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Mark A. Borer – President & Chief Executive Officer

MANAGEMENT DISCUSSION SECTION

Elvira Scotto, Research Analyst

Good morning. I think we're about ready to kick off the next presentation. I'm Elvira Scotto with Credit Suisse, and it's my pleasure to introduce DCP Midstream Partners. With us today, we have Mark Borer, CEO, who will be presenting, and Angela Minas is here as well. Let's kick it off.

Mark A. Borer, President & Chief Executive Officer

Good morning, and thanks for joining us. First of all, I want to thank the Association, as well as all the sponsoring companies. These sort of conferences are very important to the capital formation efforts, so sincerely appreciate it.

The forward-looking statement slide, I'd encourage you to read that. We will be making some forward-looking statements today within the meanings of the securities laws, so please review this.

I want to start today with the partnership's key investment highlights. Our affiliation with DCP Midstream, ConocoPhillips, and Spectra Energy, we think, provides us many competitive advantages, such as our recent acquisition from our general partner, DCP Midstream, of a one-third interest in a Southeast Texas joint venture.

You'll see today, we have a diverse business model and geographic footprint, with a portfolio of assets with strong market positions. This definitely supports our growth strategy and provides us ongoing opportunities, such as the multiple bolt-on acquisitions, the fee-based assets we've executed over the past year.

Our financial position is strong, as demonstrated by our three equity offerings over the past year, as well as our inaugural investment-grade debt offering in September. We have strong fee-based margins, about 60% of our portfolio, and have continued to grow these through our recent acquisitions and expansions. As a supplement to our fee-based earnings, we also have a multi-year hedging program that significantly mitigates our commodity price risk.

We have an experienced management team, both at the partnership as well as at the general partner, that has a demonstrated track record of successfully growing midstream and MLP businesses. And given all these factors, we believe Midstream Partners represents a compelling investment opportunity.

Spend a few minutes on our ownership structure and sponsorship. Starting at the top, you have Spectra and ConocoPhillips, both strong investment-grade companies, with a combined enterprise value over $130 billion. They are the 50/50 owners of our general partner, which is DCP Midstream, LLC. Midstream is a private company. As you move down to the middle of the table, you've got

Midstream right above us. Midstream is the owner of the GP, also owns about 27%, 28% of the LP units. For most of their existence, they were known as Duke Energy Field Services or, by many people in the business, DEFS. They were formed about 15 years ago. They were renamed in early 2007 when Duke split out its gas business, which became Spectra Energy.

You'll see a little bit that Midstream and Partners have developed an industry-leading position. The industry I represent is Partners. I think, importantly, as you look at the two entities, Midstream and Partners, they are the vehicles for Spectra and ConocoPhillips' primary participation in the midstream business.

Let me discuss the DCP Midstream enterprise in a little bit more detail. The enterprise is the largest producer of natural gas liquids in the U.S., sum of 360,000 barrels a day, which is about 18% of U.S. natural gas liquids production from gas processing plants. The combined energy gathers and processes in the Lower 48 6.7 trillion BTUs of gas a day, which is probably in the neighborhood of 10%, 12% of the U.S. gas.

We're involved in all aspects of gathering, processing, treating, storing, and marketing of gas, as well as the production, fractionation, transportation, and marketing of NGLs. We do believe this is a business where size and scale matters and with many significant projects, and it really enhances our ability to offer customers superior value and service. As you can see by the map, we have a significant presence in most U.S. major producing basins. The assets are definitely well positioned in a number of the major shale plays.

This slide lays out our key growth strategies and related achievements since our IPO a little bit over five years ago. We do work in concert with our general partner to deliver sustainable growth to our unit holders through a multifaceted strategy, with emphasis on the particular facets of the strategy changing as a result of the level of investment opportunities the enterprise has.

The first facet of our strategy is continued execution on third-party acquisitions. They allow us to consolidate within our footprint, as well as expand into new areas, including opportunities to extend down the value chain. We've done that in a number of recent transactions, both in the NGL fractionation areas as well as NGL storage. Since our IPO, we've executed on approximately $800 million of third-party transactions, which makes up some 55% of our capital deployment since then.

The second facet is organic expansion around the footprint. Some key examples of that is we built a propane terminal in Midland, Pennsylvania. We've had multiple gathering system expansions in East Texas as well as in the Piceance Basin. We also recently just completed an expansion of an NGL pipeline, Wattenberg we call it. It runs from outside Denver to the Conway hub.

The third facet of our strategy remains really maximizing the profitability of our existing assets and improving operating efficiencies, market access, reliability, those type of things. A key additional facet of our strategy, which makes the company somewhat unique in having such a large general partner that has large assets in the base, is the opportunity for investment opportunities with them. These have included dropdowns, of which we have completed approximately $550 million since the IPO, or other forms, what we call co-investing, with the general partner. The recent joint venture we formed in Southeast Texas is an example of this co-investing.

Importantly, as you view the execution of our strategy, it has delivered our unit holders a 12% compounded annual growth rate on distribution since the IPO and a total return of approximately 190%, which compares – that's over the last five years – compares favorably to both the Alerian at about 115% and the S&P at about 19%.

The nature of our growth, particularly over the last 18 months, has progressed our business into one that is fee-based, with assets extending into multiple parts of the midstream value chain. We estimate approximately – if you look in the upper right-hand side of this slide, approximately 60% of our forecasted margin is fee-based. This is up from 45% in 2008, and it reflects our efforts to really target growth opportunities with an overall healthy mix of fee-based margins.

You see that reflect in the acquisitions we've executed on recently – the Michigan acquisition, the Wattenberg pipeline, Chesapeake propane terminal, the Black Lake line, which are all fee-based – as well as the Marysville NGL storage facility, which is predominantly fee-based.

Of our commodity-sensitive margins, if you look on the lower right, we've hedged approximately 70% of our equity linked position in natural gas, natural gas liquids, and condensate. This results in approximately 90% of our 2011 margins either being fee-based or supported by commodity hedges. And this hedging program is part of a multi-year program that really extends out to 2016. We have a backwardated percentage hedge that we continue to layer on accretive hedges over time.

In addition to increasing the fee-based margins, we've also significantly enhanced the diversity of our asset portfolio, the geographic footprint, as well as our resource exposure. We've had successful growth in each of our business segments over the last year. Our fee-based NGL logistics and wholesale propane segments, if you look at the lower right of this slide, now comprise approximately 30% of our 2011 margins, which is up from about 10% in 2008. As cited by both S&P and Fitch, our sizable fee-based margins, multi-year hedging policy, and asset diversity are key strengths underpinning our investment-grade credit ratings.

I'd like to spend just a few moments on each of our three business segments, starting first with natural gas services. This segment generates margins from a mix of fee and commodity-based businesses, with our commodity position, as I've indicated, substantially hedged. Each of the businesses in this segment have an attractive market position. In the aggregate, we have about 1.9 billion cubic feet a day of processing capacity and about 5,000 miles of pipeline.

As you can see from the map, our operations span from the offshore Gulf of Mexico to the heart of the Ark-La-Tex in North Louisiana and East Texas, to the mid-continent, where Midstream has- our general partner has a significance presence, as well as our positions in the Rockies and the Antrim Shale of Michigan. We do view this diverse geographic footprint as a strong positive. It provides us access to multiple resource plays, including both oil and gas plays, as well as conventional and unconventional shale plays. This diversity also brings us an attractive portfolio of contracts and customers, as well.

This segment has experienced the most substantial growth since our IPO five years ago, with our most recent transaction being the Southeast Texas joint venture with our general partner, which I'll talk about at this point. Effective January 1 of 2011, we completed the acquisition of a one-third interest in this joint venture from Midstream for $150 million. This is a fully integrated business, very well suited with the MLP business model; as you can see by the map, pretty extensive footprint, about 675 miles of natural gas pipelines, three processing plants for currently 380 million cubic feet a day of capacity.

We have a high deliverability, a salt dome storage facility with 9 Bcf of capacity, very well situated with respect to interstate gas and the intrastate gas markets as well. We deliver the NGL product in the raw mix to both Exxon Mobil to their refinery and petrochemical complexes, as well as we also take product through our Black Lake NGL pipeline to the Mont Belvieu hub.

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The Spindletop gas storage is underpinned by a seven-year contract, so it's demand-based for the capacity of the storage facility. We also are in the process of expanding the plants on this system. We will have a 50-million-cubic-feet-a-day of expansion by the end of 2011, completed actually in the third quarter. We've done about a 30-million-a-day so far and have another 20 million to complete. The drilling in this area continues to be very robust, liquids rich, so we're continuing to expand our capabilities to meet producer needs.

The next segment is wholesale propane logistics. We have a very favorable market position as the largest wholesale propane supplier in the Northeast U.S. The business consists of six owned rail terminals, a pipeline terminal, a leased marine import terminal, and our acquisition in the third quarter of last year of an additional marine import terminal in Chesapeake, Virginia. A key competitive advantage we have in serving the market is really our breadth of supply options. The ability to bring product in by rail, by pipe, by marine import terminal puts us in a very favorable position from the viewpoint of the nature of the services we can offer to our retail customers, to the AmeriGases, to the Suburbans, the Inergys and the folks like that.

The nature of our contracting ties the sales price and the purchase price really to the same index, so we lock in a margin or a differential here, which provides us fee-based earnings. It's also a very attractive asset for the MLP due to its low maintenance capital requirements due to the nature of the operations. We had record results in this segment for the past fiscal year, building on the steady growth trend since we acquired the asset in the partnership in 2006. We continue to target opportunities in this segment to expand through acquisition or organic expansion projects. We also recently completed a very successful contracting season for the next winter season. So we're very optimistic and have a positive outlook on this business.

I'll move on to our third and final operating segment, our NGL logistic segment. This business generates fee-based margins and is complementary to our gathering and processing business, providing us really broader exposure to the midstream or NGL value chain. From a logistics viewpoint, this segment has NGL pipelines, it has fractionation facilities, and we've recently added ownership of actually fractionation and liquid storage facilities.

As we've grown our overall business, this segment has been a very key focus area for us. We've increased the segment now to about 15% of our overall business. Specifically, the pipelines in here include lines from Northern Louisiana and Southeast Texas. We also have a line from the DJ Basin outside Denver to the Conway hub. These pipelines are integrated with plants owned by our sponsor, DCP Midstream, plants owned by the partnership, as well as third parties.

The DJ Basin, in particular, continues to provide complementary investment opportunities with our general partner. They happen to be the largest gatherer and processor in the DJ Basin, very active area for development right now. The Wattenberg pipeline, as well as just the expansion on that is just being completed. We just actually began to ramp up the expansion last week. It's coming on line in conjunction with the completion of a DCP Midstream plant. We also made a acquisition in March of two fractionators in the basin. Midstream has a long-term agreement with us to fractionate product, so once again a very fee-based type growth. These are just kind of some of the examples of the growth opportunities that are associated with our general partner where we can provide complementary investments with them.

I'd like to now touch base on the Marysville NGL storage facility. It's an acquisition we completed in late December, predominately fee-based asset located in Michigan just across the river from the Sarnia Canada petrochemical and refinery corridor. Sarnia is a prominent NGL storage and marketing hub. We have nine underground storage caverns, with about 7 million barrels of capacity, or some 285 million gallons. The facility has rail, truck, and pipeline connections to the

likes of BP, Sun, Shell, Novacam, folks like that. We store propane and butanes for those customers.

As we looked at this asset, the key drivers for us, it was a complement to our wholesale propane business. It was fee-based. And we really felt there was commercial upside for the storage, given the enterprise's supply and logistics capabilities. We're also evaluating several expansion projects which could potentially add additional storage caverns in the future. Needless to say, we're excited about this opportunity from a future development viewpoint.

Now for some insights on how we're thinking about growth opportunities, both at the partnership and more broadly at the DCP enterprise. As we look into 2011 and beyond, we continue to see a variety of growth opportunities across each of our business segments, and expect this growth to include a healthy mix of fee-based assets. In gas services, we expect to see a continuing improving drilling environment, particularly in the liquids rich and emerging shale plays. We also see opportunities for divestitures by producers, as well for bolt-on acquisitions around this footprint. In NGL logistics, we see a similar set of opportunities. There's very tight liquids infrastructure in these liquid-rich and shale plays. We'll continue to pursue expansions in this area around the DCP enterprise footprint and also add asset diversity like we did with the Marysville NGL storage acquisition.

In the growing wholesale propane business, we'll continue to expand through organic projects and terminal acquisitions. I'd shared on our year-end earnings call how DCP Midstream, the owner of our general partner, is viewing its growth and how they expressed that they expect the partnership to be a significant source of funding for the growth capital of the enterprise.

Midstream sees a number of attractive growth opportunities where the partnership can supplement that funding. This ongoing shift in their producer customers' focus to drilling in liquids-rich areas is rapidly expanding the investment opportunities. Midstream has a number of attractive growth opportunities, including ongoing expansions in the Eagle Ford Shale, the DJ Basin, as well as the Permian Basin.

You may have recently seen that we're also furthering the development of what we call the Sandhills NGL Pipeline, which is a pipeline about 750 miles that would extend from the Permian Basin through the northern part of the Eagle Ford and then into Mont Belvieu. We recently announced that Targa had provided an anchor commitment to the pipeline, and we're in the process of working through the open season results. Midstream is managing this effort, but we're optimistic about the future development of that asset.

As we look into 2011 and beyond and consider our growth outlook, a key element of that is our financial positioning. From a debt standpoint, our investment-grade ratings position us well to access public debt markets at a very competitive cost. We're pleased to be only one of 14 MLPs out of the 70-some that carries an investment-grade rating. Last fall we accessed the public debt market for $250 million of 3.25% senior notes, and then in addition to that we also have an excellent investment-grade quality credit facility that extends through June of 2012.

At the end of the quarter, we had approximately $425 million in unutilized revolver capacity, so well positioned from a capitalization viewpoint. Over the past year, we've successfully accessed the equity market three times. We've done the investment grade, really positioned us well from a competitive viewpoint when we think about financing future growth.

In summary, we have solid capitalization, a competitive cost of capital, substantial dry powder in our revolver to support the execution of these growth opportunities, and we'll continue to maintain credit metrics in line with our investment-grade rating.

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As we view long-term value creation for our unit holders, it's really about continuing to execute on our multifaceted growth strategy. The growth opportunities that we've captured over the past 18 months have contributed materially toward distributable cash flow in 2011. Our investment-grade ratings and our track record as a seasoned issuer positions us well with respect to cost of capital. These in turn support our execution with DCP Midstream of a strategy to utilize the partnership as a [ph] pre-growth (22:50) vehicle.

We've targeted to continue to be a top-quartile shareholder return. We believe that's achievable, given the breadth of the DCP enterprise and its investment opportunities. For 2011, we've targeted 5% distribution growth, with a goal of doing that on a very sustained basis.

I'll wrap up here where I started, with our key messages. We feel we are capitalizing on the strong sponsorship of DCP Midstream, ConocoPhillips, and Spectra. We have a diverse business model and geographic footprint. We have very good financial strength and the investment-grade credit rating support our growth plan. We have significant fee-based businesses and a multiyear hedging program. And finally, we're committed to being a legacy company and a leader in the midstream space.

At this point, I'll wrap up, and I'd be glad to take any questions you might have.

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QUESTION AND ANSWER SECTION

<A – Mark Borer – President & Chief Executive Officer>: [ph] Ross (23:49)?

<Q>: [Question inaudible] (23:54)

<A – Mark Borer – President & Chief Executive Officer>: The question is how Sunoco's project to develop transportation alternatives for the Marcellus and such and the Utica, or perhaps how that plays in. It's very complementary to what we have at Sarnia – or really across the river at Marysville. We have nine underground caverns right now. We have the ability in a pretty short timeframe to expand by a couple caverns. The caverns are fully subscribed, but we see that the – we think there will be various solutions relative to – whether it's the Utica or whether it's the Marcellus – relative to liquid takeaway.

With the Canadian situation, probably less liquids coming into Sarnia from Canada than traditionally have come there; we see opportunities to really be a service provider in that footprint, definitely on the storage front, perhaps on fractionation facilities at some point. But we're excited about the prospects there as those developments move forward. Thank you. Yeah, [ph] Steve (25:11)?

<Q>: So how do you balance acquisitions, organic growth, and within the acquisitions, how you think about the dropdowns?

<A – Mark Borer – President & Chief Executive Officer>: The balancing is really – we think we have a lot of capacity to finance the opportunities in front of us. As I mentioned in the talk, it's a multifaceted strategy, and the emphasis can change over time. As we see the current environment, we think that the expansion opportunities are going to be more organically driven, co-investment driven, as well as periodic dropdowns from the sponsor. We consistently say in the acquisition market, though, the multiples can move around over time. We look for things that are very complementary to our business model, and then try to be opportunistic to bolt things on where we're the – in many respects, are the logical acquirer of an asset, or it really extends our capabilities.

<Q>: And if I could just follow up, when you think of the co-investment opportunities with DCP Midstream, I would think that there's an incubation period between the time that you invest money and the time that you start seeing cash flow being generated from that project. Would it make more sense to add to your – do another dropdown? If DCP Midstream on top needs incremental cash, so rather than co-invest, give them the cash by doing another dropdown, and you can get the cash flow immediately.

<A – Mark Borer – President & Chief Executive Officer>: [ph] Steve (26:53), we actually have done both those aspects of it. We clearly look if there's a project in development, is it, I'll call it MLP-friendly enough for us to take that directly initially. But to your point, the Southeast Texas joint venture had immediate cash flows, so we closed on that January 1, and had immediate cash flows there. It had some organic expansion capital to go with it, but it was definitely MLP-friendly in our model. But we'll look at it in both ways, and it depends, but in that situation, Midstream took the $150 million of proceeds and redeployed that as part of their overall spending program.

Just so folks understand, Midstream has public debt but does not have access to public equity markets, so for an enterprise that's – they provided guidance as part of the Spectra call, I think it was right around $1.4 billion of EBITDA for 2011, so obviously a very liquids-rich footprint, a lot of opportunities. So we'll pull both of those levers over time, and clearly the Southeast Texas joint

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venture is exactly as you laid out, but there can be other opportunities where we may have some sort of incubation or development period. Thank you.

Mark A. Borer, President & Chief Executive Officer

Okay, well thank you very much. We appreciate your interest in the partnership.

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