Department of Revenue
Washington State

COST OF CAPITAL STUDY

YIELD CAPITALIZATION

2011 ASSESSMENT YEAR

APPENDIX C

LIQUID PETROLEUM

EQUITY RATE						**10.50%**	
CAPITAL ASSET PRICING MODEL							PAGE
CAPM Ex Post			8.33%				5
CAPM Ex Ante			8.71%				6
DIVIDEND GROWTH MODELS							
Value Line, based on Dividends Growth			10.00%				8
Value Line, based on Earnings Growth			12.00%				9
Value Line, based on Return on Equity			nmf				10
					RANGE	8.33 - 12.00%	
DEBT RATE						**6.50%**	11
MARKET CAPITAL STRUCTURE							
Equity	65%	x	10.50%	=		6.83%	3
Debt	35%	x	6.50%	=	2.28%		3
Marginal Tax Rate	38%	=	(1-.038)	x	2.28%	1.41%	
WEIGHTED AVERAGE COST OF CAPITAL						**8.24%**	

SUPPORT FOR GUIDELINE COMPANIES

WASHINGTON STATE DEPARTMENT OF REVENUE

2011 ASSESSMENT YEAR

LIQUID PETROLEUM

Capital Structure at Book Value

Company	Ticker	Beta	P/E Ratio	Div'd Yield	Gross Revenues (Millions)	4 yr Average EBITDA	Total Assets (Millions)	Pipe Miles	Common Stock	%	Pref Stock	%	Long Term Debt	%	Total Debt & Equity
Buckeye Partners	bpl	0.85	18.8	5.8%	67,742	316	3,574	5,400	1,237,303,000	46.2%	-	0.0%	1,441,300,000	53.8%	2,678,603,000
Enbridge Energy Ptnrs *	eep	0.90		6.8%	184,493	656	10,441	4,120	3,789,917,230	42.3%	-	0.0%	5,178,100,000	57.7%	8,968,017,230
Enterprise Products Ptnrs	epd	0.85	22.9	5.8%	374,031	2,241	31,361	48,000	9,122,697,055	41.8%	-	0.0%	12,704,800,000	58.2%	21,827,497,055
Kinder Morgan Energy Ptnrs	kmp	0.75	48.6	6.5%	192,094	2,205	21,861	29,000	7,317,883,404	41.6%	-	0.0%	10,278,600,000	58.4%	17,596,483,404
Magellan Mid Ptnrs	mmp	0.90	18.9	5.3%	19,513	427	3,718	8,700	1,445,385,335	43.3%	-	0.0%	1,892,300,000	56.7%	3,337,685,335
NuStar Energy LP *	ns	0.85		6.7%	170,761	400	5,386	783	2,666,477,357	59.1%	-	0.0%	1,845,500,000	40.9%	4,511,977,357
Plains All American	paa	0.85	20.2	6.2%	789,478	886	13,703	20,000	4,344,950,724	48.6%	-	0.0%	4,593,000,000	51.4%	8,937,950,724
Mean		**0.85**	**25.9**	**6.2%**					**4,274,944,872**	**46.1%**		**0.0%**	**5,419,085,714**	**53.9%**	
Weighted Mean									**29,924,614,105**	**44.1%**	**-**	**0.0%**	**37,933,600,000**	**55.9%**	**67,858,214,105**
Median				**6.2%**						**43.3%**		**0.0%**		**56.7%**	

SUPPORT FOR CAPITAL STRUCTURE

MARKET VALUE

WASHINGTON STATE DEPARTMENT OF REVENUE

2011 ASSESSMENT YEAR

LIQUID PETROLEUM

Capital Structure at Market Value

Company	Ticker	Stock Average	Common Shares	Common Stock	%	Preferred Stock	%	Long Term Debt	%	Total Debt & Equity
Buckeye Partners	bpl	65.870	51,770,000	3,410,089,900	69.3%	-	0.0%	1,509,617,620	30.7%	4,919,707,520
Enbridge Energy Ptnrs *	eep	60.795	119,669,000	7,275,276,855	57.7%	-	0.0%	5,339,878,639	42.3%	12,615,155,494
Enterprise Products Ptnrs	epd	41.643	637,950,843	26,566,399,605	65.5%	-	0.0%	13,969,096,997	34.5%	40,535,496,603
Kinder Morgan Energy Ptnrs	kmp	70.082	312,730,060	21,916,643,822	65.8%	-	0.0%	11,375,367,270	34.2%	33,292,011,091
Magellan Mid Ptnrs	mmp	54.470	112,481,349	6,126,859,080	74.4%	-	0.0%	2,109,500,559	25.6%	8,236,359,639
NuStar Energy LP *	ns	65.947	64,610,549	4,260,850,338	67.7%	-	0.0%	2,029,151,857	32.3%	6,290,002,195
Plains All American	paa	62.852	136,419,175	8,574,172,514	62.8%	-	0.0%	5,082,597,962	37.2%	13,656,770,476
			Mean		**66.2%**		**0.0%**		**33.8%**	
			Weighted Mean	**78,130,292,114**	**65.4%**	**-**	**0.0%**	**41,415,210,904**	**34.6%**	**119,545,503,018**
			Median		**65.8%**		**0.0%**		**34.2%**	
			Max		**74.4%**		**0.0%**		**42.3%**	
			Min		**57.7%**		**0.0%**		**25.6%**	
			Target		**65%**		**0%**		**35%**	**100%**

Source:

Stock Price: Yahoo

Market Value Debt: Bond Analysis

SUPPORT FOR MARKET MULTIPLES

WASHINGTON STATE DEPARTMENT OF REVENUE

2011 ASSESSMENT YEAR

LIQUID PETROLEUM

Company	Ticker	Stock Avg	Revenues	Multiple	Cash Flow	Multiple	Earnings	Multiple	Divds Decld	Multiple	Book Value	Multiple
Buckeye Partners	bpl	65.870	54.750	1.2	4.60	14.3	3.40	19.37	3.80	17.3	23.90	2.8
Enbridge Energy Ptnrs *	eep	60.795	48.680	1.2	5.43	11.2	3.00	20.27	3.96	15.4	31.67	1.9
Enterprise Products Ptnrs	epd	41.643	41.000	1.0	3.10	13.4	1.92	21.69	2.32	17.9	14.30	2.9
Kinder Morgan Energy Ptnrs	kmp	70.082	26.250	2.7	4.25	16.5	1.43	49.01	4.32	16.2	23.40	3.0
Magellan Mid Ptnrs	mmp	54.470	13.500	4.0	3.90	14.0	2.90	18.78	2.91	18.7	12.85	4.2
NuStar Energy LP *	ns	65.947	64.040	1.0	6.16	10.7	2.85	23.14	4.25	15.5	41.27	1.6
Plains All American	paa	62.852	181.700	0.3	4.75	13.2	2.88	21.82	3.74	16.8	31.85	2.0
		Mean		**1.6**		**13.3**		**24.9**		**16.8**		**2.6**
		Median		**1.2**		**13.4**		**21.7**		**16.8**		**2.8**
		Max		**4.0**		**16.5**		**49.0**		**18.7**		**4.2**
		Min		**0.3**		**10.7**		**18.8**		**15.4**		**1.6**
		Std Dev		**1.3**		**2.0**		**10.8**		**1.2**		**0.9**
		Coefficient of Variation		**0.8**		**0.1**		**0.4**		**0.1**		**0.3**
		Say		**1.2**		**13.4**		**22.0**		**16.8**		**2.8**

SUPPORT FOR YIELD CAPITALIZATION EQUITY COMPONENT

CAPITAL ASSET PRICING MODEL

WASHINGTON STATE DEPARTMENT OF REVENUE

2011 ASSESSMENT YEAR

LIQUID PETROLEUM

Ex Post

Ke = Rf + B (Rm-Rf)

Ke =	**Cost of Equity**			**8.33%**
				to page 1
	Rf =	risk free rate	4.25%	
	Rp =	risk premium	4.80%	
	B =	Beta	0.85	page 7

Rp =	**Risk Premium**	(Rm-Rf)		**4.80%**
				to above

2011 Ibbotson Risk Premia Over Time Report, Page 3

	9.9%	Large Company Geometric Rm
less	5.1%	Average Historical Rf Income Return

Rf =	**Risk Free Rate**		**4.25%**
			to above

2011 Ibbotson Risk Premia Over Time Report, Page 4

Long Term (20 years) US Treasury Bond Yield		4.10%

Value Line Investment Survey, Selected Yields January 7, 2011, page 2469

US Treasury Securities year end data

30 year	4.43%
30 year Zero	4.71%

Federal Reserve Statistical Release (http://www.federalreserve.gov/Releases/H15/Current/)

January 3, 2011 as of 12-31-10

Treasury Constant Maturities

20 year	4.13%	
30 year	4.34%	
20 year TIPS	1.59%	
	2.54%	Inflation Indication
		2.50%

SUPPORT FOR YIELD CAPITALIZATION EQUITY COMPONENT

CAPITAL ASSET PRICING MODEL

WASHINGTON STATE DEPARTMENT OF REVENUE

2011 ASSESSMENT YEAR

LIQUID PETROLEUM

Ex Ante

Ke = Rf + B (Rp)

Ke =	**Cost of Equity**				**8.71%**
					to page 1
	Rm =	rate of return	9.50%		
	Rf =	risk free rate	4.25%		
	Rp =	risk premium	5.25%		
	B =	Beta	0.85		page 7

Rp =	**Risk Premium**			**5.25%**
				to above
	Shannon Pratt and Roger Grabowski		3.50 - 6.00%	
		Cost of Capital, Applications and Examples, Third Edition, 2008, Page 113		
	Dr. Aswath Damodaran		5.20%	
		http://pages.stern.nyu.edu/~adamodar/ 2010 Implied Premium		
	Ibbotson		6.00%	
		2011 Risk Premia Over Time Report, Page 3 Long-horizon expected ERP (supply side)		
	Campbell Harvey		2.89%	December 2010
		The Equity Risk Premium 10 Year Data: Evidence from the Duke CFO Outlook Survey	3.42%	10 year average
			2.39 - 4.74%	10 year average range

Rf =	**Risk Free Rate**			**4.25%**
				to above
	2011 Ibbotson Risk Premia Over Time Report, Page 4			
		Long Term (20 years) US Treasury Bond Yield	4.10%	
	Value Line Investment Survey, Selected Yields January 7, 2011, page 2469			
		US Treasury Securities year end data		
		30 year	4.43%	
		30 year Zero	4.71%	
	Federal Reserve Statistical Release (http://www.federalreserve.gov/Releases/H15/Current/)			
	January 3, 2011 as of 12-31-10			
		Treasury Constant Maturities		
		20 year	4.13%	
		30 year	4.34%	
		20 year TIPS	1.59%	
			2.54%	Inflation Indication
				2.50%

BETA CALCULATION FOR CAPM

WASHINGTON STATE DEPARTMENT OF REVENUE

2011 ASSESSMENT YEAR

LIQUID PETROLEUM

Company	Ticker	Value Line
Buckeye Partners	bpl	0.85
Enbridge Energy Ptnrs *	eep	0.90
Enterprise Products Ptnrs	epd	0.85
Kinder Morgan Energy Ptnrs	kmp	0.75
Magellan Mid Ptnrs	mmp	0.90
NuStar Energy LP *	ns	0.85
Plains All American	paa	0.85
	Mean	**0.85**
	Median	**0.85**
	Max	**0.90**
	Min	**0.75**
Source: Value Line-five year, weekly	**Say**	**0.85**

SUPPORT FOR YIELD CAPITALIZATION EQUITY COMPONENT

DIVIDEND GROWTH MODEL

WASHINGTON STATE DEPARTMENT OF REVENUE

2011 ASSESSMENT YEAR

LIQUID PETROLEUM

Based on Dividend Growth

Ke = (D1 / Po) + G

Ke = Cost of Equity
D1 = Expected Dividends
Po = Current Price
G = Sustainable Growth

Company	Ticker	Stock Price (Po)	Expected Dividend (D1)	Dividend Yield (D1/Po)	Dividend Growth (G)	Ke
Buckeye Partners	bpl	65.870	3.95	0.06	2.53%	8.53%
Enbridge Energy Ptnrs *	eep	60.795	N/A	N/A	N/A	N/A
Enterprise Products Ptnrs	epd	41.643	2.44	0.06	9.21%	15.07%
Kinder Morgan Energy Ptnrs	kmp	70.082	4.56	0.07	6.22%	12.73%
Magellan Mid Ptnrs	mmp	54.470	3.00	0.06	3.97%	9.47%
NuStar Energy LP *	ns	65.947	N/A	N/A	N/A	N/A
Plains All American	paa	62.852	3.82	0.06	2.94%	9.02%
					Mean	**10.96%**
					Median	**9.47%**
					Trimmed Mean	**9.01%**
					Max	**15.07%**
					Min	**8.53%**

Source: Value Line Projections to 13-15

Say **10.00%**

SUPPORT FOR YIELD CAPITALIZATION EQUITY COMPONENT

DIVIDEND GROWTH MODEL

WASHINGTON STATE DEPARTMENT OF REVENUE

2011 ASSESSMENT YEAR

LIQUID PETROLEUM

Based on Earnings Growth

Ke = (D1 / Po) + G

Ke = Cost of Equity
D1 = Expected Dividends
Po = Current Price
G = Sustainable Growth

Company	Ticker	Stock Price (Po)	Expected Dividend (D1)	Dividend Yield (D1/Po)	Earnings Growth (G)	Ke
Buckeye Partners	bpl	65.870	3.95	6.00%	5.74%	11.73%
Enbridge Energy Ptnrs *	eep	60.795	N/A	N/A	N/A	N/A
Enterprise Products Ptnrs	epd	41.643	2.44	5.86%	9.40%	15.26%
Kinder Morgan Energy Ptnrs	kmp	70.082	4.56	6.51%	16.67%	23.18%
Magellan Mid Ptnrs	mmp	54.470	3.00	5.51%	5.92%	11.43%
NuStar Energy LP *	ns	65.947	N/A	N/A	N/A	N/A
Plains All American	paa	62.852	3.82	6.08%	4.62%	10.70%
					Mean	**14.46%**
					Median	**11.73%**
					Max	**23.18%**
					Min	**10.70%**
					Say	**12.00%**

Source: Value Line Projections to 13-15

SUPPORT FOR YIELD CAPITALIZATION EQUITY COMPONENT

DIVIDEND GROWTH MODEL

WASHINGTON STATE DEPARTMENT OF REVENUE

2011 ASSESSMENT YEAR

LIQUID PETROLEUM

Based on Return on Equity

Ke = (D1 / Po) + G

Ke = Cost of Equity
D1 = Expected Dividends
Po = Current Price
G = Sustainable Growth
b = Retained Earnings (plowback)
ROE = Return on Equity

Value Line

Company	Ticker	Stock Price (Po)	Expected Dividend (D1)	Dividend Yield (D1/Po)	b (1-payout ratio)	ROE	Growth (b*ROE)	Ke
Buckeye Partners	bpl	65.870	3.95	6.00%	-9.0%	14.00%	-1.26%	nmf
Enbridge Energy Ptnrs *	eep	60.795	N/A	N/A	N/A	10.20%	N/A	N/A
Enterprise Products Ptnrs	epd	41.643	2.44	5.86%	9.0%	13.50%	1.22%	7.07%
Kinder Morgan Energy Ptnrs	kmp	70.082	4.56	6.51%	-35.0%	17.50%	-6.13%	nmf
Magellan Mid Ptnrs	mmp	54.470	3.00	5.51%	0.0%	22.50%	0.00%	5.51%
NuStar Energy LP *	ns	65.947	N/A	N/A	-3.0%	9.00%	N/A	N/A
Plains All American	paa	62.852	3.82	6.08%	-28.0%	9.00%	-2.52%	nmf
							Mean	**6.29%**
							Median	**6.29%**
							Max	**7.07%**
							Min	**5.51%**
							Say	**nmf**

SUPPORT FOR DEBT RATING AND DEBT YIELD RATE

WASHINGTON STATE DEPARTMENT OF REVENUE

2011 ASSESSMENT YEAR

LIQUID PETROLEUM

Company	Ticker	Mergent's Ratings	S&P Ratings	WAYTM
Buckeye Partners	bpl		BBB	4.14%
Enbridge Energy Ptnrs *	eep	Baa2	BBB	4.89%
Enterprise Products Ptnrs	epd	Baa3	BBB-	
Kinder Morgan Energy Ptnrs	kmp	Baa2	BBB	5.97%
Magellan Mid Ptnrs	mmp	Baa2	BBB	4.83%
NuStar Energy LP *	ns		BBB-	
Plains All American	paa	Baa3	BBB-	4.69%
Overall Average Debt Rating		**Baa2**	**BBB**	**4.91%**

bond analysis, A-BBB bonds

	All issues	20+ year maturities
Guideline Companies, All Ratings	**5.47%**	**6.28%**

bond analysis page 12

Mergent's Bond Record January 2011, page 210				
Corporate	**Aaa**	**Aa**	**A**	**Baa**
October	4.68%	4.83%	5.09%	5.72%
November	4.87%	5.07%	5.33%	5.92%
December	5.02%	5.26%	5.52%	6.10%
4th Qtr Average	**4.86%**	**5.05%**	**5.31%**	**5.91%**
Public Utilities	**Aaa**	**Aa**	**A**	**Baa**
October		4.89%	5.10%	5.62%
November		5.12%	5.37%	5.85%
December		5.32%	5.56%	6.04%
4th Qtr Average		**5.11%**	**5.34%**	**5.84%**
Industrials	**Aaa**	**Aa**	**A**	**Baa**
October	4.68%	4.77%	5.07%	5.81%
November	4.87%	5.02%	5.29%	5.99%
December	5.02%	5.19%	5.47%	6.15%
4th Qtr Average	**4.86%**	**4.99%**	**5.28%**	**5.98%**

Debt Yield Rate	**6.50%**

to page 1

12/31/2010

Liquid Petroleum Bond Analysis

2011.5

Company	type	Call	coupon	maturity	Price 12/10		Issued / Book	current yield	yield to maturity	Weighted A	Rating		Mkt Val	Mkt : Book	Embedded		Debt Service	CO WAYTM
Buckeye Ptns LP	Nt		5.125	2017	104.74	$	125,000,000	4.893%	4.14%	0.07%	BBB	$	130,925,000	104.74%			6,406,250	0.041435926
1	**Book Val**	**100**		**sum**	**104.74**	**$**	**125,000,000**	**Percent of book**	**104.74%**	**0.07%**		**$**	**130,925,000**	**104.74%**	**5.13%**	**$**	**6,406,250**	**4.14%**
Enbridge Energy Ptrs	Nt		5.875	2016	111.33	$	300,000,000	5.277%	3.14%	0.13%	BBB	$	333,990,000	111.33%			17,625,000	0.013440717
Enbridge Energy Ptrs	Nt		5.950	2033	96.97	$	400,000,000	6.136%	6.21%	0.33%	BBB	$	387,880,000	96.97%			23,800,000	0.035480506
2	**Book Val**	**200**		**sum**	**208.3**	**$**	**700,000,000**	**Percent of book**	**104.15%**	**0.46%**		**$**	**721,870,000**	**103.12%**	**5.92%**	**$**	**41,425,000**	**4.89%**
Kinder Morgan Energy Ptrs	Sr Nt		6.000	2017	110.40	$	600,000,000	5.435%	3.86%	0.31%	BBB	$	662,400,000	110.40%			36,000,000	0.005240447
Kinder Morgan Energy Ptrs	Nt		7.400	2031	111.84	$	1,000,000,000	6.617%	6.33%	0.84%	BBB	$	1,118,400,000	111.84%			74,000,000	0.014296830
Kinder Morgan Energy Ptrs	Nt		7.750	2032	116.04	$	750,000,000	6.679%	6.33%	0.63%	BBB	$	870,300,000	116.04%			58,125,000	0.010731291
Kinder Morgan Energy Ptrs	Sr Nt		7.300	2033	111.31	$	500,000,000	6.558%	6.32%	0.42%	BBB	$	556,550,000	111.31%			36,500,000	0.007145212
Kinder Morgan Energy Ptrs	Sr Nt		6.500	2037	103.19	$	400,000,000	6.299%	6.25%	0.33%	BBB	$	412,760,000	103.19%			26,000,000	0.005646741
Kinder Morgan Energy Ptrs	Sr Nt		6.950	2038	108.66	$	1,175,000,000	6.396%	6.27%	0.98%	BBB	$	1,276,755,000	108.66%			81,662,500	0.016653209
6	**Book Val**	**600**		**sum**	**661.44**	**$**	**4,425,000,000**	**Percent of book**	**110.24%**	**3.52%**		**$**	**4,897,165,000**	**110.67%**	**7.06%**	**$**	**312,287,500**	**5.97%**
Magellan Midstream Ptrs	Sr Nt		6.550	2019	114.00	$	550,000,000	5.746%	4.32%	0.32%	BBB	$	627,000,000	114.00%			36,025,000	0.029731243
Magellan Midstream Ptrs	Sr Nt		6.400	2037	105.93	$	250,000,000	6.042%	5.94%	0.20%	BBB	$	264,825,000	105.93%			16,000,000	0.018570822
2	**Book Val**	**200**		**sum**	**219.93**	**$**	**800,000,000**	**Percent of book**	**109.97%**	**0.52%**		**$**	**891,825,000**	**111.48%**	**6.50%**	**$**	**52,025,000**	**4.83%**
Plains All American	Sr Nt		6.500	2018	111.97	$	600,000,000	5.805%	4.35%	0.35%	BBB-	$	671,820,000	111.97%			39,000,000	0.017985944
Plains All American	Sr Nt		6.500	2018	111.97	$	600,000,000	5.805%	4.35%	0.35%	BBB-	$	671,820,000	111.97%			39,000,000	0.017985944
Plains All American	Sr Nt		6.700	2036	104.37	$	250,000,000	6.419%	6.34%	0.21%	BBB-	$	260,925,000	104.37%			16,750,000	0.010937683
3	**Book Val**	**300**		**sum**	**328.31**	**$**	**1,450,000,000**	**Percent of book**	**109.44%**	**0.91%**		**$**	**1,604,565,000**	**110.66%**	**6.53%**	**$**	**94,750,000**	**4.69%**
				Total		**$**	**7,500,000,000**			**5.47%**	**Total**	**$**	**8,246,350,000**	**109.95%**	**6.76%**	**$**	**506,893,750**	**4.91%**

This includes short term. For 20+ year maturities see below

Source: Standard & Poor's Bond Guide, January 2011, 2010 Yr End Prices

Company	type	Call	coupon	maturity	Price 12/10		Issued / Book	current yield	yield to maturity	Weighted A	Rating		Mkt Val	Mkt : Book	Embedded		Debt Service
Kinder Morgan Energy Ptrs	Nt		7.400	2031	111.84	$	1,000,000,000	6.617%	6.33%	1.34%	BBB	$	1,118,400,000	111.84%			74,000,000
Kinder Morgan Energy Ptrs	Nt		7.750	2032	116.04	$	750,000,000	6.679%	6.33%	1.00%	BBB	$	870,300,000	116.04%			58,125,000
Enbridge Energy Ptrs	Nt		5.950	2033	96.97	$	400,000,000	6.136%	6.21%	0.53%	BBB	$	387,880,000	96.97%			23,800,000
Kinder Morgan Energy Ptrs	Sr Nt		7.300	2033	111.31	$	500,000,000	6.558%	6.32%	0.67%	BBB	$	556,550,000	111.31%			36,500,000
Plains All American	Sr Nt		6.700	2036	104.37	$	250,000,000	6.419%	6.34%	0.34%	BBB-	$	260,925,000	104.37%			16,750,000
Kinder Morgan Energy Ptrs	Sr Nt		6.500	2037	103.19	$	400,000,000	6.299%	6.25%	0.53%	BBB	$	412,760,000	103.19%			26,000,000
Magellan Midstream Ptrs	Sr Nt		6.400	2037	105.93	$	250,000,000	6.042%	5.94%	0.31%	BBB	$	264,825,000	105.93%			16,000,000
Kinder Morgan Energy Ptrs	Sr Nt		6.950	2038	108.66	$	1,175,000,000	6.396%	6.27%	1.56%	BBB	$	1,276,755,000	108.66%			81,662,500
				Total		**$**	**4,725,000,000**			**6.28%**	**Total**	**$**	**5,148,395,000**	**108.96%**	**7.04%**	**$**	**332,837,500**

Embedded debt rate	**7.04%**
Weighted average yield to maturity	**6.28%**
Debt service / Market value	**6.46%**
SAY:	**6.50%**

DATA INPUT

WASHINGTON STATE DEPARTMENT OF REVENUE

2011 ASSESSMENT YEAR

LIQUID PETROLEUM

Instructions: Data entered on this page will flow to the applicable worksheets.

Guideline Companies		Stock Price	Revenues	Cash Flow	Earnings	Dividends	Bk Value	Common	Calculated Debt	Wtd Avg YTM	div to earnings Payout Ratio	Payout Ratio	ROE
Name	**Ticker**	**(4th Qtr Avg)**	**Per Share**	**Per Share**	**Per Share**	**Per Share**	**Stock**	**Shares**	**mk to bk**		**calculated**	**V L**	**V L**
Buckeye Partners	bpl	65.870	54.75	4.60	3.40	3.80	23.90	51,770,000	104.74%	4.14%	112%	109%	14.0%
Enbridge Energy Ptnrs *	eep	60.795	48.68	5.43	3.00	3.96	31.67	119,669,000	103.12%	4.89%	132%	104%	10.2%
Enterprise Products Ptnrs	epd	41.643	41.00	3.10	1.92	2.32	14.30	637,950,843	109.95%		121%	91%	13.5%
Kinder Morgan Energy Ptnrs	kmp	70.082	26.25	4.25	1.43	4.32	23.40	312,730,060	110.67%	5.97%	302%	135%	17.5%
Magellan Mid Ptnrs	mmp	54.470	13.50	3.90	2.90	2.91	12.85	112,481,349	111.48%	4.83%	100%	100%	22.5%
NuStar Energy LP *	ns	65.947	64.04	6.16	2.85	4.25	41.27	64,610,549	109.95%		149%	103%	9.0%
Plains All American	paa	62.852	181.70	4.75	2.88	3.74	31.85	136,419,175	110.66%	4.69%	130%	128%	9.0%
Value Line December 10, 2010		Yahoo	Value Line	Value Line	Value Line	Value Line	Value Line	Value Line	Bond analysis 108.65%	Bond analysis	calculated	Value Line	Value Line
* last years data									109.95%				

SUPPORT FOR DIRECT CAPITALIZATION EQUITY COMPONENT

WASHINGTON STATE DEPARTMENT OF REVENUE

2011 ASSESSMENT YEAR

LIQUID PETROLEUM

			2010		2011		2010		2011	
Company	**Ticker**	**Stock Average**	**Actual Earnings Ratio (EPS/P)**		**Projected Earnings Ratio (PEPS/P)**		**Cash Flow Ratio (CF/P)**		**Projected Cash Flow Ratio**	
Buckeye Partners	bpl	65.87	3.40	5.2%	3.75	5.7%	4.60	7.0%	5.00	7.6%
Enbridge Energy Ptnrs *	eep	60.80	3.00	4.9%	3.23	5.3%	5.43	8.9%	N/A	NMF
Enterprise Products Ptnrs	epd	41.64	1.92	4.6%	1.95	4.7%	3.10	7.4%	3.45	8.3%
Kinder Morgan Energy Ptnrs	kmp	70.08	1.43	2.0%	1.75	2.5%	4.25	6.1%	4.70	6.7%
Magellan Mid Ptnrs	mmp	54.47	2.90	5.3%	3.05	5.6%	3.90	7.2%	4.20	7.7%
NuStar Energy LP *	ns	65.95	2.85	4.3%	3.24	4.9%	6.16	9.3%	N/A	NMF
Plains All American	paa	62.85	2.88	4.6%	3.10	4.9%	4.75	7.6%	5.05	8.0%
		Mean		**4.4%**		**4.8%**		**7.6%**		**7.7%**
		Median		**4.6%**		**4.9%**		**7.4%**		**7.7%**
		Max		**5.3%**		**5.7%**		**9.3%**		**8.3%**
		Min		**2.0%**		**2.5%**		**6.1%**		**6.7%**
		Say		**4.6%**		**4.9%**		**7.4%**		**7.7%**

Source:

Actual earnings: Value Line / Q4 average stock price

Estimated Earnings: Value Line / Q4 average stock price

Actual Cash Flow: Value Line / Q4 average stock price

Estimated Cash Flow: Value Line / Q4 average stock price

AVERAGE FOURTH QUARTER STOCK PRICE

WASHINGTON STATE DEPARTMENT OF REVENUE

2011 ASSESSMENT YEAR

LIQUID PETROLEUM

60.24

Buckeye bpl **Q4 Average**

Date	Open	High	Low	Close	Volume	Adj. Close*	
12/01/2010	68.62	68.92	64.16	66.83	107100	66.83	
11/01/2010	63.35	71.67	63.28	68.07	165100	68.07	
10/01/2010	63.65	65.19	62.00	63.31	109700	62.42	**65.870**

Enbridge Energy Partners eep

Date	Open	High	Low	Close	Volume	Adj. Close*	
12/01/2010	61.33	62.93	59.79	62.38	247200	62.38	
11/01/2010	61.77	63.20	59.41	60.85	514600	60.85	
10/01/2010	56.11	63.39	56.05	61.49	200400	60.46	**60.795**

Enterprise Products Partner epd

Date	Open	High	Low	Close	Volume	Adj. Close*	
12/01/2010	41.14	41.90	39.26	41.61	1906400	41.61	
11/01/2010	42.90	44.32	41.70	42.08	1121200	42.08	
10/01/2010	39.69	42.99	39.69	42.85	1180600	42.85	**41.643**

Kinder Morgan Energy Partners kmp

Date	Open	High	Low	Close	Volume	Adj. Close*	
12/01/2010	70.94	71.48	69.09	70.26	616400	70.26	
11/01/2010	69.66	71.50	68.19	70.45	550100	70.45	
10/01/2010	68.70	71.72	68.51	69.47	565900	69.47	**70.082**

Magellan Mid Ptnrs mmp

Date	Open	High	Low	Close	Volume	Adj. Close*	
12/01/2010	56.47	57.09	52.84	56.50	276000	56.50	
11/01/2010	54.10	57.43	54.01	56.00	303700	56.00	
10/01/2010	51.45	54.00	51.45	53.99	281800	53.26	**54.470**

NuStar Energy LP ns

Date	Open	High	Low	Close	Volume	Adj. Close*	
12/01/2010	67.76	71.69	65.8	69.48	167300	69.48	
11/01/2010	63.60	68.48	62.96	67.45	202500	67.45	
10/01/2010	61.99	64.99	61.76	63.00	167500	63.00	**65.947**

Plains All American paa

Date	Open	High	Low	Close	Volume	Adj. Close*	
12/01/2010	61.57	62.95	60.91	62.79	348600	62.79	
11/01/2010	63.25	65.20	61.04	61.50	495200	61.50	
10/01/2010	63.11	64.85	62.16	63.10	277700	63.10	**62.852**