

MLP and Energy Infrastructure Monthly



March 2019



Midstream Outperforms Rest of Energy, Lags Crude

The [Alerian MLP Index](#) (AMZ) was down 0.9% on a price-return basis but up 0.3% on a total-return basis in February. The [Alerian Midstream Energy Index](#) (AMNA) was up 0.7% on a price-return basis and 1.3% on a total-return basis for the month. WTI crude rose 6.4% in February as OPEC and its allies remained committed to output cuts. Oilfield Service names (OSX Index) and E&Ps (SPSIOP Index) lagged midstream, decreasing 2.8% and 2.7%, respectively.



MLP IDR Eliminations Continue

[Equitrans Midstream](#) (ETRN) and [EQM Midstream Partners](#) (EQM) closed a transaction to [eliminate](#) EQM's incentive distribution rights (IDRs), which is expected to be accretive to EQM beginning in 2021. [PBF Logistics](#) (PBFX) also closed its [announced](#) IDR elimination transaction with sponsor [PBF Energy](#) (PBF), which is expected to be immediately accretive. Among several other strategic actions, [Summit Midstream Partners](#) (SMLP) [reported](#) plans to eliminate its IDRs and reduce its distribution.



Targa Sells Interest in Bakken Assets to Blackstone

[Targa Resources](#) (TRGP) agreed to [sell](#) a 45% interest in its Bakken assets to funds managed by Blackstone and GSO Capital Partners for \$1.6 billion in cash. Targa will continue to operate the assets. TRGP will use the proceeds of the sale to reduce leverage and fund growth capital.



4Q18 Distribution Recap: 41 MLPs and Just One Cut

AMZ constituent [American Midstream Partners](#) (AMID) [cut](#) its distribution as part of an amended credit agreement, marking the only 4Q18 cut among AMZ constituents. The [Alerian MLP Infrastructure Index](#) (AMZI) had no cuts for 4Q18. The majority of constituents in both indices grew their distributions sequentially and year-over-year. [Read More](#)



Williams and Targa Team Up on NGL Pipeline Projects

[Williams](#) (WMB) and TRGP [announced](#) NGL pipeline projects to link the Conway and Mont Belvieu markets. WMB will build the Bluestem Pipeline, a new NGL pipeline that will run from Conway to connect with TRGP's Grand Prix NGL Pipeline in Oklahoma. TRGP will extend Grand Prix to connect with Bluestem. Both projects are targeting an in-service date of 1Q21.



Alerian Index Series Updates

Western Gas Partners was [removed](#) from the Alerian Index Series due to its merger with [Western Gas Equity Partners](#). The surviving entity changed its name to Western Midstream Partners (new ticker WES) and was added to the AMZI and the [Alerian Natural Gas MLP Index](#) (ANGI). TransMontaigne Partners was [removed](#) from the Alerian Index Series due to its acquisition by Arclight Energy Partners.