

# The Alerian MLP Monthly



## December 2017



### 3Q 2017 Distributions

While there were notable distribution cuts from [GEL](#), [PAA](#), and [SPH](#) in 3Q 2017, most MLPs maintained or grew their distribution quarter over quarter. Many MLPs increased payouts by 4% or more. [Read More](#)



### Keystone XL

There was lots of chatter about Keystone XL this month. Unfortunately, the first noteworthy [story](#) was due to a leak in South Dakota. However, only days later, [TransCanada](#) (TRP) announced that the Nebraska Public Service Commission had [approved](#) an alternative route for the pipeline to run through the state.



### Tax Loss Selling

With other asset classes near all time highs, MLP allocations are prime targets for tax loss harvesting. Potentially happening earlier this year than usual, the selling pressure contributes to the negative sentiment MLPs have been experiencing.



### Tax Reform

While the potential tax reform bill was not approved as of month end, investors have watched it closely all month. Existing MLPs should be predominantly unaffected; however, a reduced corporate tax rate lowers the structural incentive for the creation of new MLPs. [Read More](#)



### OPEC Extends Cuts to End of 2018

OPEC met on the last day of the month and decided, along with non-OPEC countries headlined by Russia, to extend oil production cuts by nine months to the end of 2018. Oil prices in November were supported by the expectation that the cuts would be extended and by geopolitical concerns, primarily around the Middle East. WTI crude was up 5% for the month.



### Massive Dropdown to MPLX

In the anticipated, remaining dropdown from [Marathon Petroleum Corporation](#) (MPC), [MPLX](#) will buy refining logistics assets and fuel distribution services that generate \$1 billion in annual EBITDA for \$8.1 billion. The dropdown and MPC's exchange of its GP interests for MPLX common units are expected to close February 1, 2018. [Read MPLX's Press Release](#)