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EnLink Midstream Partners LP (ENLK)

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MANAGEMENT DISCUSSION SECTION

Ross Payne
Analyst, Wells Fargo Securities LLC

Okay. Our next MLP is EnLink Midstream Partners. EnLink's General Partner was sold a year – this year from Devon Energy to Global Infrastructure Partners who later simplified the capital structure in October with a GP purchasing the MLP. The company is targeting leveraged metrics of 3.5 to 4 times and coverage of 1.3 to 1.5 times. With that, I'd like to introduce Mike Garberding, President and CEO; Eric Batchelder, CFO; Kendall Talbott, General Counsel; and Adrianne Griffin, Director of IR. Mike?

Michael J. Garberding
President, Chief Executive Officer & Director, EnLink Midstream Partners LP

Perfect. Thanks, Ross. So more things today that we're going to go over in pretty good detail. One, we really want you to understand our core asset positions and our core demand centers. That is driving value for us. We've been working over the last three, four years to develop these. And when you look at growth, that is what's driving these. Two, so we have the capability to create about $250 million in cash flow over the next three years spending about $1.2 billion to $1.5 billion. That's a five to six multiple, great opportunities to grow the business on that core platform.

Three, the capital has lower risk. It was like – to use I mean the blocking and tackling capital. You're going to see it ultimately what is it. It's going to be well connected. It's going to make impression, add new plants. It's going to be capital we do in, day in day out. That is going to drive that increase in cash flows.

And four, we're incredibly focused on value creation. At the end of the day, the scorecard is can we continue to create good growth in DCF per unit, and we believe we can. When you step back from all this, you just look at the last couple of months, the last couple of years and we all know it's a cyclical industry and that's [indiscernible] (00:01:59). And we all have to position ourselves to thrive in those industry [indiscernible] (00:02:06). And that is what we've been working toward. We believe we are well-positioned for that.

If you just look in November, all right, [indiscernible] (00:02:13) November what we saw 20% drop in crude prices month in to month out, so about $500 million outflow from the MLP investment market. So some factors ultimately that really – that were hampering ultimately what we see in the business.

But from where we step back and what we're seeing in our business, we are incredibly confident in our capability to execute on that growth, all about being in the right production areas and in the right demand centers, and we are there today. You'll hear that a lot about that value creation because that is what we're focused on. I will note I think we're going to win the record for the most disclosures. We have five pages.

So why invest in EnLink? Again, it's the long-term sustainable value, what we can create with those core platforms. If you look at the track record, right, so what have we done? What does 2018 look like? 2018 has been an incredibly successful year for us. If you look from a performance standpoint, we've raised guidance at ENLK twice and ultimately expect to be at the high end of guidance.

From a partnership standpoint, we brought GIP, as Ross mentioned, as a partner with us for growth. And I like saying it that way, a partner for growth and how we can do things together to grow this business. We announced the simplification which will be executed upon in the first quarter. So that goes back to positioning the company for the long term in the execution. We'll talk about the financial metrics there.

And Devon, we continue to have an outstanding multi-commodity relationship with Devon. Now, this year, we announced the crude gathering project called Avenger in the Delaware Basin which, again, matches what we're doing in each of our core production basins with E&P crude and NGL ultimately feeding our demand centers. So great relationship with Devon.

For us, it comes back to the efficiency of the capital. So all that capital I mentioned at the beginning, that $1.2 billion to $1.5 billion, is really driving that value from the core position growth over that multiyear period. So for the investor at the end of the day, it represents that continued creation value for the stakeholders, and that is our focus as a business.

So I like this title. I think the two things matter, right? Number one, confidence in delivering growth. Two, focused on value creation for all stakeholders. That is what we're doing, and we are confident in our ability to provide it. It starts – if you think about the box on the left, that is what's key, how we position ourselves [audio gap] (00:05:04).

We have confidence in our core production areas. We have confidence in our demand centers. Timing for that growth, and I'll walk through that ultimately as far as what we see from a demand center, but we feel very good about what we're seeing.

A metric you can look at, rig stability. So we always look at rig stability across our total platform. If you look over the past 12 to 18 months, we've had generally about 62 rigs running across our portfolio, and you can think about what prices have done over that timeframe. You can really see that we've had great rig stability. That rig stability is continuing to drive growth.

What does that drive? I mean, the middle box, efficient capital deployment, those sort of two data points on that. One, we just announced the new NGL project and expansion of our Cajun-Sibon pipeline. It was spending $50 million or moving 30 million to 35 million – 30,000 to 35,000 barrels a day of NGLs in Louisiana to fracs at a two to three times multiple. That's the kind of opportunities you have when you have core position.

I started off on the four things. Number two again was about the creation of value through that $1.2 billion to $1.5 billion capital of being able to create that $250 million on expanding those core positions. Same thing. That is the opportunities we have. That is what we're executing on.

Balance sheet. We feel very, very good about our balance sheet, about our financial tenets and about our capability set. That's giving us the capability to have the confidence moving forward with our financial plan and executing on this kind of capital. With the simplification, we have a capability to fund portion of growth capital that would be equity. We have the balance sheet to effectively manage that. We exited third quarter with about 3.8x debt-to-EBITDA, so feel very good on that.

Last box, I've said it every slide, I'll say it again, it's about value creation. Value creation is what we're after and ultimately, that gives you that optionality to allocate capital correctly to the highest return. That can come in a lot of different forms, and we'll talk through that.

So I started and number one was being in the right places. And I always like looking at this map because we really like being in these four states. This is where we want to be. This is where we've seen success, and this is where we'll see [audio gap] (00:07:33). And ultimately, when you think about what you see here, we have seven strategies. And if you think about short term and long term, the first four strategies are really driving the growth in business we're seeing today. So what is that? That's the growth in Oklahoma. Multi-commodity growth. We're seeing it through the G&P system, we're seeing it through our crude system. And ultimately, that G&P system is feeding our NGL system in Oklahoma. Two, Permian, same footprint. G&P system, crude system, NGLs are feeding Louisiana. Delaware, same footprint; G&P, crude, some NGLs are going.

So you can see what we're doing is where we're deploying efficient capital in each of those core areas to build that core position, and then that growth capital is just building on that. That really represents that $1.2 billion to $1.5 billion, 1 through 4.

When you think about what else we have, it's really four through seven. It's what that next leg of NGL growth. How do you think about the demand markets further developing in Louisiana? How do we grow with what we see ultimately in the gas growth into Louisiana? That is where product is going when you think about it. 85% of pet chems in Texas. Where is gas being exported? [indiscernible] (00:08:48), Louisiana and Texas.

So to have the position there at that existing infrastructure gives us a competitive advantage on being part of that growth. It's a little bit longer term, but it's going to be ultimately a great growth for someone like us. So how we've been doing on this? What's the scorecard look like? And so we used 2018 as an example. I mentioned early on we raised guidance twice in 2018. This has been a tremendous year for us. Look at number one, Oklahoma, what kind of growth we're seeing?

I know there's been questions on Oklahoma about what we're seeing there was some change in how the producers are developing the acreage. But I want to make sure you hear this. We have great conviction in what we're seeing in Oklahoma.

I think ultimately what producers have done is continue to get smarter in how they think the optimal way to develop that acreage is and they're now executing on it. So I think you'll see ultimately fourth quarter earnings, that continuation of that. Our producer customers in third quarter were confident in what they saw going forward. That's what we've modeled. Ultimately, it's the expectation of what they're developing.

But the key for the producer customers is the value they're getting. And I think the piece some people weren't looking at is ultimately the returns those core producer customers are getting with that development. They've done a great job from an efficiency of rigs and cost to really push returns up even with less wells per section. So with what we're seeing in Oklahoma, we have great confidence in the execution of [audio gap] (00:10:19).

On the Midland Basin side, we've seen good gas growth. We have the capability to fill up an existing system, so it's incredibly capital efficient. And our crude system is about half-full today that was put in place 18 to 24 months ago.

NGLs also from Midland Basin are feeding Louisiana. Delaware, we've had that position now for about three years. We added a large new customer in the third quarter and continue to grow it. We just added half of our processing expansion, $100 million a day just this quarter and the extra $100 million a day being the first quarter. So we'd be up to right under $400 million a day in the Delaware. So seeing great growth in the Delaware.

For NGLs, I mentioned the opportunity we have there, the project I talked about earlier which we call Cajun-Sibon III which is bringing additional NGLs in Louisiana. And I'm going to talk about that for a second because I think it's important, because, typically, when everyone thinks about NGLs, they think about Mont Belvieu, and they think about what's happening in Mont Belvieu.

We have a differentiated NGL position versus others. Really only other – one other competitor that has it like us. We have a full-scale value chain position in Louisiana with the fracs, that end use market, and then storage and then servicing each of the actual underlying commodities that come out of the frac. And so that is a differentiated value proposition to customers. We continue to see demand grow there.

So when we announced our frac expansion, which again was at 30,000 to 35,000 barrels a day, that was step one. That's the starting point for us in continuing that expansion. We believe we have great options to continue to expand that opportunity in Louisiana as that end use market or that demand market continually grows and is looking for options to bring more purity products into that market. We feel very good about that next play.

I mentioned that capital of $1.2 billion to $1.5 billion earlier on and we'll talk more about it in a second. But I just want to point out that anything really in growth strategy four, five, and six is not included. That upside will continue to work on that we see in the business that is going to use existing assets and really repurpose or relook at those existing assets to provide a greater rise in the business. So again, great capital efficiency.

I always mention number 7, North Texas. We do have an MVC roll-off this year, but as we look forward to North Texas given the things that Devon has done with Dow. They have a joint venture with Dow for drilling. And given what Devon has done on refracs, we feel great about what we're seeing. The business typically in the past probably had about a 10% decline. We're seeing 5% or less with very little capital. So when you think about this business of having that stable cash flow with very little capital, it's a really nice asset to have in the portfolio. And I fundamentally believe there's still further to come on upside ultimately as private equity shift in and public shift out. But I think we can see some interesting things ultimately in North Texas.

Scorecard, how are we doing? This sort of sets up of how we thought about the business. There's really been a lot of fundamental changes in our business over a pretty short period of time. And if you look on this graph and look at basically 2016 all the way through 3Q 2017, what we've been doing as a business is positioning ourselves and growing the right production basis.

As I mentioned, we were not in Delaware in this – before this timeframe. We expanded our Oklahoma position. When you think about what we've done for transformational capital I'll use Oklahoma as example. We started with a position called Cana that came over when we created EnLink with Devon. So it was a Devon-driven gathering and processing plant

We acquired Tall Oak. What we did was integrate those systems with our systems, continue to build plants. We'll be at about 1.2 Bcf a day. We build all the high pressure systems. We've built the large scale compression, built long gathering. And you're sitting today with an opportunity to grow with those existing producers where the capital being deployed is incredibly more and more efficient.

I go back to what is that capital [audio gap] (00:14:43) compression. The other plant [indiscernible] (00:14:46). That is the capital we're spending. And when you think of a capital curve and these sorts of plays, it does peak. And that's what we've been doing over those past three years. And now, what you're seeing is those projects you're putting in are more and more capital efficient and provide more and more near-time cash flow to us.

So it's a great position to be in but that's how we've set the business up with that capital deployed over that period. So when you look over and start saying, okay, look at 4Q 2017 to 3Q 2018, how have you done so far? That's our scorecard. We think we've done a great job in this kind of environment continuing to execute on those projects and create value. And I've said it over and over, so that's what we need to do well. When you look forward and how we've talked of business on our forward outlook, [audio gap] (00:15:32) we projected what we talked about, 10% continued growth in DCF based on that capital I said, that $1.2 billion to $1.5 billion.

I like this one. You can sort of think about math on these different quadrants. But we'll start at first quadrant. We've talked about all the numbers again, but that middle column is what's so very important is what we call lower risk execution on projects to create $250 million cash flow over a [audio gap] (00:16:04), 5 to 6 times. And this is the [ph] quick to cash (00:16:08) like we're going to call it. When you put a gathering line and you're turning a well on and you're producing cash. When you're doing a bolt-on to a crude system, you're building the gathering line. You're turning it on [ph] quick to cash (00:16:20). That's the type of assets we're putting in place over this period and it's all about risk return on how you think about that and we feel very confident on our capability to execute around this and again feel very good this is what we do day in day out from a risk perspective.

The middle column, what's driving it? That's the growth we're seeing. We're laying it out as far as over the three-year period what we're seeing. I talked about the confidence in Oklahoma. That's the growth we're expecting, the growth we're expecting is consistent with what the producers are expecting today. And then on our last call, we're very clear, the growth we have ultimately in our forecast is exactly consistent with what the producers are expecting today. And an example of that we gave was the wells drilled we expect for 2019 is very consistent with the wells drilled we saw in 2018.

So you will get the law of large numbers when you grow something that that growth will slow down over time just because it gets bigger and bigger. But we're still seeing great fundamental growth in Oklahoma.

Financial outlook, the DCF per unit value creation gives you that optionality, right? What is the right thing to do with that value? I think the [audio gap] (00:17:33) the conversation was on buybacks and we've heard a lot of that today the different conversations, that's the right allocation of capital. Projects is [audio gap] (00:17:41) dividend. If you create the value you have that optionality to the right allocation of capital. Believe today with the project returns we're seeing, that is the right thing with the value of creating. You're going to have to look across those options and say what is the best value for the stakeholders to make but we've created a business that gives you that option. We feel very confident on that.

So how do we rank? You'll see a lot more these lately and I think you see a lot more of these where they're trying to rank them versus the market but we've kept it simple. I wouldn't say we're necessarily proud of chart one where you look at yield. But again, a lot goes to what's happening in the market. But it also talks about the value proposition of what we're seeing in today's market. Because if you'd look at the bottom left-hand chart and go back a couple of years, that looks very different for our space arbitration, and that has transformed quite radically in a short period of time.

And with our simplification which is expected to be executed in the first quarter, we feel we're in a great position from a balance sheet standpoint. And that excess cash flow coverage that we'll continue to raise as a value creation gives us that capability to say how we want to allocate capital. Very good position [audio gap] (00:18:55).

What does the market think about it? Now, you move to the right-hand side. That's about the 10% Bcf per unit growth that we see ultimately based on the outlook we laid out. And then you go to the bottom and say how's the market value there. And there is a difference ultimately in how they think about us versus others.

And you can see from a yield standpoint, we're basically in sort of the same zip code on yield. Probably, the same zip code. I would say balance sheet, same balance sheet. But value creation, we feel we're at a different level. And you go back to the risk of that of what we're doing to create that, and it's that right way capital blocking and tackling, [audio gap] (00:19:33) of new plant. Things we do each and every day. So that's why we feel very good about what we can do [audio gap] (00:19:42-00:19:49). One of the things I talked about was strength of balance sheet. I would say when I talk about the DCF per unit and look at that Q1 2016 all the way through into sort of that middle of 2017, we've really worked hard to maintain a prudent balance sheet and that, for us, has been basically between 3.5 to 4 times. Where we sit today, I think I mentioned 3.5 or 3.8 times today. With the simplification, we continue to bolster that balance sheet, produce over a three-year period about $700 million of excess cash flow and then that's going to be the allocation of what do we do [audio gap] (00:20:24). So great distribution coverage, self-funding.

We can go execute on the projects that I laid out with our balance sheet. That's important. Leverage ratio, we're there today. We feel good about the direction we're moving. We think we're right in the cusp of investment grade of how we run the business and how we'll run the business. We'll work with the agencies to continue to get them thinking about how we do things. But we think we're running the business the right way. And that bottom [audio gap] (00:20:58) capability we have.

We talked about the distribution growth when we announced simplification. And if we create this kind of value, if that's the right allocation, we have that kind of capability. It goes back to what is the best value for the stakeholders with that cash flow creation. That's how we think about it. And distribution growth is a great option, but you have to look among all those capital allocations to what is the right option. [audio gap] (00:21:25-00:21:31).

Confidence, I mention that a lot. And you can circle back to again the environment we're sitting in today.

But again, I think that we'll see tomorrow some help. But when I say some help, I think what we look for is sort of a $50 to $60 price. And that's where we feel comfortable and confident on what we're seeing from an activity standpoint. Those core [audio gap] (00:21:56).

You can look at our rig durability or rig stability over the last 12 to 18 months, and that's the price that [indiscernible] (00:22:04). The interesting thing is as prices rose, rigs did not rise. And that stability of rig which we're seeing from our producer customers are really living to their capital [audio gap] (00:22:13). So that's been very positive for us.

The balance sheet that allows us to execute – our capability execute on that $1.2 billion to $1.5 billion could be done through our balance sheet because of what we've done as far as that cash flow recovery. Value creation, I think I've now said that 10 times but you cannot say it enough. That's what we're in the business is doing. That's what we should be in the [audio gap] (00:22:41) so we are set up so very perfectly for that because of that creation of those core positions that [audio gap] (00:22:48) building off of over that three-year period to create that.

And that's not saying that's all we're going to do. That's saying that's where our focus, and we will do that well and we'll create that value. We think there's other options for growth in around our business like I mentioned in [indiscernible] (00:23:03) Louisiana. And we believe we will [audio gap] (00:23:05) but even without that, we're creating $250 million cash flow at a 5 to 6 times multiple. Proof point for that was the NGL project we just did at a 2 to 3 times multiple. So we have that kind of capability in our core position.

So I'll say it one last time, focus is on value creation. We feel confident in our capability to [indiscernible] (00:23:29). So I appreciate your time and I'll open it up for any questions.

QUESTION AND ANSWER SECTION

Q

Can you just give a little more color on the contract roll-off in North Texas and maybe help us quantify what that impact could be? And when you talked about 5% expectation for profit, maybe a profit decline of 5% or less out of that sector?

Michael J. Garberding
President, Chief Executive Officer & Director, EnLink Midstream Partners LP

A

Yeah. So a question on contract roll-off, so when we set up EnLink originally with Devon, we created five-year MVCs. And so we've been talking to the market about these five-year MVCs for a long time, the MVCs in December 31, 2018 so end of the year. And we've been very clear with the market on what kind of cash flow roll-off to expect. We said $90 million to $100 million is what to expect.

But we've also been very clear on our conviction and confidence in what we expect for 2019 and growing not only through that and but above that. And so that's what we've laid out for expectations in 2019 that people saw in our outlook when we put our S-4 out for simplification. So when you talk about the 5% decline, we're talking about where Barnett will go post-MVC roll-off, meaning that from a cash flow standpoint given what Devon is doing, we have confidence that Barnett is going to be 5% or less declined over that term.

Q

So, the 5% backs out the [indiscernible] (00:25:07)?

Michael J. Garberding
President, Chief Executive Officer & Director, EnLink Midstream Partners LP

A

Correct.

Q

Thank you.

Ross Payne
Analyst, Wells Fargo Securities LLC

Q

We had one back here, but I'll jump in real quick, Mike. You showed 10% growth out of Oklahoma on one of your slides. And I thought that lower than I would have anticipated, the same slide that showed the Permian up 20%.

Michael J. Garberding
President, Chief Executive Officer & Director, EnLink Midstream Partners LP

A

Yeah. So you're referencing our segment profit outlook of 10%. And I think some of it is just the scale we're getting to is I mean, because again, when you were smaller scale, having that 50% – 40% to 50% growth quarter-over-quarter really made sense because they're ramping up.

And so what we're seeing now from a development standpoint is more of that steady-state growth, which we feel very good about what we're seeing incredibly capital efficient. And like I mentioned, we have conviction around what our producer customers are doing there ultimately with the growth.

I believe there's more upside to that, and we'll see it because I think the market is still trying to understand what to expect from the STACK, and ultimately, that will come out over time as the producers now, mainly Devon, have really realigned as far as what they're doing from a development standpoint.

Ross Payne
Analyst, Wells Fargo Securities LLC

Q

The expectation for 2019 specifically?

Michael J. Garberding
President, Chief Executive Officer & Director, EnLink Midstream Partners LP

A

As far as total growth? Yeah, we'll come out with guidance first of year specifically. We had an outlook that was out there again for the S-4, but our guidance will come out 1st of January.

Q

Just one follow-up here.

Ross Payne
Analyst, Wells Fargo Securities LLC

Q

Oh, yeah.

Q

You mentioned in the presentation a couple of times in terms of the balance sheet 3.5 to 4 times target and targeting investment-grade metrics. Obviously, you posted downgrade. You guys are no longer investment-grade. It seems like the kind of business where not being investment-grade can be a competitive disadvantage given the importance of cost of capital.

For you guys, is it enough to have what you perceive to be investment-grade metrics and the agencies will do what they'll do, or is there a desire to allocate capital to the balance sheet to help you get back to IG? Just any more color there would be helpful.

Michael J. Garberding
President, Chief Executive Officer & Director, EnLink Midstream Partners LP

A

I think that we're going to run the business smart. We're going to run it as an investment-grade business. But as we all know, the agencies are going to make decisions based on what they think they need to make decisions on.

So I would say is that we will continue to make the right decisions in how we run the business which the debt holders and everyone else understands and can look through too. And we'll continue to work with the agencies to help them understand what we're doing and get conviction in it. But I would say that you can't do that at all cost to the business to try to do that but we will run the business to where when you look at the metrics, they're very consistent with investment-grade company.

Q

Hello. Maybe just a follow-up question on that front, do you get any sense in terms other than the financial metrics? Any other guidance from the rating agency to get to the – get back to the investment grade?

Michael J. Garberding
President, Chief Executive Officer & Director, EnLink Midstream Partners LP

A

So it's sort of changed, right? I would say this last year was all about growth and coverage. And as you saw in my earlier slide, most of us had done a really good job working toward that. I mean, if you think even without simplification last quarter at ENLK, we're about 1.2 times. And so, really it's become more of a leverage metric.

And depending on which agency, certain agencies draw hard lines and say from their rules, it's about a 4.5 times leverage metric and how they think about things. We're just a little bit above that today depending upon which agency and how they look at our performance.

So we're in a good position. How we're running the business as you see with this kind of cash flow, naturally, we'll grow that capability. And so, we feel very good about how we run the business and we'll continue to work with them on how they view the business.

Q

Thank you.

Q

You've talked about some profit growth on – and your comfort with a $50 to $60 oil. Can you help walk through some sensitivity as you might have done it internally on how to think about this volume and profit growth in a lower oil scenario of, let's say, like a $40 oil, how we think about it?

Michael J. Garberding
President, Chief Executive Officer & Director, EnLink Midstream Partners LP

A

You're saying that $250 and how do you think about the growth in the next three years on different scenarios?

Q

Yeah. Or the next three years of, yeah, the volume and profit growth that you're budgeting.

Michael J. Garberding
President, Chief Executive Officer & Director, EnLink Midstream Partners LP

A

Yeah. And I think, I would say, most people in our universe are the same when you think about this. And what we've seen typically between that $50 and $60, we've seen pretty consistent rig growth. I think when you start seeing sub-50, you could see changes ultimately because producer customers are being held pretty tight to capital budgets. So I do think and if you get long-term sub-50, you ultimately could see changes. We've lived through the $50 on up like I said because we started the year about where we're at today or probably a little lower. And what we've seen is even with the price of oil going up, producer customers really haven't fundamentally changed their rigs. We haven't seen a growth on our acreage, and we've seen – what we've seen is better utilization of rigs to actually produce more, so really utilization of needing less rigs.

I think it's really broader question. Do you believe you're going to see a sub-40 for a long period of time? I think with that, I think all of us would see a potential decline in rig counts then it depends who's going to drive it. I think that our view first is private companies will drive it because they have broader costs than just the rig itself when you think about the full infrastructure through and then [ph] hence (00:30:42) on hedging portfolios, et cetera, but all of us could feel that.

Q

Mike, how is the new ownership/partnership agreement going? What have been some of the positives and the negatives you've experienced there since that happened?

Michael J. Garberding
President, Chief Executive Officer & Director, EnLink Midstream Partners LP

A

I think we've been really, really pleased, and it's been interesting because there's been a couple of data points where I would say we've been really excited in the markets that had a question mark and I'll go through each of those. So we announced GIP buying Devon as a partner, a long term partner, a long history in the space, a long investment horizon in the space, in line with what we're going to do. And then there was real concerns about given that we had a GP/LP structure of how they're going to play that game, what were they going to do with value and what do we do together. We announced simplification where everyone's on the same playing field or we're all in it together again creating value for the stakeholder.

I think, for us, it's great to have a partner that's aligned. If you think about it, we're really the first big public company that has had this kind of large private sponsorship. They've created it like GIP did ultimately with the Access or Hess. But this is a little different than most. And we think during times like this that that is a competitive advantage as far as how we align together to grow the business. We've already done it from a balance sheet standpoint saying we have confidence executing on the plan we put in place. The broader question is what else can we do together? And we think that's an advantage in markets like today because a lot of people are hampered ultimately by what the equity market is doing on their capability to do other things. And that's something we have.

So to sum it up, the market has not always perceived it, but we've been very, very pleased with the relationship and I think we can do quite a bit together with the platform we have.

Q

Okay. One last one from me. GIP is obviously private equity, so what's your timeline and what do you think their exit strategy might be?

Michael J. Garberding

President, Chief Executive Officer & Director, EnLink Midstream Partners LP

A

So we're in a north of 10-year fund, that's a couple of years in. Ultimately, they believe a couple of things. They believe very much on what we're seeing domestically on the production regions we're in and believe very much on the demand centers we're in, just Louisiana. So their match of macro to what we're doing is very much what they like. And so I think given this kind of market and where we are in it, I think there's a lot of things we can do together. I think that will come with time, and it will be clear. But I think the thing people need to focus on today is what we can do together because I really believe it's a competitive advantage.

Ross Payne

Analyst, Wells Fargo Securities LLC

All right. Any others? All right. Thanks, Mike.

Michael J. Garberding

President, Chief Executive Officer & Director, EnLink Midstream Partners LP

Thank you.

Ross Payne

Analyst, Wells Fargo Securities LLC

Appreciate that.

Michael J. Garberding

President, Chief Executive Officer & Director, EnLink Midstream Partners LP

Appreciate it.