

MLP and Energy Infrastructure Monthly



April 2019



Oil Price Recovery Drives Rebound in Midstream's Quarterly Performance

The [Alerian MLP Index \(AMZ\)](#) and the [Alerian Midstream Energy Index \(AMNA\)](#) gained 3.4% and 3.6%, respectively, on a price-return basis in March as WTI oil prices gained 5.1%. For the first quarter, a 32.4% increase in WTI crude helped drive positive midstream performance. For 1Q19, the AMZ gained 14.5% on a price-return basis and 16.8% on a total-return basis, while AMNA increased by 20.3% on a price-return basis and 22.2% on a total-return basis.



Williams and Canada Pension Plan Investment Board (CPPIB) Team Up in the Marcellus/Utica

[Williams](#) (WMB) and CPPIB will form a \$3.8 billion [joint venture](#) that includes two midstream systems in the Marcellus and Utica. CPPIB will pay \$1.34 billion for a 35% interest in the JV. As part of the deal, WMB purchased the remaining 38% stake in the Utica East Ohio system it did not own, resulting in net proceeds to WMB of \$600 million. Midstream assets continue to attract a broad base of investors.



Alberta Raises Production Limit but Line 3 Delay Continues to Constrain Takeaway

Alberta continues to ease oil production cuts, raising the production cap to [3.71 million barrels per day](#) (MMBpd) by June from the initial 3.56 MMBpd limit imposed in January. Earlier this month, [Enbridge](#) (ENB) announced its Line 3 Replacement Project would be [delayed](#) from a late 2019 start to the second half of 2020 after receiving an updated permitting schedule. With pipeline takeaway constrained, [rail](#) will continue to fill the gap.



A Dynamic Time for LNG Export Projects

[Energy Transfer](#) (ET) signed a [Project Framework Agreement](#) with Shell (RDS-A) for Lake Charles LNG, progressing the project closer to a final investment decision. [Cheniere Energy](#) (LNG) announced the completion of two liquefaction trains in March: [Corpus Christi Train 1](#) and [Sabine Pass Train 5](#). Altogether, US LNG export capacity is expected to increase by ~6.5 billion cubic feet per day in 2019–2020. [Read More](#)



US Gulf Coast Becomes a Net Crude Exporter in Late 2018

The US Energy Information Administration reported that the Gulf Coast was a [net exporter](#) of crude in November and December. Net exports were 0.4 MMBpd in December, with gross exports reaching a record 2.3 MMBpd. This is a monumental shift from 2007 when net crude imports hit a peak of 6.6 MMBpd.



Alerian March Index Review

The Alerian Index Series saw a quarterly [rebalancing](#) in March. Additionally, Antero Midstream Partners and Antero Midstream GP were [removed](#) from the Alerian Index Series in a special rebalancing. The merged entity converted to a corporation renamed [Antero Midstream Corporation](#) (AM).