

____ NATIONAL ASSOCIATION OF ____
PUBLICLY TRADED PARTNERSHIPS
2014 ANNUAL MEETING

REPORT OF THE PUBLIC AND INVESTOR RELATIONS COMMITTEE

Over the past year the Association has continued to work with its Public Affairs firm, Story Partners, to advance its capabilities for responding to the increasing attention to MLPs both in Washington and in the investment community and shaping the image of MLPs in a positive way. The Association has also continued its ongoing investor relations activities, most notably the MLP Investor Conference, and is working on ways to better fulfill the increasing demand for information on MLPs.

Public Affairs

As the number of MLPs has grown over the past few years, they have attracted increasing attention from policymakers on Capitol Hill and from the financial and general media, as well as from investors. Last year it was decided that it was time to hire a public affairs firm to support the NAPTP in its communications and media efforts, and an Association working selected Story Partners, a Washington, DC firm with an excellent reputation and experience in working on energy policy issues. Earlier this year, we renewed Story's contract for another twelve months.

Over the past year Story has brought great value to our efforts in responding to tax reform developments and critical media stories and has helped us frame and disseminate a positive message about MLPs and the benefits they provide to the economy and to energy security. Story gas also served as the primary media contact for NAPTP, allowing us to set the terms for discussions with the press and to structure those discussions in a positive way. Specific services that they have provided include:

- Providing strategic communications counsel to the Executive Director, to the Federal Affairs Committee, and to this committee;
- Assisting our Washington representatives in the monitoring of important legislative developments such as tax reform, infrastructure investment and the MLP Parity Act , from a communications perspective;
- Monitoring the daily media environment around NAPTP and MLPs from a legislative and political perspective (with a concentration on beltway and national media outlets;
- Engaging reporters and editors on first-line and secondary media inquiries in order to shape developing stories or define future coverage of MLP--media outlets with which we

have communicated in this manner include Bloomberg, Wall Street Journal, New York Times, Reuters, BNA (now Bloomberg BNA), and Investors Media;

- Scripting official (and embargoed) statements and press releases on behalf of NAPTP when we believe a response may be needed to a development affecting MLPs (examples include the release of the Camp tax reform proposal and the pause in PLR rulings);
- Designing and executing response strategies to counter harmful and/or inaccurate news stories;
- Drafting internal messaging documents and talking points in response to political and/or media developments;
- Drafting and designing updated collateral materials (advocacy-based), including finalizing a multi-page MLP Primer booklet to be used for issue education;
- Facilitating third party outreach and communications coordination among allied groups such as IPAA, API, Hart Energy Publications, AOPL, ANGA, and U.S. Chamber; and
- Drafting and secured several pro-active thought leadership columns on behalf of NAPTP. Recent media outlets (traditional and digital) include:
 - National Journal
 - Roll Call
 - The Hill
 - Midstream Business Magazine
 - Fuel Fix
 - Energy Collective

Over the next several months, Story will work with us to continue and enhance the efforts already undertaken. It will continue to provide us with communications counsel, media monitoring, reporter engagement and message development; will draft and secure additional proactive editorial opportunities, focusing on positive infrastructure-related story angles; and respond any legislative developments that might occur during this time, such as Senate Finance Committee summer hearings or movements around the MLP Parity Act. In addition, Story will assist NAPTP in compiling information available from members, including member marketing pieces, to create state-specific advocacy collateral to be used in lobbying meetings.

Story Partners also has new initiatives in mind that may be executed as approved by NAPTP leadership. One is to develop a series of informative info-graphics (and/or videos) that can be shared on the Hill and with the media, as well as uploaded to the NAPTP website. The other is to execute a comprehensive rebranding strategy for NAPTP – reimagining both the association’s traditional identity, as well as its digital presence, and in particular redesigning the NAPTP website so that it is more modern and attractive and easier to maintain.

We welcome every Association members idea's with regard to these activities and other public affairs initiatives that NAPTP might undertake. If you would like to share them, contact Randy Burkhalter (rburkhalter@eprod.com) or Mary Lyman.

MLP Investor Conference

This year NAPTP held its thirteenth MLP Investor Conference and the first since the 2003 conference in Boston that has been held outside the greater New York area. It became clear after the 2013 conference in Stamford that we needed to find a more spacious venue, as well as one with golf close by in order to continue offering a golf tournament. After a review of several potential locations found by our meeting planner, we selected the Sawgrass Marriott Golf Resort and Spa. The site is well known for its golf courses, which are host to PGA Tour events; and had a large number of sleeping rooms available and excellent conference facilities with a number of rooms available for one-on-one meetings. The hotel had a number of good spaces for dinners and receptions, and there were a number of restaurants available nearby.

The move out of the New York area, while something of a risk, did not hurt conference income or attendance overall; both increased over the 2013 numbers. Revenue from the conference was \$889,800, compared to \$829,111 in 2013. We do not have a total 2014 expense figure yet, as some items have not yet been finalized, but we estimate that it will be roughly \$355,000-\$365,000 (vs. \$342,959 in 2013), which would provide a healthy profit to help fund other Association activities.

Sponsorships increased from 33 sponsors contributing \$393,000 (plus Simmons & Company's contribution to the Association golf tournament) in 2013 to 38 sponsors contributing \$481,000 (again, plus Simmons' contribution to the golf tournament). In addition, there was another big increase in MLP participation, thanks to continuing growth in MLP numbers and in NAPTP members. A total of 242 people from some 79 MLPs came to the conference to present and/or hold one-on-one meetings (compared to 210 from 68 MLPs last year).

**MLP Investor Conference
Income and Expense 2013-2014**

| | 2013 | 2014 to date |
|------------------------------------|-------------------|-------------------|
| Income | | |
| Registration Fees (net) | 235,750.00 | 218,000.10 |
| Presenter Fees | 192,000.00 | 181,500.00 |
| Sponsorships | 401,360.08 | 481,000.00 |
| Total Income | 829,110.08 | 880,500.10 |
| Expense | | |
| Golf Tournament | 6,373.49 | - |
| Meals, Breaks, and Reception | 209,730.34 | - |
| Hotel Meeting Space/Lodging | (18,764.90) | - |
| Gratuities | - | - |
| AV and Production | 32,152.50 | 32,152.50 |
| Graphics, Design & Printing | 4,040.50 | 5,751.79 |
| Promotional and Marketing | 687.60 | 10,850.00 |
| Transportation (shuttle to hotels) | 2,890.90 | - |
| | | 1,194.32 |
| Postage and Shipping | 577.39 | |
| Supplies and Materials | 21,040.57 | 11,434.61 |
| Event Planner and Staff Fees | 47,115.00 | 56,376.50 |
| Staff Expenses | 6,812.79 | 6,812.79 |
| Site Inspections | 2,462.74 | 2,462.74 |
| Online Registration/Webcasting | 2,000.00 | 2,000.00 |
| Total Expense | 341,959.08 | 129,035.25 |
| Net Income | 487,151.00 | 751,464.85 |

Attendance this year increased slightly to 945 attendees (out of 1,017 who registered). As noted, 242 of these were MLP representatives, and another 265 were sponsor representatives who attended for free as part of the sponsor benefit (it should be noted as well that 50 general attendees were actually affiliated with sponsors but were not on the free registration list). It is worth noting, however, that the growth in attendance came entirely from MLP and sponsor representatives. The number of general attendees actually declined, and registration fees dropped from \$235,750 to \$218,000. The relative proportions of general attendees, presenter company representatives, and sponsor representatives have shifted,, with the split going from 51%, 25%, and 23% respectively to 46%, 26%, and 28%. If this proves to be a trend, it is of some concern, as one purpose of the conference is to bring MLPs together with members of the investment community such as financial advisors with whom they do not ordinarily meet.

**MLP Investor Conference
Attendance and Registration**

| | 2014 | | 2013 | | 2012 | |
|-------------------------|-------|-----|-------|-----|------|-----|
| Attended | 945 | | 927 | | 743 | |
| General Attendee | 438 | 46% | 502 | 54% | 382 | 51% |
| Presenting Company Rep. | 242 | 26% | 210 | 23% | 189 | 25% |
| Sponsor Company Rep. | 265 | 28% | 215 | 23% | 172 | 23% |
| Registered | 1,017 | | 1,034 | | 810 | |
| General Attendee | 468 | 46% | 547 | 53% | 411 | 51% |
| Presenting Company | 258 | 25% | 224 | 22% | 190 | 23% |
| Sponsor Company | 291 | 29% | 263 | 25% | 209 | 26% |

Based on conversations with attendees and the 75 survey forms returned, the majority of those attending the conference liked the move to Florida (particularly after the endless winter of 2013-14) and found much to like about the Sawgrass site; a number of attendees would be happy to return there. There were some problems, however. Despite our best efforts to manage the hotel rooms, they filled quickly and there was only one alternative hotel within walking distance. There were not enough one-by-one rooms in the main buildings, and some meetings had to be held in the “golf villas” in a nearby building, making it more difficult for attendees to transition between meetings. In addition, the Jacksonville airport was a 45 minute drive from the Sawgrass.

Taking all these factors into account, we will be considering various options for next year, including returning to the Sawgrass, going to another Florida site, or going to another location entirely. We welcome everyone’s location with regard to both the site and the format of the conference and the best way to accommodate the growing numbers of MLPs and the investors we want to reach, as well as encourage our sponsors to continue their support.

Research MLP Supplement

Another highly successful public and investor relations activity in which the Association participates is the MLP supplements published each summer by *Research* magazine. First organized by Plains All American Pipeline, “The Research Magazine Guide to Master Limited Partnerships” has been distributed as a supplement to the July issue of *Research* for the past several years as a joint effort of the participating MLPs and NAPTP. *Research* magazine targets financial consultants/advisors and has a readership of 90,000 financial advisors. Its content is focused on assisting financial consultants build their businesses and occasionally highlights different types of investment alternatives. The MLP Guide is one of a number of special advertising supplements that are sent out with the magazine.

This year's MLP supplement contains over 65 pages of material. It includes several articles about MLP investing as well as advertisements and fact sheets for various participating MLPs and funds. Advertisers have an option to have *Research* publish and distribute reprints of their company's fact sheets, and *Research* furnishes the Association with several hundred copies of the supplement at no charge. Both the fact sheets and the supplements themselves are excellent handouts at investor conferences and similar events, and are in much demand at the Money Shows. Some 27 MLPs and six MLP fund managers participated in this year's supplement.

Website

The NAPTP website is another, very cost-effective, way that the Association reaches investors. It generates a steady input of phone calls and emails to the Association and is often praised for the amount of information it provides on MLPs. Keeping the information on the website current and accessible is one of the most important tasks of the Association's management. Visitors to the website can find educational material on MLPs, links to Association members' websites, a list of investor relations contacts, a list of research analyst contacts, a list of currently trading MLPs and MLP funds, a calendar of MLP investor events, and many other resources.

The website also contains extensive resources for Association members in the Members section, which is accessible through a login and password assigned to each member company. These include Annual Meeting materials going back to 2002, text and discussion of various tax regulations affecting PTPs, briefing and source material on legislative issues, and contact information for all MLPs and Association members. The Members section can be found at http://www.naptp.org/Members/MSNavigation/MS_Main.htm. If your company does not yet have a login and password, or you have forgotten it, you can get one by contacting Mary Lyman or Lindsay Sander.

As mentioned earlier, one service that would be available to use from Story Partners, albeit at an additional expense beyond the regular monthly retainer, is an update of the website. This would include both refreshing the design, which would be applied to other contexts as well, and migrating the site to a new server (it is currently housed on Yahoo) and putting it into a format that is easier to work with and update than the current one. Because of the expenditure involved, this will require approval by the Board of Directors.