DPM - Q3 2009 DCP MIDSTREAM PARTNERS LP Earnings Conference Call

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PRESENTATION

Operator

Good morning, and welcome to the DCP Midstream Third Quarter 2009 Earnings Conference Call. (Operator Instructions). Please note that today’s event is being recorded.

At this time, I would like to turn the conference call over to Ms. Karen Quast. Ms. Quast, please begin.

Karen Quast - DCP Midstream Partners, LP - IR

Thank you, Jamie. Good morning, and welcome to the DCP Midstream Partners third quarter 2009 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 CEO, and Angela Minas, Vice President and CFO.

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'd 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 31, 2008 as filed with the SEC on March 5, 2009 and updated through subsequent SEC filings.

In addition, during our discussion, we will use various non-GAAP measures, including distributable cash flow and adjusted EBITDA. These measures are reconciled to the nearest GAAP measure in schedules at the end of the presentation, starting with slide 28. We ask that you read those slides as well.
And, finally, a note about the presentation of our earnings. In April 2009, the Partnership completed the acquisition of an additional 25.1% interest in DCP East Texas Holdings, LLC, or East Texas, from DCP Midstream, LLC. Prior to this transaction, the Partnership owned a 25% interest, which was accounted for under the equity method. Subsequent to this transaction, the Partnership owns a 50.1% interest in East Texas and accounts for it as a consolidated subsidiary. The results of operations presented today include the historical consolidated results of East Texas for all periods presented. For comparison purposes, we have also included our 2008 historical results as reported in 2008, when our ownership in East Texas was 25%.

And now I'll turn it over to Mark Borer.

Mark Borer - DCP Midstream Partners, LP - President and CEO

Thanks, Karen. Good morning, everyone, and thanks for joining us today. Thank you, also, for your investment and interest in the Partnership.

On slide 4, you can see our agenda for this morning. Third quarter results were in line with our expectations. Our year-to-date results continue to be strong, allowing us to raise our 2009 DCF guidance.

I will begin by recapping the successful completion of all our 2009 business plan commitments and will then provide an operational update. Angela will follow with a review of third quarter and year-to-date results and provide updated 2009 DCF guidance. As we now approach the end of the year, I will also provide an outlook for 2010.

If you'll turn to slide 5 for an update on our business plan, which we first laid out in December. Much of this plan was predicated on navigating through a difficult operating environment. We have been living the stress case, if you will, and have executed our business plan. We remain cautious but see signs of improvement, with financial markets beginning the recovery and commodity prices more favorable, with crude oil in the $80 range, NGLs about $1 per gallon, and natural gas prices showing some improvement. It has certainly been a challenging year but one that clearly demonstrates our resiliency and our focus on delivering what we committed.

We restored operations following the hurricanes and pipeline integrity issues. In East Texas, we brought on our organic expansion project and increased our ownership as our sponsor clearly demonstrated its support through an attractive and timely dropdown. Through it all, we continued to maintain the distribution, favorable liquidity, and credit metrics.

With the late September startup of commercial operations for our expansion project in the Piceance Basin, we have now delivered on all of our 2009 business plan commitments.

Our success in delivering on our business plan positions us well to grow the Partnership. Our strong sponsorship, diversified asset portfolio, and financial strength should help us achieve our long-term goals.

Turning to slide 6, let's discuss some quarter and year-to-date highlights. Our portfolio generated distributable cash flow of $21.2 million for the quarter and $71.8 million year to date, resulting in a distribution coverage ratio of 0.94 times for the quarter and 1.1 times year to date. These results provided a solid foundation to exceed our 2009 forecast. Notwithstanding lower commodity prices and reduced drilling activity, we have achieved solid results. We attribute this to our geographically diverse asset base, business model, and, importantly, the resourcefulness of our organization.

Gas throughput volumes from organic growth projects have offset declines. A new interconnect on our Seabreeze pipeline enhanced performance in our NGL segment. Our wholesale propane business is having a great year. Our cost-reduction efforts are achieving results. The commencement of commercial operations for our Piceance Basin project marks a key milestone for our natural gas services segment, which we will discuss next, on slide 7.
Our Piceance Basin expansion became commercially operable in late September, when Collbran began delivering gas to the enterprise products gas pipeline. Our project included the construction of approximately 13 miles of 24-inch pipeline. Installation of additional compression at Collbran is ongoing and is expected to be operational in the fourth quarter. Margins related to this expansion are partially supported by a transport for pay commitment. With the recent uptick in natural gas prices, our Piceance producers have begun completing an inventory of approximately 80 drilled and uncompleted wells behind our system. If the forward gas price curve holds, we expect our producers will resume drilling in 2010.

Gas throughput volumes for gathering and processing assets remained constant on a sequential, quarterly basis. Increasing gas throughput volumes from Discovery’s Tahiti connection offset declines in other assets. And the richness of the Tahiti gas is providing a substantial increase in NGL production compared to the second quarter of this year. As you may recall, we did not incur any capital expenditures associated with the Tahiti expansion.

As is evident 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.

Now moving to slide 8. In our wholesale propane segment, we are preparing for the winter heating season. Propane prices are significantly lower this year than last, but that has little bearing on our margins, which are fee-like in nature. Rather, the lower prices may make conservation less of a factor for end users. Industry consulting numbers show 3% propane demand growth for the northeast US in ’09 versus 2008. Our volumes through the quarter and year to date are up 9% and 6%, respectively, over the prior year. Our business model continues to perform very well here. This business has a key competitive advantage with its breadth of supply options, which not only supply our base business but allow us to capture upside opportunities during favorable marketing conditions. We had a very successful contracting season for this winter and continue to grow the base earnings power of this business.

Now moving on to slide 9 for our NGL logistics segment. Our pipeline volumes were up compared to second quarter this year, as we connected new supply to our Seabreeze pipeline from a processor near our footprint, taking advantage of an attractive marketing opportunity. These assets provide 100% fee-based earnings and provide a good complement to our portfolio.

And now I’ll turn it over to Angela to review the financial results.

Angela Minas - DCP Midstream Partners, LP - VP and CFO

Thank you, Mark. And thank you for joining us today.

On slide 11, we begin with the consolidated financial results, which are adjusted to remove the impact of noncash, mark-to-market activity of our commodity hedges, as well as the non-controlling interest in our joint ventures.

On April 1, we completed the dropdown of an additional 25.1% interest in East Texas, bringing our ownership to 50.1%. Prior to the transaction, we accounted for East Texas under the equity method. As a result of our owning over 50% in the transaction between entities under common control, under GAAP, we’re required to present the results of operations, including all historical periods, on a consolidated basis as if we always owned the additional interest. In addition to the consolidated results, which are required to be recast, we also show the results as reported in 2008, which reflect trends and results achieved over time.

As such, I will generally be discussing the results as reported in 2008 as the basis for comparison.

Additionally, note that, while we hedge the majority of our commodity risk, the portion of East Texas owned by DCP Midstream is un-hedged. As such, our consolidated results depict 75% of East Texas un-hedged in all periods prior to Q2 of ’09 and 50% un-hedged beginning in Q2 of ’09.
I would also remind you of the seasonality in our wholesale propane business, as the majority of the earnings are realized in the first and fourth quarters.

Adjusted EBITDA increased by 122% for the quarter and 35% year to date compared to results reported in '08. Adjusted EBITDA of $30.2 million for the quarter reflects the addition of our East Texas and Michigan acquisitions, increased NGL production, and reduced operating costs, tempered by the impact of lower commodity prices and processing margin, as well as lower gas throughput volumes at certain of our natural gas assets. Third quarter '08 results were significantly impacted by hurricanes and a noncash write-down of inventory for our wholesale propane business. Year-to-date adjusted EBITDA of $102.8 million also reflects strong results from our wholesale propane segment and the impact of operational downtime at our Discovery, East Texas, and Wyoming assets in the first quarter of '09.

Distributable cash flow for the quarter increased 74% to $21.2 million, resulting in a 0.94 times coverage ratio for the quarter. Year-to-date DCF of $71.8 million, which includes the Q1 impact of increased maintenance capital for our pipeline integrity and system enhancement project in Wyoming, results in a 1.10 coverage.

Total revenues and derivative activity for the third quarter include a noncash gain of approximately $0.5 million and current-period hedge settlements received of $3 million. This compares to third quarter of '08, with a noncash gain of $154 million and hedge settlement payments of $12 million. Year-to-date total revenue and derivative activity include a noncash loss of $53 million and current-period hedge settlements received of $17 million in '09 as compared to a noncash loss of $44 million and hedge settlement payments of $39 million for the first three quarters of '08.

Operating and maintenance expenses indicate a 4% decrease for the quarter and 8% year to date from the prior year, largely driven by our cost reduction efforts. G&A reductions are also driven by our cost-management initiatives.

Interest expense reflects the addition of the Michigan acquisition and organic project spending.

Our strong results so far this year provide a solid foundation to exceed the 2009 DCF forecast we provided in December.

Moving to slide 12 for a review of the natural gas services segment results, adjusted segment EBITDA for the quarter increased by 76% from $19.3 million, as reported in '08, to $34 million in 2009. Results were positively impacted by the addition of the East Texas and Michigan acquisitions, increased NGL production, and reduced operating costs. Partially offsetting those were the impact of lower commodity prices and processing margins as well as lower gas throughput volumes at certain assets. Results for the third quarter of ’08 were significantly impacted by hurricanes.

Year-to-date adjusted EBITDA increased by 11%, or $8.9 million, as compared to results reported in 2008. Q1 '09 results also included the impact from operational downtime at our Discovery, Wyoming, and East Texas assets.

Gas throughput volumes increased by 58% for the quarter and 34% year to date from numbers reported in 2008. These increases are primarily a result of our acquisitions, which were offset by a modest decline in the remainder of our portfolio.

NGL production volumes increased 64% for the quarter and 22% year to date compared to '08, reflecting Discovery’s resumption of operations.

Our equity investment represents our 40% interest in Discovery. Year-to-date results include the addition of Tahiti volumes and reflect the impact of the hurricane, with repairs completed in the first quarter. Prior-year results for the nine months benefited from a much stronger processing environment, which also provided opportunistic processing and marketing volumes and margins. As a reminder, hedge settlements for Discovery reside in the adjusted segment gross margin line.

The results demonstrate the resiliency of our cash flows in dramatically different commodity price and economic environments.
Slide 13 indicates the results from our wholesale propane segment. As a reminder, this segment has some seasonality, with the majority of earnings coming during the fourth quarter and first quarter.

Results reflect the strongest off-peak season since we've owned the asset, with adjusted EBITDA increasing by 17% for the third quarter of 09, after adjusting for an approximate $3 million, noncash, lower of cost or market inventory adjustment taken last year. Results this quarter benefited from an approximate 9% increase in volumes, as well as increased unit margin. Our record year-to-date results reflect an increase in unit margin as well as a 6% increase in volume. Results include approximately $6 million attributable to the sale of inventory that was previously written down.

We continue to be pleased with the performance of this business and the diversity it adds to our cash flow.

For the NGL logistics segment, on slide 14, adjusted segment EBITDA increased to $2 million for the quarter on higher volumes and unit margin. Volumes from a new interconnect more than offset declines from certain connected plants. Volumes increased 20% from Q2 and 2% year over year. Year-to-date results were impacted by ethane rejection and lower volumes from certain connected processing plants in the first half of the year. 2008 reflects a higher commodity price environment and increased processing activity.

Now let's move on to slide 15 for our forecast of distributable cash flow. We first introduced this forecast in December and updated it earlier this year to include the East Texas transaction. We did not make any other changes to the underlying assumptions.

If you take into account the commodity prices for the first nine months and the current forward price curve for the balance of 09, we average $62 for crude oil and an NGL to crude relationship of 53%. Based on these prices, our 2009 DCF would be in the range of $75 million to $85 million, as highlighted in the chart. Given our strong year-to-date DCF results of $71.8 million, we anticipate exceeding that range.

As such, we are raising our 2009 DCF guidance to be a minimum of $95 million. The minimum is an increase of approximately $15 million, or almost 20% higher than the midpoint of the range we originally provided. This compares to 2009 distributions of $88 million at the current, per-unit distribution level, which would result in a distribution coverage ratio in excess of 1.05 times.

Given the particularly challenging environment over the past 12 months and where we were in December of last year when we first issued this guidance, we're pleased with where we are. The key to this performance has been our highly hedged commodity position, which extends through 2014, the objective of which is to protect downside risk in our distributable cash flow. In addition, the diversity of our asset portfolio and our significant fee-based business, representing over 50% of margin, provide further downside protection to our cash flow. We have provided the details of our hedged positions, consistent with prior calls, in the appendix. We continue to build on our hedged positions and, in this quarter, added gas hedges in 2011 and 2012.

On slide 16, I will briefly touch on 2010. The table reflects the 2010 DCF forecast we originally presented last December, as updated for East Texas. There have been no other changes. We are refining that forecast through our annual budgeting cycle that is currently in progress and will provide any updates during our fourth quarter call. Although there have been numerous changes in the environment and our business over the last year, the general ranges still seem appropriate.

Let's move to slide 17 to review our liquidity position. We have an excellent $825 million credit facility that extends through June 2012. At the end of the third quarter, we had drawn $603 million, resulting in available capacity of $222 million. Remaining expansion capital for the Piceance Basin project is approximately $17 million, with cash outlays in the fourth quarter and early 2010. We estimate undrawn capacity following that to be $205 million to $215 million. This is substantially improved from the $135 million to $160 million outlook from our December call, reflecting improvements to DCF, cash, and working capital, which
have allowed us to fund the majority of our 2009 capital program without having to incur much additional debt. Our cost of
debt is highly competitive, with the interest rate on our revolver currently at LIBOR, plus 42 basis points.

Similar to our view on commodity risk management, we utilize interest rate hedges to provide cash flow stability. Our current
hedged position on $575 million of our revolver provides us with an effective pre-spread borrowing rate of 3.8% to 4.2% over
the ’09 to 2012 period. We’re comfortably within our debt covenants. At the end of the quarter, our leverage ratio was 3.7 times,
compared to the maximum allowable of 5.5. Interest coverage ratio was 5.6 times, compared to a minimum allowable of 2.5.

We have continued to maintain liquidity and credit metrics consistent with our investment-grade objectives, and we believe
we’re managing our business appropriately to achieve that goal.

On the next page, as we look into 2010 and beyond and consider our growth outlook, which Mark will discuss, a key element
of that is our financial positioning. Obtaining and maintaining a cost of capital advantage is key to successful growth, which
translates into a competitive yield, as well as a low cost of debt.

On the debt side, our plan since our IPO has been to obtain an investment-grade rating prior to the maturity of our credit facility
in June 2012. Given the recent capital market environment, there are certainly benefits to doing so earlier rather than later with
respect to both cost of capital and access to capital.

We have laid the groundwork by continuing to maintain the track record of investment-grade-like credit metrics, as depicted
in the graph of our leverage ratio. Leverage ratio over the last seven quarters has consistently remained in our targeted 3 to 4
times band, despite the challenging environment. Additionally, we’re also focused on having the right attributes of an
investment-grade credit, which include a substantial fee-based and highly hedged portfolio, as well as achieving size and scale.
Having supportive sponsors that are strong, investment-grade entities is also key. More on this topic as we continue to execute
our plan.

And now I will turn it back over to Mark to talk about our growth outlook.

Mark Borer - DCP Midstream Partners, LP - President and CEO

Thanks, Angela. Turning to slide 19, I would like to update you on our growth outlook. With the improving in business environment,
we are once again positioned for growth. As we look at the landscape today, we see the potential for dynamic changes with
regard to gas supply sources, midstream service provider capabilities, and access to capital. In this environment, our sponsorship
and the scale and scope of the overall enterprise are important competitive factors that will enable us to deliver growth.

Consistent with our history since the IPO, our growth will come from optimizing our current asset base, executing on organic
opportunities around our footprint, and acquisitions both bolt-on and step-out in nature. We also expect to supplement our
growth through periodic dropdowns from our sponsors. We believe our existing footprint will generate approximately $50
million to $100 million of investment opportunities per year. We would expect this growth to include a healthy mix of fee-based
assets.

As we look out into 2010, we see new opportunities for producer connections around our Discovery asset, new terminal
opportunities in our wholesale propane business, bolt-on and consolidation opportunities, as well as infrastructure development
in the new shale plays. With our existing footprint, as well as our sponsors’ footprint, we are well positioned to participate in
these developing gas supply resources.

We see an improving acquisition market, as cost of capital and acquisition multiples have come more in line. We are actively
evaluating opportunities in our footprint consistent with our growth strategy.
In summary, we are focused on building on our past successes by returning to and executing on our growth strategy as we move forward.

Now, if you will turn to slide 21, I would like to close this morning with a recap of some key points.

First, we are pleased with our results so far this year, which have provided us with 1.1 times distribution coverage year to date. Given the $70-plus million in DCF we have realized thus far, we plant to exceed our original forecast and realize DCF of $95 million or more for the year.

We believe we are well positioned to grow the Partnership. We believe the strength of our business model; our geographic, customer, and contract diversity; and our long-term hedging program positions us well. As attractive opportunities for acquisitions or organic investment arise, we intend to execute on them.

The enterprise capabilities from the scale of DCP Midstream’s business, its strategic asset positions, and employee expertise all benefit the Partnership. Having the strong sponsorship of DCP Midstream, Spectra Energy, and ConocoPhillips is a significant benefit to us and our unitholders.

That is the conclusion of our prepared remarks. So I'll now turn it back over to the operator, and we'll be happy to take your questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions). Michael Blum, Wells Fargo.

Michael Blum - Wells Fargo - Analyst

Can you --? I guess, in terms of -- on the natural gas services side, can you provide a little more color on the quarter, maybe by system or geography, on how volumes kind of shook out in the quarter and then, also, what your outlook is for volumes?

Mark Borer - DCP Midstream Partners, LP - President and CEO

Okay. For the quarter, I would say, Michael, we had a pretty similar quarter to the prior quarter. We obviously benefited some from the Tahiti production coming on and the increased NGL production there. We -- I think if you look at the quarter-over-quarter numbers, that was the primary driver from a variance viewpoint. We continue to see reasonable activity in the East Texas system and our Douglas system from a drilling viewpoint. Things are -- the activity in the Piceance is much reduced, which we've previously discussed. But I'd say pretty much a similar quarter, quarter over quarter, as we look forward.

From an outlook viewpoint, we are in the process of laying out our 2010 plan, and we can clearly provide more color on our expectations in the fourth quarter call early next year.

Michael Blum - Wells Fargo - Analyst

Okay. Another question I had, and you sort of touched on this with your discussions of achieving investment-grade credit ratings. Do you have any --? What’s your thought in terms of terming out some of the debt on the revolver? Is that --?
the process be to try to achieve that investment-grade credit rating before you would do that? Or how are you thinking about that right now?

**Angela Minas - DCP Midstream Partners, LP - VP and CFO**

I guess, as I indicated, we've always thought about getting to investment-grade prior to the maturity of the facility. The terming out prior to the end of the facility is really not part of what we're looking at now, although we would continue to evaluate it. We feel like the investment-grade really positions us well opportunistically as it relates to growth and cost of capital on a go-forward basis.

**Michael Blum - Wells Fargo - Analyst**

Okay. And, then, last question. Just curious. As I'm sure you know, ConocoPhillips has announced a divestiture program. And I know a lot of those assets are oil-related. But I'm just curious if there's anything at that level as a partial owner, indirectly, of the MLP that could possibly be a candidate for acquisition for you guys.

**Mark Borer - DCP Midstream Partners, LP - President and CEO**

Good question, Michael. It's very early in their divestiture review process. If there are some MLP-friendly assets that are available that fit with our business model, I would expect that we would take a look at those assets. As you mentioned, since ConocoPhillips owns 50% of our general partner, buying MLP-qualifying assets from them has always been a possibility. So we'll definitely review what's out there.

**Michael Blum - Wells Fargo - Analyst**

Thank you.

**Operator**

Helen Ryoo, Barclays Capital.

**Helen Ryoo - Barclays Capital - Analyst**

My first question is -- you talked about $50 million to $100 million annual opportunity. Are you talking about --? Is that the organic growth opportunity? Or is it everything that you mentioned, including acquisitions and dropdowns?

**Mark Borer - DCP Midstream Partners, LP - President and CEO**

We would expect that would be an activity level that would include both organic growth and what I would say would be small, bolt-ons and acquisitions that are in an around the footprint that we're in. I wouldn't characterize that as step-outs, Helen. It's more, really, of investment opportunities to build on what we have, consolidate some assets in our footprint -- more of that nature. So it would not include a large step-out or stepping out into a new area. So it's pretty much in and around our footprint.
Angela Minas - DCP Midstream Partners, LP - VP and CFO

And that $50 million to $100 million is not intended to be all the capital we would spend; just what our estimate is of these bolt-ons that Mark described in and around the footprint.

Helen Ryoo - Barclays Capital - Analyst

Okay. But it's an annual number, so I guess, 2010, you may end up spending around the [fringe].

Mark Borer - DCP Midstream Partners, LP - President and CEO

That would be our expectation. As you know, opportunities can be lumpy somewhat. But we think that the footprint that we have today can support that sort of activity from a spending viewpoint.

Helen Ryoo - Barclays Capital - Analyst

Okay. And, then, the Piceance investment for next year that's committed -- could you remind me what that number is?

Angela Minas - DCP Midstream Partners, LP - VP and CFO

It's really just the capital expenditures that overflow from 2009 into 2010. We account for and report our capital on a cash basis. And so, even though some of the work is being done in the 2009, some of the invoices actually get received and paid in 2010. So we do the same numbers, unchanged from what we had reported starting back last December.

Helen Ryoo - Barclays Capital - Analyst

Okay. And then, I guess, a last question is -- could you just talk about the decline curve behind your systems by geography -- where you see the steepest and the shallowest? Thank you.

Mark Borer - DCP Midstream Partners, LP - President and CEO

As we've mentioned in the past, we -- I think at this point in time we had laid out previously that North LA has had some reduced activity. From a sequential-quarter basis, we were pretty much flat from the prior quarter. As you look around the footprint, we think we've got very good diversity there. We are seeing some increased activity around Douglas at this point. But, with the organic opportunities that we have brought on, we've been able to offset the decline in the -- from the second to third quarter. As you go back further, to, say, early '08, from the very peak or the flush production in early '08, we think we're down in the -- kind of in the 8% range, maybe 8% to 10% range. So it's been pretty well managed. As you know, all volumes are not created equal, so, from a -- we've had some nice bump here on a NGL production basis, which equates nicely to our profitability.

Helen Ryoo - Barclays Capital - Analyst

Okay. Just to clarify, are you saying North Louisiana -- that the decline is around 8%?

Mark Borer - DCP Midstream Partners, LP - President and CEO

What I laid out there was an overall system decline that we experienced from the peak in early 2008. We haven't provided specific decline forecasts for individual assets.
All right. Okay. Thank you very much.

Operator

Jessica Chipman - Tudor, Pickering, Holt - Analyst
I have two quick questions for you. First, when you look at growth opportunities, can you kind of rank for me what you would prefer doing first or maybe what you prefer doing for the strategy of the Company? Is it organic growth in shale plays? Is it making an acquisition maybe in the Rockies? Is it at natural gas services or at propane? Kind of give us some color on that.

Mark Borer - DCP Midstream Partners, LP - President and CEO
Okay. We would target from a priority viewpoint making acquisitions and executing on organic growth opportunities in and around the footprints that we participate in today, including building on our propane model in our wholesale -- building our business model in our wholesale propane logistics business. So we would -- that would be the priority. We think that's generally a lower-risk sort of type of execution. We can leverage synergies off the existing asset base. We can improve utilization. So it's really that sort of focus.

We do believe that, given the size and scale and scope of what DCP Midstream, the owner of our general partner, and the basins they participate in, that we could also see some opportunities to invest in infrastructure development around the shale plays.

That's early at this point relative to certain of the plays. But that would really be how we would look at things from a priority viewpoint.

Jessica Chipman - Tudor, Pickering, Holt - Analyst
And then a question that you know I have to ask. On distribution growth, how are you kind of thinking about that going forward? And, more specifically, what needs to happen for you to feel comfortable raising distributions?

Mark Borer - DCP Midstream Partners, LP - President and CEO
Well, growing our distribution obviously remains a key objective. We've obviously been very successful in executing on the plan that we laid out this past year. As we move into 2010 and beyond, I would expect growth in our distribution to be part of that. It is an environment that one needs to have a healthy respect for. We are operating in a little bit more uncertain environment than typical. But, having said that, we're beginning to see the fundamentals improve. We see good opportunities around our asset base. And we would expect future distribution growth to be part of that as we execute.

Jessica Chipman - Tudor, Pickering, Holt - Analyst
Okay. Thank you.
Operator
And, at this time, I would like to turn the conference call back over to Ms. Karen Quast for any closing remarks.

Karen Quast - DCP Midstream Partners, LP - IR
Thanks, Jamie. Thanks to everyone for your interest in the Partnership. If you have further questions, please don’t hesitate to call me. As a reminder, you can access a replay of this Webcast, as well as the transcript, via our Website at www.dcppartners.com. Thanks, and have a great day.

Operator
The conference is now concluded. We thank you for attending today’s presentation. You may now disconnect your telephone lines.