Reports, Company Reports

U.S. Energy Independence U.S. Energy Infrastructure U.S. Jobs U.S. Global Competitiveness U.S. Capital Investment

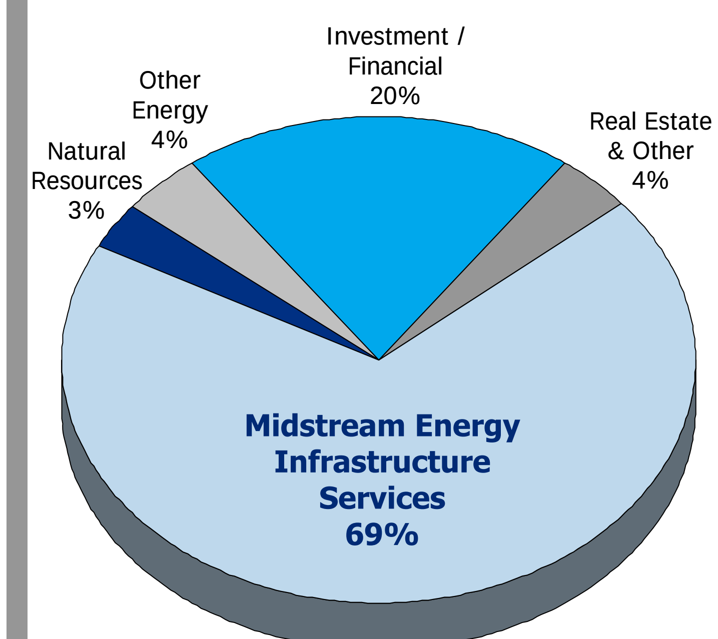
- North America could be essentially energy independent by 2020 as a result of growing production from shale plays and renewable sources (such as solar and wind) as well as more efficient use of energy. Capital investment by MLPs has been growing due to the demand for new energy infrastructure to facilitate natural gas, natural gas liquids (NGLs) and oil production growth from shale regions in the U.S.
- Midstream energy PTPs are 69% of MLP's total equity market capitalization and show the value of the MLP structure. They provide midstream energy infrastructure services and build, own and operate pipelines, processing plants, storage and distribution facilities. Midstream MLP assets include almost 400,000 miles of pipelines which form the backbone of U.S. energy infrastructure that serves as the link between producing regions and end-use consumers.
- Midstream energy assets typically earn low returns on capital. The combination of investor demand for income-paying securities and pass–through status provides MLPs with a low cost of capital which results in a lower cost of energy delivered to consumers.

$193 Billion in private capital invested by Midstream MLPs in U.S. Energy Infrastructure since 2007

- A study for the INGAA Foundation reported that North America needs $641 billion of investment in new energy infrastructure over the next 25 years. Midstream MLPs are expected to invest $36 billion in 2015 to build new and maintain existing energy infrastructure. In August 2014, the JCT estimated the federal tax expenditure associated with midstream MLPs is $5.8 billion over 5 years, or about $1.2 billion per year. This equates to $30 of private investment for every $1 in tax expenditures!
- Energy MLPs support approximately 330,000 U.S. jobs.
- Industry studies indicate that removing or dramatically limiting the current pass–through tax structure of MLPs would result in a significant disruption (initially close to 30%) in investments in energy infrastructure, a higher cost of energy to consumers, and devaluation of equity investments largely owned by older individual investors.

PTPs Market Capitalization

≈$627 Billion



February 6, 2015

Benefits of PTPs

Pass Through Tax Status

Investors Seeking Steady Income → Lower Cost of Capital

Investments in Lower Return U.S. Energy Infrastructure

Creates Jobs

Facilitates U.S. Energy Independence

Lowers Cost of U.S. Energy Delivered to Consumers

Enabling U.S. Manufacturing Renaissance

Creates Jobs

February 26, 2015

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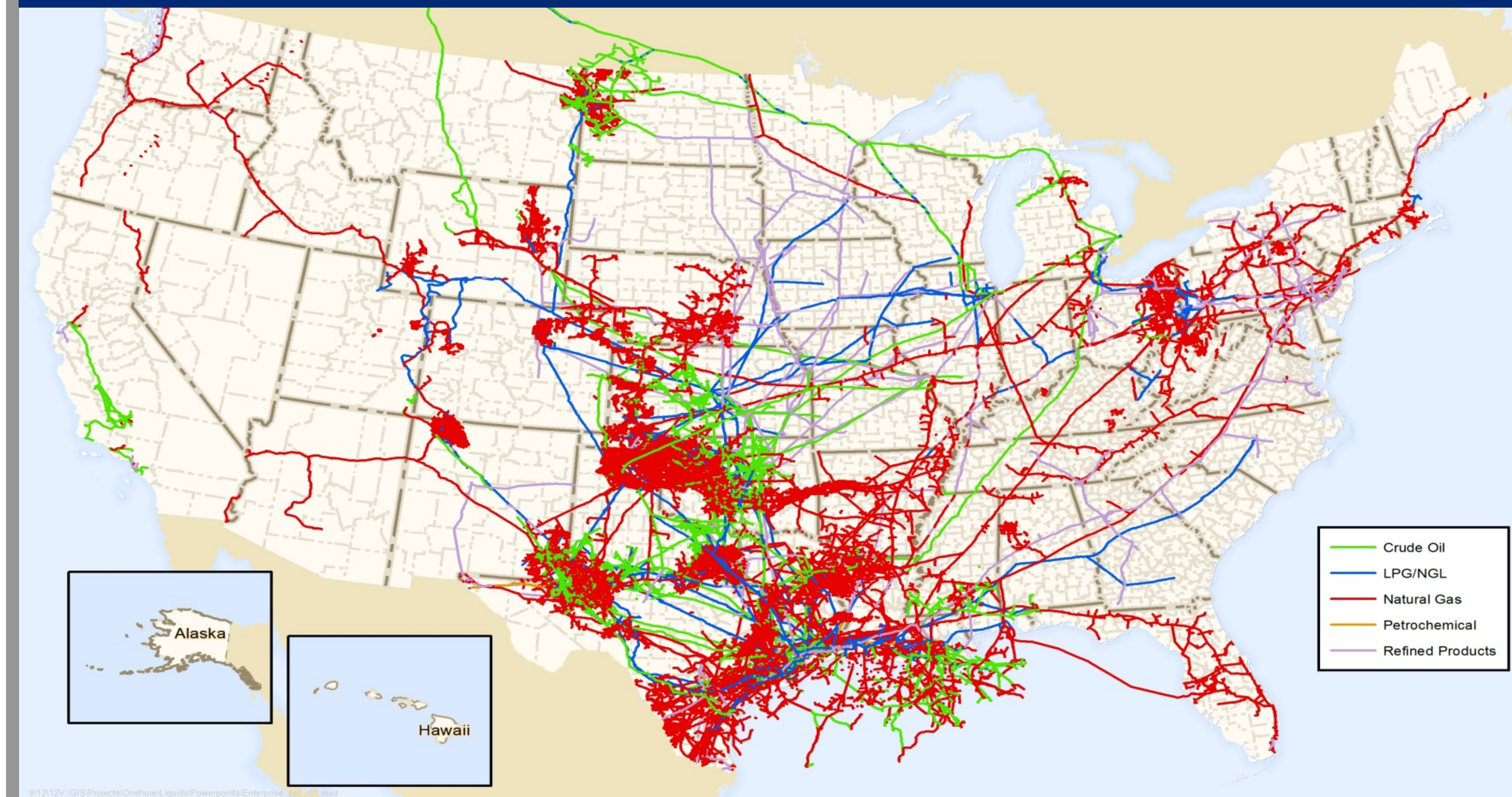
PTPs own interests in ≈397,000 miles of gas and liquids pipelines



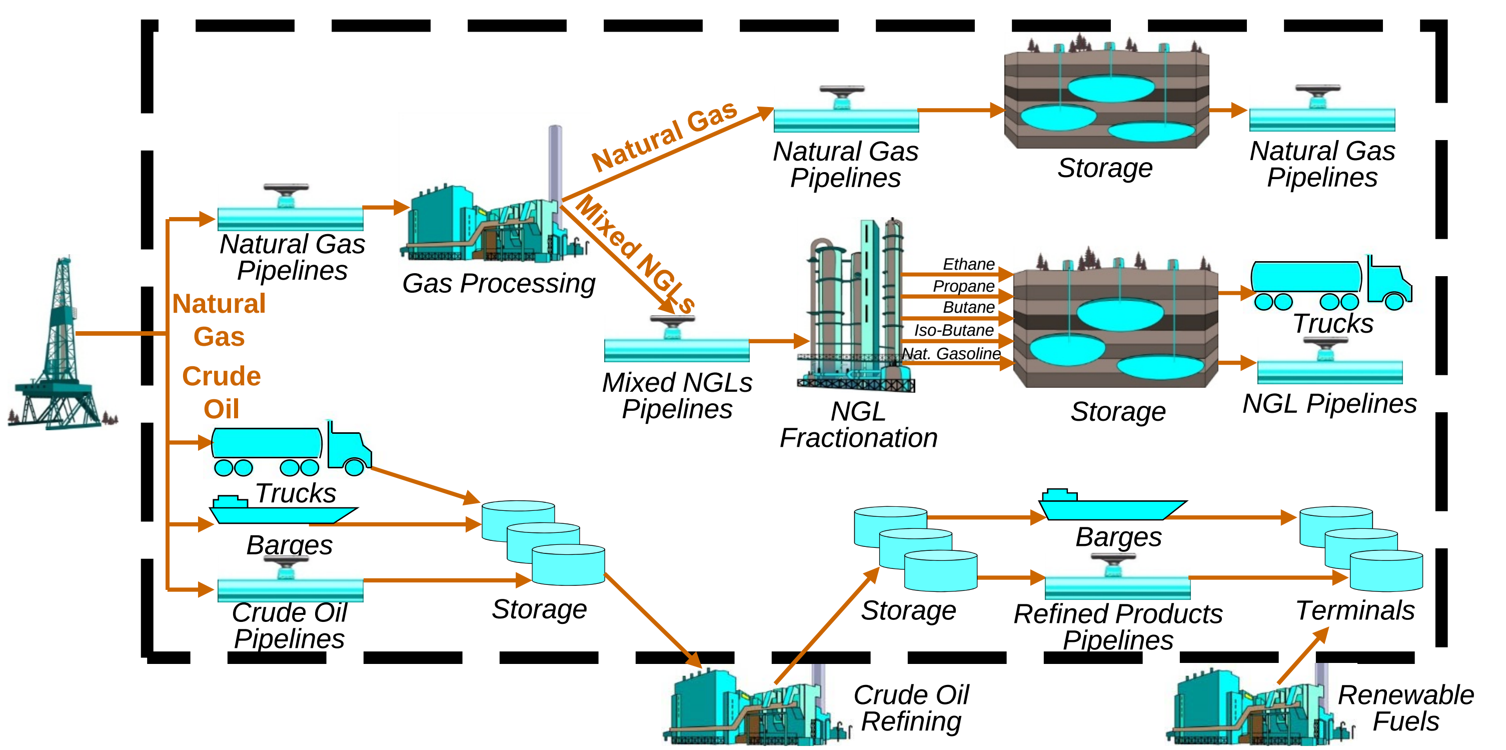
Investor Profile

- MLPs have successfully operated as Congress envisioned over 25 years ago and are now an integral part of the way our nation raises capital to build infrastructure for domestic energy supplies, particularly natural gas, NGLs and crude oil.
- Generally, the majority of investors in MLPs (either directly or through funds) are individual investors. Most are over the age of 50.
- These investments are particularly attractive to fixed income investors (such as seniors) because, similar to REITs, MLPs distribute their operating cash flow each quarter thus providing a reliable income stream for investors.
- MLPs have provided individual investors with a vehicle to directly invest and participate in the development of U.S. energy infrastructure, natural resources and real estate.
- MLPs channel capital to the large, capital intensive infrastructure development activities needed to tap our nation's energy resources via a safe, reliable investment sought by retirees.
- Changing the tax treatment of MLPs would adversely affect these investors by devaluing their investments and reducing their income stream.

What are MLPs?

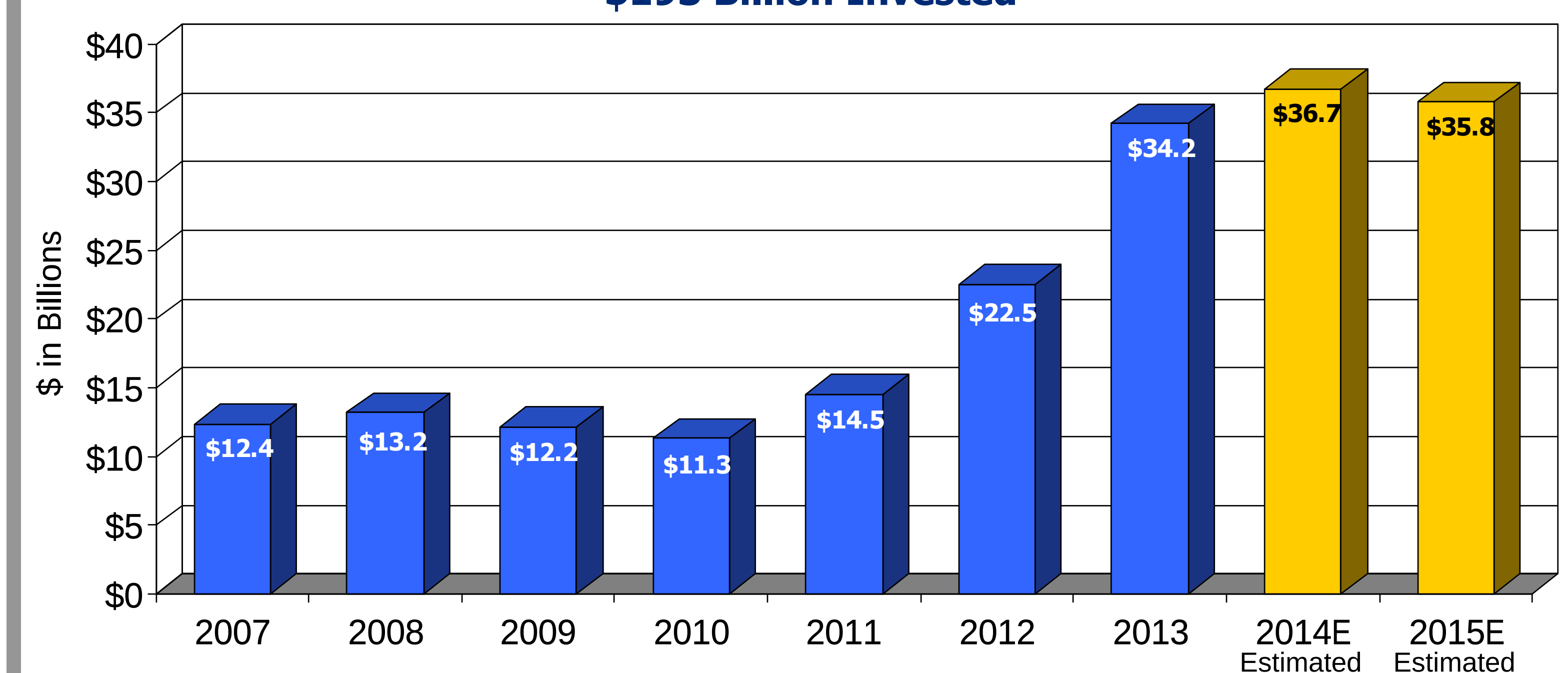
- Master Limited Partnerships (MLPs) are publicly traded partnerships (PTPs) widely used by energy and natural resource companies.
- As partnerships, MLPs are pass–through entities, passing 100% of their taxable income (most of which is ordinary in nature) through to their investors who pay income taxes.
- The first PTP was created in 1981 to allow businesses that had traditionally operated in partnership form to raise equity from a broader base of investors through the public markets.
- In 1987, Congress limited the allowable business activities for PTPs (IRC § 7704(d)). As a result, 90% of MLPs' income must be income from defined qualified activities, including energy natural resource and real estate activities.

Midstream Energy Infrastructure Services



Capital Investments in U.S. by Largest Midstream PTPs [1]

$193 Billion Invested



[1] Per Barclays Capital