



MONTANA
DEPARTMENT OF
REVENUE

**2024 Capitalization Rate Study
Pipelines - Incorporated**

Completed: April 26, 2024

MONTANA DEPARTMENT OF REVENUE

Yield Capitalization Rate Conclusion

Industry: Pipelines - Incorporated

2024 Assessment Year

Capital Structure ^[1]

Equity	60.00%
Debt	40.00%

Equity Cost of Capital

		Weighting
Capital Asset Pricing Model - Ex Post ^[2]	12.80%	48%
Capital Asset Pricing Model - Ex Ante ^[2]	10.06%	12%
3 Stage Dividend Discount Model - Dividends ^[3]	12.70%	20%
3 Stage Dividend Discount Model - Earnings ^[3]	16.47%	20%
Weighted Average	13.19%	100%
Selected Cost of Equity	13.19%	

Debt Cost of Capital

		Weighting
A - Mergent's - Avg. YTM of A Rated Corporate Bonds ^[4]	5.25%	0%
Baa - Mergent's - Avg. YTM of Baa Rated Corporate Bonds ^[4]	5.64%	50%
Ba - Avg. of MTDOR Debt Study ^[5] , Bloomberg and Capital IQ	6.70%	50%
B - Avg. of MTDOR Debt Study ^[5] , Bloomberg and Capital IQ	7.67%	0%
Weighted Average	6.17%	100%
Selected Cost of Debt	6.17%	

Weighted Average Cost of Capital (WACC)

Source of Capital	Capital Structure	Cost of Capital	Marginal Tax Rate	Pre-tax Cost of Capital	After-tax Cost of Capital
Equity	60.00%	13.19%		7.91%	7.91%
Debt	40.00%	6.17%	24.00%	2.47%	1.88%
WACC	100.00%			10.38%	9.79%
WACC (Rounded)					9.80%

Notes

- [1] From worksheet: Capital Structure
- [2] From worksheet: Capital Asset Pricing Model Summary
- [3] From worksheet: Yield Equity Summary
- [4] January 2024, Mergent Bond Record
- [5] Montana Department of Revenue High Yield Debt Study

MONTANA DEPARTMENT OF REVENUE

**Direct Capitalization Rate Conclusion
Industry: Pipelines - Incorporated
2024 Assessment Year**

Capital Structure ^[1]

Equity	60.00%
Debt	40.00%

Equity Capitalization Rate ^[2]

NOI After-tax	5.89%
GCF	11.26%

Debt Capitalization Rate ^[3]

Calculated Current Yield	6.00%
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NOI After-tax Direct Capitalization Rate

Source of Capital	Capital Structure	Capitalization Rate	Marginal Tax Rate	Pre-tax Capitalization Rate	After-tax Capitalization Rate
Equity	60.00%	5.89%		3.53%	3.53%
Debt	40.00%	6.00%	24.00%	2.40%	1.82%
Total	100.00%			5.93%	5.36%
Total (Rounded)					5.40%

GCF Direct Capitalization Rate

Source of Capital	Capital Structure	Capitalization Rate	Marginal Tax Rate	Pre-tax Capitalization Rate	After-tax Capitalization Rate
Equity	60.00%	11.26%		6.76%	6.76%
Debt	40.00%	6.00%	24.00%	2.40%	1.82%
Total	100.00%			9.16%	8.58%
Total (Rounded)					8.60%

Notes:

[1] From worksheet: Capital Structure

[2] From worksheet: Direct Equity Summary

[3] From worksheet: Calculated Current Yield

MONTANA DEPARTMENT OF REVENUE

Selection of Guideline Companies

Industry: Pipelines - Incorporated

2024 Assessment Year

Screening Requirements:

The universe of companies is all companies listed in Value Line under the Oil-Gas Distribution industry.

Companies were then selected using the following screening criteria:

1. Engaged primarily in providing midstream transportation services.
2. Incorporated as a corporation (not a partnership).
3. Actively traded on an American exchange.
4. Headquartered / incorporated in the United States
5. No significant merger & acquisition activity during the year.

Company Ticker	Midstream transportation	Not a partnership	Actively traded on an American exchange	Incorporated in U.S.	Consider as Potential Guideline Company	Not Engaged in Material M&A Activity	Use as Guideline Company	Note
AM	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
CLNE	No							
ENB.TO			No					
ENLC	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
KMI	Yes	Yes	Yes	Yes	Yes	Yes	Yes	[1]
KNTK								
LNG	No							
OKE	Yes	Yes	Yes	Yes	Yes	No		[2]
PPL.TO			No					
TRP				No				
WKC	No							
WMB	Yes	Yes	Yes	Yes	Yes	Yes	Yes	

[1] KMI's acquisition activity during the year was not significant enough to warrant exclusion from GPC selection

[2] Acquired Magellan Midstream in September 2023

MONTANA DEPARTMENT OF REVENUE

Support for Capital Structure
Industry: Pipelines - Incorporated
2024 Assessment Year

(\$ and Shares Outstanding In Millions, Except Per Share Amounts)

A	B	C	D	E	F	G	H	I	J	K	L	M	N
Ticker Symbol	Company	Industry Group	Financial Strength	Shares Outstanding	End of Year Closing Stock Price	MV Common Stock	MV Preferred Stock	MV Long Term Debt	PV of Operating Leases	Total Common, Preferred, LT Debt, & Op Leases	% Common	% Preferred	% Debt & Op Leases
		Value Line	Value Line	10-K	Yahoo	ExF	10-K	10-K	10-K	G+H+I+J	G/K	H/K	(I+J)/K
							Note [1]	Note [2]					
AM	Antero Midstream Corp.	OILGAS	C++	480	12.53	6,011	0	3,200	0	9,210	65%	0%	35%
ENLC	EnLink Midstream LLC	OILGAS	C+	452	12.16	5,492	0	4,427	98	10,016	55%	0%	45%
KMI	Kinder Morgan Inc.	OILGAS	B+	2,220	17.64	39,156	0	31,370	285	70,811	55%	0%	45%
WMB	Williams Cos.	OILGAS	B+	1,217	34.83	42,388	35	25,553	172	68,148	62%	0%	38%
All Companies						93,047	35	64,550	555	158,186	59%	0%	41%
Average											59%	0%	41%
Median											59%	0%	41%
Trimmed Average											59%	0%	41%
High											65%	0%	45%
Low											55%	0%	35%
Say											60%		40%

Notes:

[1] Market value of preferred stock assumed to equal book value

[2] Market value of debt is fair value of long term debt from 10-K notes

MCA 15-1-210, rationale for changes to guideline companies:

2024 - Removed OKE for M&A activity

	Median		
Current Year	59%	0%	41%
Prior Year	61%	0%	39%
2 Years Prior	53%	0%	47%
3 Year Average	58%	0%	42%

MONTANA DEPARTMENT OF REVENUE

Capital Asset Pricing Model (CAPM)

Industry: Pipelines - Incorporated

2024 Assessment Year

$$k_e = R_f + \beta \times ERP$$

		<i>Ex Post</i>	<i>Ex Ante</i>
$k_e =$	Cost of Equity	12.80%	10.06%
$R_f =$	Risk Free Rate	4.20%	4.20%
$\beta =$	Beta	1.20	1.20
$ERP =$	Equity Risk Premium ($R_m - R_f$)	7.17%	4.88%
$R_m =$	Market Rate of Return	11.37%	9.08%

Risk Free Rate Measures (R_f):

The Value Line Investment Survey: Selection & Opinion^[1]

January 5, 2024 Page 841

Selected Yields on Taxable U.S. Treasury Securities as of 12/22/23

10-year	3.90%
30-year	4.05%

Federal Reserve Statistical Release^[2]

U.S. government securities, Treasury constant maturities, Nominal, December 29, 2023

10-year	3.88%
20-year	4.20%
30-year	4.03%

Risk Free Rate Selected 4.20%

Notes

[1] "Value Line Selection & Opinion", Value Line (January 5, 2024)

[2] <https://www.federalreserve.gov/releases/h15/>

Ex Post - Equity Risk Premium Measures ($ERP = R_m - R_f$)

Kroll, 2024 Cost of Capital Navigator

		<u>R_m</u>	<u>R_f</u>	<u>ERP</u>
ERP "Historical" - <i>Ex Post</i>	<i>Arithmetic Avg.</i>	11.31%	4.14%	7.17%
ERP "Supply-side" - <i>Ex Post</i>	<i>Arithmetic Avg.</i>	10.36%	4.14%	6.22%
Ex Post Equity Risk Premium Selected		<u><u>11.37%</u></u>	<u><u>4.20%</u></u>	<u><u>7.17%</u></u>

MONTANA DEPARTMENT OF REVENUE

Capital Asset Pricing Model (CAPM)

Industry: Pipelines - Incorporated

2024 Assessment Year

$$k_e = R_f + \beta \times ERP$$

Ex Ante - Equity Risk Premium Measures (ERP = Rm - Rf)

DOR 3 Stage Dividend Growth Model, S & P 500, See Exhibit

	<u>R_m</u>	<u>R_f</u>	<u>ERP</u>
ERP - <i>Ex Ante</i>	7.22%	4.20%	3.02%

Kroll, 2024 Cost of Capital Navigator

	<u>R_m</u>	<u>R_f</u>	<u>ERP</u>
ERP "Conditional" - <i>Ex Ante</i>	9.00%	3.50%	5.50%

Damodaran Implied ERP (Jan 5, 2024)

	<u>R_m</u>	<u>R_f</u>	<u>ERP</u>
Implied Premium - <i>Ex Ante</i> - Trailing 12 month, with adjusted payout	8.45%	3.88%	4.57%
Implied Premium - <i>Ex Ante</i> - Trailing 12 month cash yields	8.48%	3.88%	4.60%
Implied Premium - <i>Ex Ante</i> - Average CF yield last 10 years	9.95%	3.88%	6.07%
Implied Premium - <i>Ex Ante</i> - Net cash yield	8.31%	3.88%	4.43%
Implied Premium - <i>Ex Ante</i> - Normalized earnings and payout	<u>8.17%</u>	<u>3.88%</u>	<u>4.29%</u>
Damodaran Average	8.67%	3.88%	4.79%

	<u>R_m</u>	<u>R_f</u>	<u>ERP</u>
<u>Average</u>	8.51%		4.64%
<u>Median</u>	8.45%		4.57%
<u>High</u>	9.95%		6.07%
<u>Low</u>	7.22%		3.02%

Ex Ante Equity Risk Premium Selected

9.08%	4.20%	4.88%
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MONTANA DEPARTMENT OF REVENUE

Support for Beta Selection in CAPM**Industry: Pipelines - Incorporated****2024 Assessment Year**

A	B	C	D	E
Ticker Symbol	Company	Industry Group	Financial Strength	Beta
		<i>Value Line</i>	<i>Value Line</i>	<i>Value Line</i>
AM	Antero Midstream Corp.	OILGAS	C++	1.10
ENLC	EnLink Midstream LLC	OILGAS	C+	1.50
KMI	Kinder Morgan Inc.	OILGAS	B+	1.10
WMB	Williams Cos.	OILGAS	B+	1.10
Average				1.20
Median				1.10
Trimmed Average				1.10
High				1.50
Low				1.10
Say				1.20

MONTANA DEPARTMENT OF REVENUE

Inflation & Real Growth
Industry: Pipelines - Incorporated
2024 Assessment Year

A	B	C	D	Nominal Growth	
				E	F
Source Description	Inflation (CPI)	Real Growth (GDP)	Nominal Growth	Low	High
Livingston Survey ^[1]	2.30%	2.00%	4.30%		
Survey of Professional Forecasters ^[2]	2.24%	2.00%	4.24%		
Congressional Budget Office ^[3]	2.20%	1.90%	4.10%		
Average	2.25%	1.97%	4.21%		
Median	2.24%	2.00%	4.24%		
High	2.30%	2.00%	4.30%		
Low	2.20%	1.90%	4.10%		
Selected	2.25%	2.00%	4.25%	4.10%	4.30%

Inflationary Trend Factors						
Year	Dec. CPI-U Index	Percent Change From Previous	Dec. to Dec. Conversion Factor	Annual Avg. CPI-U Index	Percent Change From Previous	Annual Conversion Factor
	<i>Note [5]</i>	<i>Note [6]</i>	<i>Note [7]</i>	<i>Note [5]</i>	<i>Note [6]</i>	<i>Note [7]</i>
2012	229.601	1.7%	1.3360	229.594	2.0%	1.3271
2013	233.049	1.5%	1.3162	232.957	1.4%	1.3080
2014	234.812	0.8%	1.3063	236.736	1.6%	1.2871
2015	236.525	0.7%	1.2969	237.017	0.1%	1.2856
2016	241.432	2.0%	1.2705	240.007	1.2%	1.2696
2017	246.524	2.1%	1.2443	245.120	2.1%	1.2431
2018	251.233	1.9%	1.2210	251.107	2.4%	1.2134
2019	256.974	2.2%	1.1937	255.657	1.8%	1.1918
2020	260.474	1.3%	1.1776	258.811	1.2%	1.1773
2021	278.802	6.6%	1.1002	270.970	4.5%	1.1245
2022	296.797	6.1%	1.0335	292.655	7.4%	1.0412
2023	306.746	3.2%	1.0000	304.702	4.0%	1.0000

Notes

[1] Federal Reserve Bank of Philadelphia The Livingston Survey December 15, 2023 Table 3 Inflation Rate and Real GDP mean

<https://www.philadelphiafed.org/research-and-data/real-time-center/livingston-survey>

[2] Federal Reserve Bank of Philadelphia Survey of Professional Forecasters February 9, 2024 Table 8 and Table 9 Average over next 10-Year mean

<https://www.philadelphiafed.org/surveys-and-data/real-time-data-research/survey-of-professional-forecasters>

[3] The Budget and Economic Outlook: 2024 To 2034, Table 2-1

<https://www.cbo.gov/about/products/budget-economic-data#4>

[5] Historical Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, all items, index averages (1982-84=100, unless otherwise noted)

<https://www.bls.gov/cpi/tables/supplemental-files/>

[6] (Row year - Previous Year) / Row Year

[7] Most current year / Row year

MONTANA DEPARTMENT OF REVENUE

3 Stage Dividend Discount Model (DDM)

Industry: Pipelines - Incorporated

2024 Assessment Year

$$k_e = (D_1 / P_0) + g$$

k_e = Cost of Equity

D_1 = Expected Dividend

P_0 = Current Price Per Share

g = Sustainable Long-Term Growth

A	B	C	D	E	F	G	H	I
Ticker	Company	2023 Year End Stock Price	2024 Est Div'ds Decl'd per share	Expected Equity Payout Yield	Sustainable Long-Term Growth Rate ^[1]	Sustainable Long-Term Growth Rate ^[1]	Cost of Equity Dividend Growth	Cost of Equity Earnings Growth
		<i>Yahoo</i>	<i>Value Line</i>	<i>D/C</i>	<i>Dividends</i>	<i>Earnings</i>	<i>E+F</i>	<i>E+G</i>
		P_0	D_1	D_1/P_0	g	g	k_e	k_e
AM	Antero Midstream Corp.	12.53	0.96	7.66%	11.28%	11.60%	18.94%	19.26%
ENLC	EnLink Midstream LLC	12.16	0.56	4.61%	3.28%	16.25%	7.89%	20.85%
KMI	Kinder Morgan Inc.	17.64	1.20	6.80%	7.56%	8.98%	14.36%	15.79%
WMB	Williams Cos.	34.83	1.85	5.31%	4.29%	4.66%	9.60%	9.97%
Average							12.70%	16.47%
Median							11.98%	17.52%
Timmed Average							11.98%	17.52%
High							18.94%	20.85%
Low							7.89%	9.97%
Selected							12.70%	16.47%

Implied Sustainable LTG: 6.60% 10.37%

Notes:

[1] From worksheet: DDM Sustainable Long-Term Growth

MONTANA DEPARTMENT OF REVENUE

Support for DDM - Short Term Growth Rate Calculations

Industry: Pipelines - Incorporated

2024 Assessment Year

A	B	C	D	E	F	G
Ticker	Company	End of Year Closing Stock Price	Div'ds Decl'd per sh 2024 Est	Expected Dividend Yield	Div'ds Decl'd per sh 2026-2028 Est	Short-Term Growth Rate
		<i>Yahoo</i>	<i>Value Line</i>	<i>D / C</i>	<i>Value Line</i>	<i>Note [1]</i>
AM	Antero Midstream Corp.	12.53	0.96	7.66%	1.40	13.40%
ENLC	EnLink Midstream LLC	12.16	0.56	4.61%	0.60	2.33%
KMI	Kinder Morgan Inc.	17.64	1.20	6.80%	1.55	8.91%
WMB	Williams Cos.	34.83	1.85	5.31%	2.10	4.32%

A	B	C	D	E
Ticker	Company	Earnings per share 2024 Est	Earnings per share 2026-2028 Est	Short-Term Growth Rate
		<i>Value Line</i>	<i>Value Line</i>	<i>Note [1]</i>
AM	Antero Midstream Corp.	0.95	1.40	13.80%
ENLC	EnLink Midstream LLC	0.50	0.90	21.64%
KMI	Kinder Morgan Inc.	1.25	1.70	10.79%
WMB	Williams Cos.	2.25	2.60	4.94%

Notes

[1] 4 year compound annual growth rate (CAGR) - 3 periods

MONTANA DEPARTMENT OF REVENUE

Support for DDM - Sustainable Long Term Growth

Industry: Pipelines - Incorporated

2024 Assessment Year

Dividend Growth Rate									Stage 1				
Ticker	Company	Year End Stock Price	Expected Short-Term Dividend Growth Rate	Expected Long-Term Growth Rate	Expected Dividend Yield	Internal Rate of Return	Implied Sustainable Long-Term Growth Rate (g)	Initial Investment	D ₁	D ₂	D ₃	D ₄	D ₅
		Yahoo	Note [1]	Note [2]	D_1/P_0	$K_e = IRR \text{ of } D_1:D_{500}$	$g = IRR - Div. \text{ Yield}$						
AM	Antero Midstream Corp.	12.53	13.40%	4.25%	7.66%	18.94%	11.28%	(12.53)	0.96	1.09	1.23	1.40	1.59
ENLC	EnLink Midstream LLC	12.16	2.33%	4.25%	4.61%	7.89%	3.28%	(12.16)	0.56	0.57	0.59	0.60	0.61
KMI	Kinder Morgan Inc.	17.64	8.91%	4.25%	6.80%	14.36%	7.56%	(17.64)	1.20	1.31	1.42	1.55	1.69
WMB	Williams Cos.	34.83	4.32%	4.25%	5.31%	9.60%	4.29%	(34.83)	1.85	1.93	2.01	2.10	2.19

Earnings Growth Rate									Stage 1				
Ticker	Company	Year End Stock Price	Expected Short-Term Earnings Growth Rate	Expected Long-Term Growth Rate	Expected Dividend Yield	Internal Rate of Return	Implied Sustainable Long-Term Growth Rate (g)	Initial Investment	D ₁	D ₂	D ₃	D ₄	D ₅
		Yahoo	Note [1]	Note [2]	D_1/P_0	$K_e = IRR \text{ of } D_1:D_{500}$	$g = IRR - Div. \text{ Yield}$						
AM	Antero Midstream Corp.	12.53	13.80%	4.25%	7.66%	19.26%	11.60%	(12.53)	0.96	1.09	1.24	1.41	1.61
ENLC	EnLink Midstream LLC	12.16	21.64%	4.25%	4.61%	20.85%	16.25%	(12.16)	0.56	0.68	0.83	1.01	1.23
KMI	Kinder Morgan Inc.	17.64	10.79%	4.25%	6.80%	15.79%	8.98%	(17.64)	1.20	1.33	1.47	1.63	1.81
WMB	Williams Cos.	34.83	4.94%	4.25%	5.31%	9.97%	4.66%	(34.83)	1.85	1.94	2.04	2.14	2.24

Notes:

[1] From worksheet: DDM Short Term Growth Rate Calculations

[2] From worksheet: Inflation & Real Growth

MONTANA DEPARTMENT OF REVENUE

Support for DDM - Sustainable Long Term Growth

Industry: Pipelines - Incorporated

2024 Assessment Year

Dividend	Stage 2															Stage 3		
Ticker	D ₆	D ₇	D ₈	D ₉	D ₁₀	D ₁₁	D ₁₂	D ₁₃	D ₁₄	D ₁₅	D ₁₆	D ₁₇	D ₁₈	D ₁₉	D ₂₀	D ₂₁	D ₂₂	D ₅₀₀
AM	1.79	2.02	2.28	2.57	2.90	3.27	3.69	4.16	4.69	5.29	5.97	6.73	7.59	8.56	9.66	10.07	10.50	4,585,632,325
ENLC	0.63	0.64	0.66	0.68	0.69	0.71	0.73	0.75	0.76	0.78	0.80	0.82	0.84	0.86	0.88	0.92	0.96	419,396,361
KMI	1.83	1.99	2.16	2.35	2.55	2.77	3.01	3.26	3.55	3.85	4.18	4.54	4.93	5.35	5.81	6.06	6.32	2,760,912,098
WMB	2.29	2.38	2.49	2.59	2.71	2.82	2.94	3.07	3.20	3.34	3.49	3.64	3.79	3.96	4.13	4.30	4.48	1,959,042,330

Earnings	Stage 2															Stage 3		
Ticker	D ₆	D ₇	D ₈	D ₉	D ₁₀	D ₁₁	D ₁₂	D ₁₃	D ₁₄	D ₁₅	D ₁₆	D ₁₇	D ₁₈	D ₁₉	D ₂₀	D ₂₁	D ₂₂	D ₅₀₀
AM	1.82	2.06	2.33	2.64	2.99	3.38	3.83	4.33	4.90	5.54	6.27	7.10	8.03	9.09	10.29	10.72	11.18	4,884,297,206
ENLC	1.48	1.78	2.14	2.58	3.11	3.75	4.52	5.45	6.56	7.90	9.52	11.47	13.82	16.66	20.07	20.92	21.81	9,528,536,898
KMI	2.00	2.20	2.43	2.68	2.96	3.27	3.60	3.98	4.39	4.84	5.35	5.90	6.51	7.19	7.93	8.27	8.62	3,764,776,979
WMB	2.35	2.47	2.59	2.72	2.85	2.99	3.13	3.29	3.45	3.62	3.79	3.98	4.17	4.38	4.59	4.79	4.99	2,180,278,933

MONTANA DEPARTMENT OF REVENUE

Support for Yield Capitalization Rate - Debt Rating

Industry: Pipelines - Incorporated

2024 Assessment Year

A	B	C	D	E	F
Ticker Symbol	Company	Industry Group	Financial Strength	Moody's Long Term Rating	Yield to Maturity
		<i>Value Line</i>	<i>Value Line</i>	<i>Moody's.com</i>	
AM	Antero Midstream Corp.	OILGAS	C++	Ba2	6.70%
ENLC	EnLink Midstream LLC	OILGAS	C+	Ba1	6.70%
KMI	Kinder Morgan Inc.	OILGAS	B+	Baa2	5.64%
WMB	Williams Cos.	OILGAS	B+	Baa2	5.64%
All Companies					
Average					6.17%
Median					6.17%
Trimmed Average					6.17%
High					6.70%
Low					5.64%
Say					6.17%

MONTANA DEPARTMENT OF REVENUE

Support for Direct Capitalization - Equity Capitalization Rates

Industry: Pipelines - Incorporated

2024 Assessment Year

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
Ticker Symbol	Company	End of Year Closing Stock Price	VL Historic EPS	VL Est EPS	VL Historic P/E Ratio	VL Est P/E Ratio	Ke Estimate - Earnings (Hist. P/E)	Ke Estimate - Earnings (Est. P/E)	VL Historic Cash Flow Per Share	VL Est Cash Flow Per Share	VL Historic P/CF Ratio	VL Est P/CF Ratio	Ke Estimate - Cash Flow (Hist. P/CF)	Ke Estimate - Cash Flow (Est. P/CF)	Market Value of Equity	Book Value of Equity	MTBR
		Yahoo	Value Line	Value Line	C/D	C/E	1/F	1/G	Value Line	Value Line	C/J	C/K	1/L	1/M	Price x Shrs	Value Line	P/Q
AM	Antero Midstream Corp.	12.53	0.73	0.95	17.16	13.19	5.83%	7.58%	1.11	1.25	11.29	10.02	8.86%	9.98%	6,011	2,192	2.74
ENLC	EnLink Midstream LLC	12.16	0.44	0.50	27.64	24.32	3.62%	4.11%	2.14	1.35	5.68	9.01	17.60%	11.10%	5,492	1,306	4.20
KMI	Kinder Morgan Inc.	17.64	1.07	1.25	16.49	14.11	6.07%	7.09%	2.11	2.08	8.36	8.48	11.96%	11.79%	39,156	30,742	1.27
WMB	Williams Cos.	34.83	1.91	2.25	18.24	15.48	5.48%	6.46%	3.35	3.55	10.40	9.81	9.62%	10.19%	42,388	11,485	3.69
Average					19.88	16.78	5.25%	6.31%			8.93	9.33	12.01%	10.77%			2.98
Median					17.70	14.80	5.65%	6.77%			9.38	9.41	10.79%	10.65%			3.22
Trimmed Average					17.70	14.80	5.65%	6.77%			9.38	9.41	10.79%	10.65%			3.22
High					27.64	24.32	6.07%	7.58%			11.29	10.02	17.60%	11.79%			4.20
Low					16.49	13.19	3.62%	4.11%			5.68	8.48	8.86%	9.98%			1.27
Say					16.99		5.89%				8.88		11.26%				2.98

MONTANA DEPARTMENT OF REVENUE

Support for Direct Capitalization - Debt Capitalization Rate

Industry: Pipelines - Incorporated

2024 Assessment Year

(\$ in Millions)

A	B	C	D	E	F	G	H	I	J
Ticker	Company	Current Year Interest Exp.	Previous Year MV LT Debt	Previous Year BV LT Debt	Current Year MV LT Debt	Current Year BV LT Debt	Average MV LT Debt	Current Yield	MTBR
	Source	10-K	10-K	10-K	10-K	10-K	(D+F)/2	(C/H)	(F/G)
AM	Antero Midstream Corp.	217	3,239	3,361	3,200	3,213	3,219	6.75%	1.00
ENLC	EnLink Midstream LLC	272	4,386	4,724	4,427	4,569	4,406	6.17%	0.97
KMI	Kinder Morgan Inc.	1,797	30,070	31,788	31,370	32,116	30,720	5.85%	0.98
WMB	Williams Cos.	1,236	21,569	22,554	25,553	25,713	23,561	5.25%	0.99
	All Companies	3,522			64,550	65,611	61,907	5.69%	0.98
	Average							6.00%	0.98
	Median							6.01%	0.99
	Trimmed Average							6.01%	0.99
	High							6.75%	1.00
	Low							5.25%	0.97
	Say							6.00%	0.98

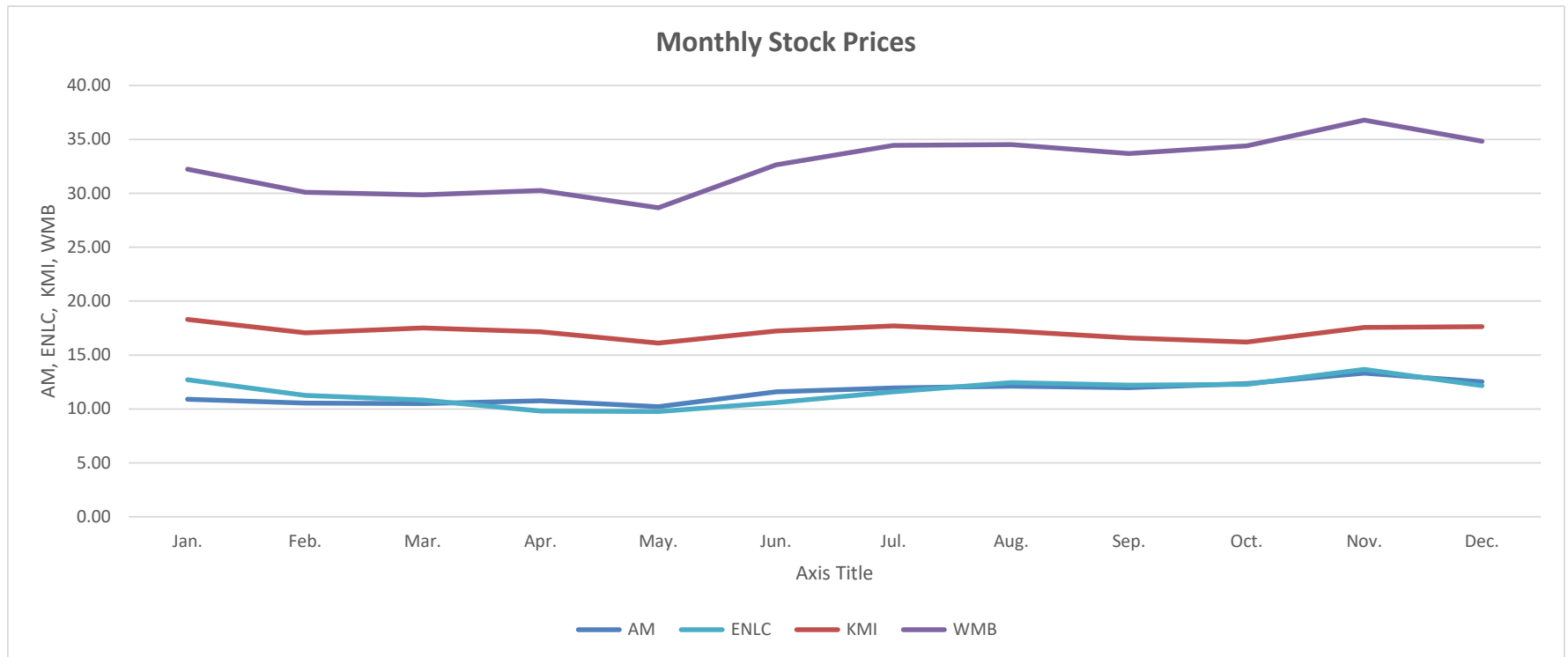
MONTANA DEPARTMENT OF REVENUE

Support of Stock Price - From YAHOO Finance

Industry: Pipelines - Incorporated

2024 Assessment Year

		End of Period Closing Stock Price											
1	2	3	4	5	6	7	8	9	10	11	12	13	14
A	B	C	D	E	F	G	H	I	J	K	L	M	N
Ticker	Company	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
AM	Antero Midstream Corp.	10.90	10.54	10.49	10.76	10.21	11.60	11.94	12.12	11.98	12.34	13.32	12.53
ENLC	EnLink Midstream LLC	12.72	11.26	10.84	9.81	9.76	10.60	11.60	12.44	12.22	12.29	13.67	12.16
KMI	Kinder Morgan Inc.	18.30	17.06	17.51	17.15	16.11	17.22	17.71	17.22	16.58	16.20	17.57	17.64
WMB	Williams Cos.	32.24	30.10	29.86	30.26	28.66	32.63	34.45	34.53	33.69	34.40	36.79	34.83



MONTANA DEPARTMENT OF REVENUE

Maintenance Capital Expenditures Estimate Based on Guideline Companies

Industry: Pipelines - Incorporated

2024 Assessment Year

(\$ In Millions)

1	2		3	4	5	6	7	8	9	10	11
A	B	C	D	E	F	G	H	I	J	K	L
Ticker	Company	Inflation	PP&E, Gross	PP&E, Gross	Average PP&E	Depreciation Expense	Average Life of Assets			Replacement Cost (RC)	RC as % of Depreciation
			<i>Current Year</i>	<i>Previous Year</i>		<i>Current Year</i>		<i>Note [1]</i>	<i>Note [1]</i>	<i>Note [1]</i>	
		<i>MTDOR (CPI)</i>	<i>10-K, Notes</i>	<i>10-K, Notes</i>	<i>(D+E)/2</i>	<i>10-K</i>	<i>F/G</i>	<i>C*H</i>	<i>1/(1+C)^H</i>	<i>G*I/(1-J)</i>	<i>K/G</i>
AM	Antero Midstream Corp.	2.25%	4,326	4,149	4,237	136	31	0.70	0.50	191	140.17%
ENLC	EnLink Midstream LLC	2.25%	11,544	11,331	11,437	657	17	0.39	0.68	801	121.96%
KMI	Kinder Morgan Inc.	2.25%	56,410	53,230	54,820	2,250	24	0.55	0.58	2,947	131.00%
WMB	Williams Cos.	2.25%	51,842	47,057	49,450	2,071	24	0.54	0.59	2,700	130.35%
Average											130.87%
Median											130.67%
Trimmed Average											130.67%
High											140.17%
Low											121.96%
Selected											130.87%

Notes

[1] Cornell, B. & Gerger, R. (2017). Estimating Terminal Values with Inflation: The Inputs Matter-It Is Not a Formulaic Exercise. *Business Valuation Review*, Volume 36, Number 4, 117-123.