PARTICIPANTS

Corporate Participants

Michael S. Richards – Secretary, Vice President & General Counsel
Mark A. Borer – President & Chief Executive Officer
Angela A. Minas – Vice President & CFO

Other Participants

Cathleen King – Analyst, Bank of America Merrill Lynch
Helen Ryoo – Research Analyst, Barclays Capital, Inc.
Elvira Scotto CFA – Research Analyst, Credit Suisse (United States)
Michael Blum – Research Analyst, Wells Fargo Advisors LLC

MANAGEMENT DISCUSSION SECTION

Operator: Good morning and welcome to the DCP Midstream Partners, LP First Quarter 2011 Earnings Call and Webcast. All participants will be in listen-only-mode. [Operator Instructions] After today's presentation, there will be an opportunity to ask questions. [Operator Instructions] Please note this event is being recorded.

I would now like to turn the conference over to Mike Richards, Vice President and General Counsel. Mr. Richards, please go ahead.

Michael S. Richards, Secretary, Vice President & General Counsel

Thank you, Amy. Good morning and welcome to the DCP Midstream Partners first quarter 2011 earnings release conference call. As always, we want to thank you for your interest in the Partnership. Today, you will hear from Mark Borer, President and Chief Executive Officer; and Angela Minas, Vice President and Chief Financial Officer.

Before turning it over to Mark, I'll mention a couple of items. First, all of the slides we'll be talking from today are available on our website at www.dcppartners.com in PDF format. You may access them by clicking on the investor page and then the webcast icon. Next, I would like to remind you that our discussion today may contain forward-looking statements. Actual results may differ due to certain risk factors that affect our business.

Please review the second slide in the deck that describes our use of forward-looking statements and lists some of the risk factors that may affect actual results. For a complete listing of the risk factors that may impact our business results, please review our form 10-K for the year-ended December 31st, 2010 as filed with the SEC on March 1st, 2011 and updated through subsequent SEC filings.

In addition, during our discussion, we will use various non-GAAP measures, including distributable cash flow, adjusted EBITDA and adjusted segment EBITDA. These measures are reconciled to the nearest GAAP measure and schedules provided on our website. We ask that you review that information as well.

And finally, a note about the presentation of our earnings. In January 2011, the Partnership completed the acquisition of a 33.33% interest in DCP Southeast Texas Holdings, GP, or

Southeast Texas, from DCP Midstream, LLC. The results of operations presented today include the historical consolidated results of Southeast Texas for all periods presented. For comparison purposes, we have also included our 2010 historical results as reported in 2010 prior to the transaction.

And now, I will turn it over to Mark Borer.

Mark A. Borer, President & Chief Executive Officer

Thanks, Mike. Good morning, everyone and thanks for joining us today for a discussion of our first quarter results. We're off to a good start in 2011. As you saw in our press release last evening, we reported solid first quarter results, which were in line with our 2011 DCF guidance. On slide three, you'll see our agenda. I will begin with some highlights of the quarter and will then provide an operational update.

Angela will follow the financial overview of the quarter. We will then close with our outlook and summary, which will include a broader perspective of DCP Midstream and the Partnership. We remain optimistic about the future and believe we are favorably positioned to continue executing on our growth strategy and creating value for our unitholders.

Turning to slide four, let's discuss some highlights for the quarter. We generated distributable cash flow of $46.4 million for the quarter providing a distribution coverage ratio of 1.4 times for the quarter and 1.1 times over the trailing four quarters. Results were in line with the 2011 DCF forecast we provided on our last earnings call. We raised our distribution again this quarter, representing a 1.2% sequential quarterly increase and a 4% increase in our quarterly distribution over the rate paid in the first quarter of 2010. This is in line with our goal of returning to a model of consistent distribution growth.

We have continued to execute on our growth objective with an eye towards increasing our business diversity and fee based margins. In March, we closed on a $30 million third-party bolt on acquisition of two NGL fractionation facilities in the DJ Basin. I will discuss more of the details of this growth opportunity, as well as our integration efforts related to recent acquisitions, which are progressing well. In summary, we're off to a good start in delivering on our 2011 business plan commitments.

Turning to slide five, I will provide a brief operational update, starting first with our Natural Gas Services segment. As is evident again this quarter, we view our diverse geographic footprint as a strong positive, as it provides us with access to multiple resource plays, contract types and customers. Gas throughput and NGL production in the aggregate have been stable with volumes virtually flat year-over-year.

Drilling activity in North Louisiana and East Texas has begun to offset natural declines there. Given attractive crude oil pricing and the liquids rich content of the gas on our Wyoming system, we have been seeing increased drilling and permit activity there and are in active discussions with producers regarding new well connects and dedications.

At our Discovery asset, which is operated by Williams, our current operations were not physically impacted by the Gulf oil spill, although delays in permitting and drilling have been modestly impacting growth volumes. With the lifting of the moratorium in October of 2010, we have seen a resumption of permitting activities in the Gulf with approximately 30 new well permits issued since that time. We would expect the activity level to continue to pick up with the resumption in permitting and as the industry resumes drilling activity in the Gulf.

The expansion of our footprint in the Southeast Texas via the joint venture with our sponsor is providing attractive growth in 2011. Drilling in the area remains active in this footprint given high deliverability wells and the liquids rich nature of the production. The plants are running near capacity and our processing plant expansion projects are on plan to support the robust producer drilling plans. The Port Arthur 30 million cubic feet per day plant expansion was completed in the first quarter. And the Raywood 20 million cubic feet per day expansion is scheduled to be online during the third quarter. With the high level of producer activity in the liquids rich and emerging shale plays, we would expect to see continued growth opportunities in this segment.

Now, moving to slide six for our Wholesale Propane segment. We're pleased to report record financial results for the latest fiscal year. These results were achieved despite an extended outage earlier in the year related to a planned Providence terminal inspection, which is required once every 20 years. We are pleased with our expansion last season to the mid-Atlantic with the acquisition of the Chesapeake, Virginia terminal.

Acquisition integration continues with facility upgrades nearing completion. Given that contracting for the heating season was done in advance of the time this asset was acquired, last season represented a transition. Overall, re-contracting for next season has been positive as we continue to see favorable demand from the residential service providers at our various mid-Atlantic and New England terminals. Through our successful contracting season completed in April, we believe we are well positioned for this upcoming year. As the past several years have shown this business model with its fee-like nature and diversity of supply has been a consistent performer and provided attractive growth.

Moving to slide seven, for our NGL Logistics segment. This segment generates fee-based margins and is complementary to our gathering and processing business, providing broader exposure to the NGL value chain. As we have grown our overall business in recent months, this segment has been a key focus area for us. Through our acquisitions of the Marysville NGL storage facility, the Wattenberg NGL pipeline, the additional interest in the Black Lake pipeline, and now the acquisition of the NGL fractionators, we have significantly increased the scale of this segment, which now comprises over 15% of our overall business.

The Marysville acquisition integration and optimization efforts are progressing as planned. Our contract renewal and extension activity was successfully completed and the facility is fully contracted. We are evaluating several expansion projects, which could potentially add additional storage capacity in the future. This asset is an attractive complement to our wholesale propane business as it enhances our logistics and supply activities.

The DJ Basin continues to provide complementary investment opportunities with our general partner DCP Midstream, which is the largest gatherer and processor in the basin. The Wattenberg NGL pipeline integration and expansion project is scheduled to be online later this month in conjunction with the completion of DCP Midstream's newborn processing facility.

Our third-party bolt-on acquisition of two NGL fractionators located in Wells County, Colorado is a good fit with the strategic investment that the overall DCP enterprise has in the DJ Basin, while also providing fee-based margins under long-term contracts with Partnership. DCP Midstream delivers approximately 10,000 barrels per day of natural gas liquids to the fractionators under a long-term fractionation agreement. The DJ Basin investment opportunities are excellent examples of utilizing the Partnership as a growth vehicle to expand the DCP enterprise footprint. We are excited about these and other expansion opportunities in this integrated fee-based business segment.

With that, I'll turn it over to Angela to review the financial results.

Angela A. Minas, Vice President & CFO

Thanks, Mark, and thank you for joining us today. Beginning on the slide eight, distributable cash flow of $46.4 million for the quarter was in line with the DCF forecast – 2011 DCF forecast that we introduced on our earnings call last quarter. Although our business is substantially fee-based and commodity hedged, we do provide our forecast in the context of the commodity pricing environment. If you take into account the commodity prices year-to-date and the forward curve for the balance of 2011, the table would indicate DCF between $145 million and $150 million.

By comparison, our current annual distribution level is $133 million. As a reminder, given the seasonality of our wholesale propane business with the majority of its earnings coming during the first and fourth quarters, we would expect lighter second and third quarters. Also was introduced on our year-end earnings call, we are targeting distribution growth of 5% in 2011. Our distribution increase of 1.2% over the last quarter puts us in line with our target. We are actively reviewing growth opportunities beyond our forecasted expansion capital and believe that this distribution growth rate can be achieved through our existing asset base including bolt-on acquisitions such as the NGL fractionators in combination with growth capital opportunities developed in 2011.

Now, turning to slide nine for further details. As a reminder consolidated financial results are adjusted to remove the impact of non-cash mark-to-market activity of our hedges, which are listed in our 10-Q, as well as our non-controlling interest in our joint ventures. In addition to the consolidated results, which are required to be recast as if we always owned our JV interest in Southeast Texas, we also show the results as reported in 2010, which reflect the trends and results achieved over time. As such, I will be discussing the results as reported in 2010 as the basis for comparison.

Adjusted EBITDA for the quarter increased to $52.3 million from $46.6 million in the prior year, which is the highest since inception of the Partnership. Distributable cash flow for the quarter resulted in a distribution coverage ratio of 1.39 times based upon distributions declared. When adjusting for the timing of actual cash distributions paid, the cash coverage ratio would be 1.55 times. For more detail on results, let me move to the segments.

Starting on slide 10 with Natural Gas Services. Adjusted EBITDA for the quarter increased to $36.4 million from $33.3 million reflecting the acquisition of our JV interest in Southeast Texas, partially offset by the impact of the moratorium in the Gulf and timing of expenditures at Discovery. Pooled results for 2010 do not provide a relevant comparison as those results include business interruption insurance recoveries and a different storage business structure and cash flow profile for our JV interest in Southeast Texas. Specifically, the terms of our joint venture agreement provide for steady fee-based storage and transportation margins under a long-term contract, as compared to the seasonality that occurs in the historical pooled results.

Slide 11 indicates the results from our Wholesale Propane segment. As a reminder, this segment has some seasonality with the majority of the earnings coming during the fourth and first quarters. Additionally, due to the timing of winter weather and other factors, quarterly results often do not provide a meaningful comparison. As such, we view results of this business on a fiscal year or heating season basis, which is April 1st to March 31st. For the heating season just completed for the first quarter of 2011, this business delivered record adjusted EBITDA of $27.1 million. Fiscal year results reflect the extended planned outrage related to our Providence terminal inspection, which was largely offset by our acquisition of the Chesapeake terminal. The graph on this slide illustrates the steady growth trend since we acquired the business in 2006.

On slide 12, our NGL Logistics EBITDA increased to $6.4 million from $3.7 million, delivering record EBITDA results for the quarter. Higher EBITDA reflects the acquisition of the Maryville NGL storage facility and additional interest in our Black Lake NGL pipeline. The NGL Logistics segment, which provides fee-based margins and has been a growth focus for us of late is a good segue into the next slide, which is a discussion on our contract mix and commodity hedging program.

Based on the 2011 forecast, we introduced last quarter, we estimate approximately 60% of our forecasted margin as fee-based. As you have followed, this percentage has been trending upward and continues to do so with our recent bolt-on acquisition as well. Of our commodity based margins, we have hedged over 70% of our equity position in natural gas liquids, condensate and natural gas. This results in approximately 90% of our 2011 margins being fee-based or supported by commodity hedges. Our 2011 position is part of a multi-year hedging program that now extends through 2016. Given that contracts our primary sensitivity is to the liquids where the graph indicates our positions in average hedge prices.

Since our last earnings call, we have continued to take advantage of the favorable crude price environment by layering on additional crude hedges at attractive prices providing additional upside to our future cash flows relative to current hedge prices. One of the benefits of our multi-year hedging philosophy is that it does allow us to be somewhat opportunistic on the timing of adding hedges.

Given the limited liquidity and tenor of the NGL derivatives market, we have primarily used crude oil hedges to mitigate a portion of our NGL price exposure so that we can maintain a longer term hedging position. As the tenure of our swaps shorten overtime, we do evaluate opportunities to convert the crude hedges to specific NGL product hedges where it's economically attractive or where we would like to reduce risk.

The last couple of months have provided us an opportunity to do both, so we've effectively converted about 60% of our crude hedges for the balance of 2011 to NGL. This has reduced our sensitivity due to the NGL to crude relationship which is updated for the full-year consistent with our 2011 DCF forecast in the appendix. As cited by S&P and Fitch with our investment grade ratings, our sizeable fee-based revenues and multi-year hedging policy are key strengths in our financial positioning, which I will discuss on slide 14.

As we look into 2011 and beyond, and consider our growth outlook, a key element of that is our financial positioning. We are committed to a financing strategy that maintains a strong capital structure, a competitive cost of capital and significant liquidity to enable us to execute our growth strategy. From a debt standpoint our investment grade ratings position us well to access the public debt market at a competitive cost. We have $250 million of 3.25% senior notes due 2015 and an excellent $850 million credit facility with investment grade terms that extends through June 2012.

At the end of the quarter, we have $424 million in unutilized revolver capacity. Our cost of debt is highly competitive with the interest rate on our revolver at LIBOR plus 44 basis points. Our effective interest rate on our total debt position at quarter end was 4.25%. Our leverage ratio was 3.6 times and our long-term debt to capitalization ratio was 45%.

Through our March equity offering, we raised another $140 million in capital. This represents the third time over the past year that we have successfully raised equity through an overnight public offering to partially finance accretive growth opportunities. Our track record as a seasoned frequent issuer of the equity coupled with our proven access to investment grade debt markets is a competitive strength as we think about our ability to finance growth. Given the items discussed, we believe that the Partnership is well positioned to serve as a viable and attractive funding source for very sizeable growth at the DCP enterprise, both DCP Midstream and the Partnership.

In summary, we have solid capitalization, a competitive cost of capital, substantial dry powder on our revolver to support the execution of future growth opportunity and credit metrics in line with our investment grade ratings.

With that, I'll turn it over to Mark to talk about some of those exciting potential growth opportunities.

Mark A. Borer, President & Chief Executive Officer

Thanks, Angela. Turning to slide 15. On our year-end earnings call provided you some insights on how we are thinking about growth opportunities, both at the Partnership and more broadly within the DCP enterprise. Our growth strategy continues to be multi faceted, although the emphasis on particular aspects may periodically change as a result of the level of DCP Midstream and Partners investment opportunities.

The first facet of our strategy is continued execution on third-party acquisitions, which allows us to consolidate within our footprint as well as expand into new areas, including opportunities to extend down the value chain, such as our recent NGL storage acquisition and the bolt-on acquisition of the NGL fractionators. The second facet remains organic expansion around the Partnership's expanding footprint.

As we have said all along, as we achieve more size and scale, this facet of our growth will become increasingly important. The third facet remains maximizing profitability of our existing assets through improving operating efficiencies, providing new services, and expanding market access.

I had also shared on our year-end call how DCP Midstream, the owner of our general partner is viewing its growth and how they express that they expect partners to be a significant source of funding for the growth capital needs of the enterprise. Just to refresh, DCP Midstream's asset base is heavily weighted towards liquids rich supply basins. The ongoing shift in their producer customer's focus to drilling in liquids rich areas is rapidly expanding Midstream's investment opportunities.

Midstream has a number of attractive growth opportunities including ongoing expansions in the Eagle Ford shale, the DJ Basin and the Permian Basin as well as a proposed new NGL pipeline from West Texas to the Gulf Coast. In addition, Midstream sees a number of attractive growth opportunities where the Partnership can supplement their organic growth funding needs. The recent JV we formed with Midstream in Southeast Texas is an example of this co-investing. We structured the JV in a fashion, which facilitated ongoing funding of the JV's organic expansion capital while also providing $150 million of proceeds for Midstream. This worked well for Midstream as it provided monies to fund other growth opportunities. It was also attractive for the Partnership as it adds yet another facet to our growth strategy.

In summary, as we look to 2011 and beyond, we continue to see a variety of growth opportunities across our business segments and expect this growth to include a healthy mix of fee-based assets.

If you now turn to slide 16, I'd like to close this morning with our outlook and a few summary points. First, our results today position us well. We are on track to achieve our 2011 business plan commitments and forecast. The growth opportunities that we have captured over the past 18 months plus other potential opportunities in the pipeline will contribute to distributable cash flow of 2011. Our investment grade ratings and our track record as a seasoned issuer in the capital markets, positions us well with respect to cost of capital and access to capital markets.

These in turn supports the execution of the DCP Midstream strategy to utilize the Partnership as a growth vehicle. Our target continues to be top quartile total shareholder return and we believe that this is achievable given the breadth of the DCP enterprise and its investment opportunities. We are targeting 5% distribution growth in 2011, with a goal of returning to a model of consistent of distribution growth. Having the strong sponsorship in DCP Midstream, Spectra Energy and ConocoPhillips is a significant benefit to us and our unitholders.

That is the conclusion of our prepared remarks, as I turn it back over to Amy, the operator, for your questions, I just want to express my appreciation for your interest in the partnership and joining the call today.

QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] Our first question comes from Cathleen King at Bank of America Merrill Lynch.

<Q – Cathleen King – Bank of America Merrill Lynch>: Good morning, Mark and Angela. How are you all?

<A – Mark Borer – President & Chief Executive Officer>: Yes, good. Thank you.

<A – Angela Minas – Vice President & CFO>: Good, Cathleen.

<Q – Cathleen King – Bank of America Merrill Lynch>: Good. A couple of questions on the fractionator acquisition. Just wondering if you could elaborate a little bit more on how those fractionators fit with your and your parent's existing assets in the area, thinking about the Wattenberg NGL pipeline, et cetera. And it sounds like DCP Midstream LLC, the parent, is a major customer on those fractionators. So, maybe if you could talk a little bit more about who the other customers are there? And then, finally if there are any expansion opportunities at the fractionators that you guys are looking at?

<A – Mark Borer – President & Chief Executive Officer>: Okay. Yes, we acquired two existing fractionators. They have about a combined capacity of 12,000 barrels per day. These fractionators are located essentially adjacent to Midstream's – two of Midstream's processing plants in the basin. So they are our sole customer for the fractionated product. These facilities have been there for a number of years. They were owned by a third party. We have a long-term contract with Midstream to fractionate dedicated product that they deliver. It's primarily a situation where we fractionate and provide propane and butane to the local markets. And then the balance of the product is transported ultimately to the Conway market. We don't see any – I don't see, at this time, any expansion opportunities, although we feel that we've got a very nice long-term steady profile of fee assets.

<Q – Cathleen King – Bank of America Merrill Lynch>: Okay. Thanks so much.

<A – Mark Borer – President & Chief Executive Officer>: Thank you.

Operator: The next question comes from Helen Ryoo at Barclays Capital.

<Q – Helen Ryoo – Barclays Capital, Inc.>: Good morning. I guess my first question is you've talked about partnering with your parent on some of the growth projects they're pursuing and you also listed the basins where they're looking for – they're, I guess, developing these growth opportunities. Just wanted to get a sense of, if you could quantify the kind of investment level that you would, investment you would contribute – to your parent's projects in these areas?

<A – Mark Borer – President & Chief Executive Officer>: Sure, I can give you a little bit of a perspective on how we're looking at that growth. But let me just put a little context around it. As discussed, Midstream does have a particularly attractive footprint with the shift to the liquids rich areas and is seeing an accelerating level of activity and growth including expanding systems from a gathering viewpoint, adding new plant capacity, debottlenecking systems and such. In particular, have ongoing projects in the basins that I mentioned.

Midstream had a 2011 capital budget of about $700 million. And with their leverage objectives and dividend requirements to their parent, they have a comfort level of spending about $550 million, maybe $600 million a year. And as investment opportunities move past this range, as they have in today's environment, DPM's access to capital markets, particularly equity markets, provides us an opportunity to co-invest with them.

You saw that this past January with our formation of the Southeast Texas joint venture, so we feel like we'll have a flow of opportunities. They also are looking at some large projects, including the Sandhills NGL pipe project. That's not in their 2011 capital budget. So, overall, Helen, we see good opportunities to partner with them. We have not provided any guidance at this point as to the amount of capital projects we might fund, but clearly our target to achieve the distribution growth rate we've outlined and really having a top quartile performance, we think that will be pretty substantive or material capital over time.

<A – Angela Minas – Vice President & CFO>: And, Helen, if I could put some numbers to it, as you were asking about that and more from a financing ability standpoint, you saw us over the last year make substantial progress with respect to our financial positioning with the investment grade and our ability to access the equity market. So the way we would think about it in terms of our access to capital, currently, we have about $425 available on our revolver. We have demonstrated we can go to the debt capital market so we could term certainly the remainder of that out with a facility in the 850 size that probably says you have about $750 of capacity on that. And certainly access to the public debt markets.

On the equity side, we believe we have demonstrated, having been to the equity market three times over the course of the last year, and done so successfully, we believe that we could access the equity markets in the current environment again about three times per year. And let's say you did something in the size range of up to $300 million per offering, it gives you substantial access to capital. So we believe that we have more than adequate sources of capital to finance sizeable growth.

<Q – Helen Ryoo – Barclays Capital, Inc.>: I appreciate the color. And also on your revolver, I guess it expires in June 2012. As you think about refinancing that, could you talk about maybe the kind of size or pricing you could get on a new revolver?

<A – Angela Minas – Vice President & CFO>: Yes. As you know since the credit crisis, the market has changed with respect to bank facilities. However, there have been some improvements recently particularly on the price side. We think for an investment grade entity, and we have been in dialogue – we maintain continuous dialogues with our banks and positive relationships there, we do believe that we can extend our facility for the size that we have it or potentially upsize somewhat. With respect to the terms, we would still see the investment grade terms of the facility being the same. The difference is really on the pricing. Right now, we're looking at a LIBOR plus 44. Currently, the market's probably at a LIBOR plus 170, 175.

<Q – Helen Ryoo – Barclays Capital, Inc.>: Okay, great. And then just lastly on your – you have a couple of, I guess your processing expansion that was completed in the quarter and another one completion coming up in third quarter, Port Arthur and the [ph] Raymond (33:22) expansion. Do you have a sense of how soon you could fill up that additional capacity?

<A – Mark Borer – President & Chief Executive Officer>: Helen, this is Mark. We think with the level of drilling activity and the available volumes to be processed in the area that we can load that up pretty high load factor as those expansions come on. That's our current feeling.

<Q – Helen Ryoo – Barclays Capital, Inc.>: Okay, all right. Thank you very much.

<A – Mark Borer – President & Chief Executive Officer>: Thank you.

Operator: Our next question comes from Elvira Scotto at Credit Suisse.

<Q – Elvira Scotto – Credit Suisse (United States)>: Hi, good morning.

<A – Angela Minas – Vice President & CFO>: Good morning.

<A – Mark Borer – President & Chief Executive Officer>: Good morning.

<Q – Elvira Scotto – Credit Suisse (United States)>: Just to follow up on the co-investment opportunity with DCP Midstream. Would you look to structure investments similarly to the Southeast Texas joint venture? I mean, I guess more specifically, are you looking at more fee-based type of co-investment opportunities?

<A – Mark Borer – President & Chief Executive Officer>: Well, I think the investment opportunities will, on the margin, have a higher level of fee composition. That's generally the way the growth has worked. We do have a mix of commodity opportunities as well. So I think overall we would expect some mix. But generally on the margin, we've tended to be a little higher percentage fee-based. I do think that the nature of the structure we used in Southeast Texas is a good example of some of the things that you might see going forward.

<Q – Elvira Scotto – Credit Suisse (United States)>: Okay. And then just to follow-up on that, is there a level of fee-based business mix that you're targeting longer term?

<A – Mark Borer – President & Chief Executive Officer>: What we've said in that regard is that we felt that we would be somewhere in the, I'll call it 50% plus range. We're presently 60%. Generally, in the number of the new basins and plays that we're being exposed to or we're seeing a higher percent of fee-based growth on the margin. But we're comfortable with the range that we're in. But, as you well know, we've grown that from the low 40% range back probably about three years ago to roughly 60% today.

<Q – Elvira Scotto – Credit Suisse (United States)>: Okay, great. And then you touched on this is a little bit, but can you provide any additional commentary on some of the potential expansion opportunities tied to the recently acquired Marysville NGL storage business, and what it will take to advance these projects that you're currently evaluating?

<A – Mark Borer – President & Chief Executive Officer>: Yes. On Marysville, we have seven operating caverns there today that are in hydrocarbon service today. And we have one in brine service and one that we need to do just a little bit of work to be able to convert it from a hydrocarbon viewpoint. So we see the potential to readily expand that by two caverns and actually have more footprint in future. What we're doing in that regard is we're assessing the opportunities in the marketplace there. We store both butane there as well as propane. So I think it will be really a function of what happens in the marketplace. Lastly, we also see with the potential of Marcellus NGL product finding its way to Sarnia that there may be demand as an example for an ethane cavern. So we see some nice opportunities there. We're fully subscribed and we're actively canvassing the market and assessing that potential. But we're optimistic that we can have an expansion sometime in the future.

<Q – Elvira Scotto – Credit Suisse (United States)>: Great. And then just the final one from me. Was there any weather impact in the first quarter?

<A – Mark Borer – President & Chief Executive Officer>: We had modest impact in the first quarter. We gauged it at something in the $1 million to $2 million range for the partnership.

<A – Angela Minas – Vice President & CFO>: And as you'll recall, in the first quarter of last year, we had a weather impact as well. So those generally offset one another.

<Q – Elvira Scotto – Credit Suisse (United States)>: Great. Thank you.

<A – Mark Borer – President & Chief Executive Officer>: Thank you.

Operator: The next question comes from Michael Blum at Wells Fargo.

<Q – Michael Blum – Wells Fargo Advisors LLC>: Hi, good morning.

<A – Mark Borer – President & Chief Executive Officer>: Good morning.

<A – Angela Minas – Vice President & CFO>: Good morning.

<Q – Michael Blum – Wells Fargo Advisors LLC>: Couple of more questions on the fractionation announcement. I guess, number one, will you disclose who the seller is? And then secondly, how should we think about the multiple of EBITDA that you're paying here?

<A – Mark Borer – President & Chief Executive Officer>: On the – as far as the seller, they've not disclosed at this point. So we chose not to disclose as well. Relative to the multiple, I mean, Michael, I'd say a reasonable market multiple for a fee-based asset. We do think that we have a very stable volume profile, and obviously has the attraction of being fee-based and in an area that we know well.

<Q – Michael Blum – Wells Fargo Advisors LLC>: Okay. And then you said that the propanes and butanes are consumed in local markets and the rest of the products are transported to Conway.

<A – Mark Borer – President & Chief Executive Officer>: Yes.

<Q – Michael Blum – Wells Fargo Advisors LLC>: Does that include ethane, and how do those products make their way to Conway?

<A – Mark Borer – President & Chief Executive Officer>: They'll make – depending on the location, they will make their way to Conway on either our Wattenberg system or via the ONEOK system.

<Q – Michael Blum – Wells Fargo Advisors LLC>: Okay. And then last question on the NGL Logistics segment, you had a pretty nice uptick year-over-year, and I'm just wondering is this kind of a new run rate to think about, given the acquisitions you've done or was there anything extraordinary going on in the quarter?

<A – Angela Minas – Vice President & CFO>: I would say a new level and then we would expect the run rate to actually increase as Wattenberg pipeline comes on later this month.

<Q – Michael Blum – Wells Fargo Advisors LLC>: Okay, great. Thank you.

<A – Mark Borer – President & Chief Executive Officer>: Thank you.

Operator: [Operator Instructions] This concludes our question-and-answer session. I would like to turn the conference back over to Mark Borer for any closing remarks.

Mark A. Borer, President & Chief Executive Officer

Thanks, Amy. We appreciate everybody joining for the call today and thanks again for your interest in the partnership. If you have any follow-up questions over the coming days, please feel free to contact Angela, and we can make ourselves available to visit. Thanks and have a good day.

Operator: The conference is now concluded. Thank you for attending today's presentation. You may now disconnect.