March 16, 2018

Becky McManus
Assistant Superintendent
Barbers Hill Independent School District
9600 Eagle Drive
PO Box 1108
Mont Belvieu, Texas 77580

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Barbers Hill Independent School District and Targa Downstream, LLC, Application 1228

Dear Assistant Superintendent McManus:

On February 2, 2018, the Comptroller issued written notice that Targa Downstream, LLC (applicant) submitted a completed application (Application 1228) for a limitation on appraised value under the provisions of Tax Code Chapter 313.[1] This application was originally submitted on November 10, 2017, to the Barbers Hill Independent School District (school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313; and
2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

Sec. 313.024(a)	Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b)	Applicant is proposing to use the property for an eligible project.

[1] All Statutory references are to the Texas Tax Code, unless otherwise noted.

Sec. 313.024(d)	Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
Sec. 313.024(d-2)	Not applicable to Application 1228.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem tax* revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state, see Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement by December 31, 2018.

Note that any building or improvement existing as of the application review start date of February 2, 2018, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

Mike Reissig
Deputy Comptroller

Enclosure

cc: Will Counihan

Amended Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Targa Downstream, LLC (project) applying to Barbers Hill Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of Targa Downstream, LLC.

Applicant	Targa Downstream, LLC
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Barbers Hill ISD
2016-2017 Average Daily Attendance	5,007
County	Chambers
Proposed Total Investment in District	$231,000,000
Proposed Qualified Investment	$231,000,000
Limitation Amount	$80,000,000
Qualifying Time Period (Full Years)	2019-2020
Number of new qualifying jobs committed to by applicant	12*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	$1,210.97
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	$1,210.97
Minimum annual wage committed to by applicant for qualified jobs	$62,970.60
Minimum weekly wage required for non-qualifying jobs	$1,176.75
Minimum annual wage required for non-qualifying jobs	$61,191
Investment per Qualifying Job	$19,250,000
Estimated M&O levy without any limit (15 years)	$31,296,500
Estimated M&O levy with Limitation (15 years)	$18,073,000
Estimated gross M&O tax benefit (15 years)	$13,223,500

** Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).*

Table 2 is the estimated statewide economic impact of Targa Downstream, LLC (modeled).

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	503	2,518	3020.6	$31,674,212	$228,515,788	$260,190,000
2019	512	2,967	3479	$32,240,947	$281,719,053	$313,960,000
2020	12	706	718	$755,647	$76,244,353	$77,000,000
2021	12	291	303	$755,647	$45,704,353	$46,460,000
2022	12	18	30	$755,647	$22,834,353	$23,590,000
2023	12	(122)	-110	$755,647	$8,054,353	$8,810,000
2024	12	(174)	-162	$755,647	-$305,647	$450,000
2025	12	(171)	-159	$755,647	-$3,465,647	-$2,710,000
2026	12	(136)	-124	$755,647	-$3,315,647	-$2,560,000
2027	12	(90)	-78	$755,647	-$1,105,647	-$350,000
2028	12	(42)	-30	$755,647	$2,134,353	$2,890,000
2029	12	1	13	$755,647	$5,714,353	$6,470,000
2030	12	33	45	$755,647	$8,934,353	$9,690,000
2031	12	58	70	$755,647	$11,834,353	$12,590,000
2032	12	75	87	$755,647	$14,244,353	$15,000,000

Source: CPA REMI, Targa Downstream, LLC

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Barbers Hill ISD I&S Tax Levy	Barbers Hill ISD M&O Tax Levy	Barbers Hill M&O and I&S Tax Levies	Chambers County Tax Levy	Mont Belvieu Tax Levy	Estimated Total Property Taxes
			Tax Rate*	**0.2698**	**1.0600**		**0.4968**	**0.4367**	
2019	$50,000,000	$50,000,000		$134,900	$530,000	$664,900	$248,395	$218,355	$1,131,650
2020	$225,000,000	$225,000,000		$607,050	$2,385,000	$2,992,050	$1,117,778	$982,598	$5,092,425
2021	$220,500,000	$220,500,000		$594,909	$2,337,300	$2,932,209	$1,095,422	$962,946	$4,990,577
2022	$216,000,000	$216,000,000		$582,768	$2,289,600	$2,872,368	$1,073,066	$943,294	$4,888,728
2023	$211,500,000	$211,500,000		$570,627	$2,241,900	$2,812,527	$1,050,711	$923,642	$4,786,880
2024	$207,000,000	$207,000,000		$558,486	$2,194,200	$2,752,686	$1,028,355	$903,990	$4,685,031
2025	$202,500,000	$202,500,000		$546,345	$2,146,500	$2,692,845	$1,006,000	$884,338	$4,583,183
2026	$198,000,000	$198,000,000		$534,204	$2,098,800	$2,633,004	$983,644	$864,686	$4,481,334
2027	$193,500,000	$193,500,000		$522,063	$2,051,100	$2,573,163	$961,289	$845,034	$4,379,486
2028	$189,000,000	$189,000,000		$509,922	$2,003,400	$2,513,322	$938,933	$825,382	$4,277,637
2029	$184,500,000	$184,500,000		$497,781	$1,955,700	$2,453,481	$916,578	$805,730	$4,175,789
2030	$180,000,000	$180,000,000		$485,640	$1,908,000	$2,393,640	$894,222	$786,078	$4,073,940
2031	$175,500,000	$175,500,000		$473,499	$1,860,300	$2,333,799	$871,866	$766,426	$3,972,092
2032	$171,000,000	$171,000,000		$461,358	$1,812,600	$2,273,958	$849,511	$746,774	$3,870,243
2033	$166,500,000	$166,500,000		$449,217	$1,764,900	$2,214,117	$827,155	$727,122	$3,768,395
2034	$162,000,000	$162,000,000		$437,076	$1,717,200	$2,154,276	$804,800	$707,470	$3,666,546
			Total	**$7,965,845**	**$31,296,500**	**$39,262,345**	**$14,667,725**	**$12,893,863**	**$66,823,933**

Source: CPA, Targa Downstream, LLC
*Tax Rate per $100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Chambers County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with the county and city.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Barbers Hill ISD I&S Tax Levy	Barbers Hill ISD M&O Tax Levy	Barbers Hill M&O and I&S Tax Levies	Chambers County Tax Levy	Mont Belvieu Tax Levy	Estimated Total Property Taxes	Chambers County Tax Levy	Mont Belvieu Tax Levy
			Tax Rate*	**0.2698**	**1.0600**		**0.4968**	**0.4367**			
2019	$50,000,000	$50,000,000		$134,900	$530,000	$664,900	$248,395	$218,355	$1,131,650	0%	0%
2020	$225,000,000	$80,000,000		$607,050	$848,000	$1,455,050	$625,955	$530,603	$2,611,608	44%	46%
2021	$220,500,000	$80,000,000		$594,909	$848,000	$1,442,909	$613,436	$519,991	$2,576,336	44%	46%
2022	$216,000,000	$80,000,000		$582,768	$848,000	$1,430,768	$600,917	$509,379	$2,541,064	44%	46%
2023	$211,500,000	$80,000,000		$570,627	$848,000	$1,418,627	$588,398	$498,766	$2,505,792	44%	46%
2024	$207,000,000	$80,000,000		$558,486	$848,000	$1,406,486	$575,879	$488,154	$2,470,519	44%	46%
2025	$202,500,000	$80,000,000		$546,345	$848,000	$1,394,345	$563,360	$477,542	$2,435,247	44%	46%
2026	$198,000,000	$80,000,000		$534,204	$848,000	$1,382,204	$550,841	$466,930	$2,399,975	44%	46%
2027	$193,500,000	$80,000,000		$522,063	$848,000	$1,370,063	$538,322	$456,318	$2,364,703	44%	46%
2028	$189,000,000	$80,000,000		$509,922	$848,000	$1,357,922	$525,803	$445,706	$2,329,431	44%	46%
2029	$184,500,000	$80,000,000		$497,781	$848,000	$1,345,781	$513,283	$435,094	$2,294,159	44%	46%
2030	$180,000,000	$180,000,000		$485,640	$1,908,000	$2,393,640	$894,222	$786,078	$4,073,940	0%	0%
2031	$175,500,000	$175,500,000		$473,499	$1,860,300	$2,333,799	$871,866	$766,426	$3,972,092	0%	0%
2032	$171,000,000	$171,000,000		$461,358	$1,812,600	$2,273,958	$849,511	$746,774	$3,870,243	0%	0%
2033	$166,500,000	$166,500,000		$449,217	$1,764,900	$2,214,117	$827,155	$727,122	$3,768,395	0%	0%
2034	$162,000,000	$162,000,000		$437,076	$1,717,200	$2,154,276	$804,800	$707,470	$3,666,546	0%	0%
			Total	**$7,965,845**	**$18,073,000**	**$26,038,845**	**$10,192,144**	**$8,780,710**	**$45,011,698**		
			Diff	**$0**	**$13,223,500**	**$13,223,500**	**$4,475,581**	**$4,113,153**	**$21,812,234**		

Source: CPA, Targa Downstream, LLC
*Tax Rate per $100 Valuation

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment B – Tax Revenue before 25th Anniversary of Limitation Start

This represents the Comptroller's determination that Targa Downstream, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2017	$0	$0	$0	$0
	2018	$0	$0	$0	$0
	2019	$530,000	$530,000	$0	$0
Limitation Period (10 Years)	2020	$848,000	$1,378,000	$1,537,000	$1,537,000
	2021	$848,000	$2,226,000	$1,489,300	$3,026,300
	2022	$848,000	$3,074,000	$1,441,600	$4,467,900
	2023	$848,000	$3,922,000	$1,393,900	$5,861,800
	2024	$848,000	$4,770,000	$1,346,200	$7,208,000
	2025	$848,000	$5,618,000	$1,298,500	$8,506,500
	2026	$848,000	$6,466,000	$1,250,800	$9,757,300
	2027	$848,000	$7,314,000	$1,203,100	$10,960,400
	2028	$848,000	$8,162,000	$1,155,400	$12,115,800
	2029	$848,000	$9,010,000	$1,107,700	$13,223,500
Maintain Viable Presence (5 Years)	2030	$1,908,000	$10,918,000	$0	$13,223,500
	2031	$1,860,300	$12,778,300	$0	$13,223,500
	2032	$1,812,600	$14,590,900	$0	$13,223,500
	2033	$1,764,900	$16,355,800	$0	$13,223,500
	2034	$1,717,200	$18,073,000	$0	$13,223,500
Additional Years as Required by 313.026(c)(1) (10 Years)	2035	$1,669,500	$19,742,500	$0	$13,223,500
	2036	$1,621,800	$21,364,300	$0	$13,223,500
	2037	$1,574,100	$22,938,400	$0	$13,223,500
	2038	$1,526,400	$24,464,800	$0	$13,223,500
	2039	$1,478,700	$25,943,500	$0	$13,223,500
	2040	$1,431,000	$27,374,500	$0	$13,223,500
	2041	$1,383,300	$28,757,800	$0	$13,223,500
	2042	$1,335,600	$30,093,400	$0	$13,223,500
	2043	$1,287,900	$31,381,300	$0	$13,223,500
	2044	$1,240,200	$32,621,500	$0	$13,223,500
		$32,621,500	is greater than	**$13,223,500**	

Analysis Summary	
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?	Yes

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, Targa Downstream, LLC

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that "the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state." This represents the basis for the Comptroller's determination.

Methodology
Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination
The Comptroller **has determined** that the limitation on appraised value is a determining factor in the Targa Downstream, LLC's decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per Targa Downstream, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  A. "Targa currently operates over 27,000 miles of pipeline, 40 gas processing plants, 4 G&P crude terminals, 2 fractionation locations, 1 hydrotreater facility, 1 gas treating facility, 18 NGL terminals, 3 petroleum logistics facilities, and 2 storage facilities. There are also transportation assets, including 700 railcars, 90 tractors, and 20 barges. Locations for the operations included Arizona, Florida, Kansas, Louisiana, Maryland, Mississippi, North Dakota, New Mexico, Oklahoma, Texas and Washington."
  B. "Targa's pipeline footprint provides substantial flexibility in where future facilities or investments may be located. Capital investments are allocated to projects and locations based on expected economic return and property tax liabilities can make up a substantial ongoing cost of operation."
- A February 9, 2018 *Oil & Gas Journal* article states that Targa Resources Corp. "will add a 100,000-b/d fractionation train in Mont Belvieu, Tex., as part of recently announced development joint ventures (DevCo JVs) with investment vehicles affiliated with Stonepeak Infrastructure Partners, which in addition to owning Targa's 25% interest in the Gulf Coast Express pipeline and a 20% interest in the Grand Prix pipeline, will own 100% interest in the proposed fractionator."
- An article in *NGI's Shale Daily*, dated February 9, 2018, states "Targa Resources Corp. is planning to build two 250 MMcf/d cryogenic natural gas processing plants to support increasing production in the Permian Basin's Midland sub-basin, and a 100,000 b/d fractionation train in Mont Belvieu, TX."

- *Globe Newswire*, in an article dated May 25, 2017, reported that "Targa Resources Corp. (NYSE:TRGP) ("Targa" or the "Company") announced today plans to construct a new common carrier natural gas liquids ("NGL") pipeline from the Permian Basin. Targa's NGL pipeline ("Grand Prix") will transport volumes from the Permian Basin, and also from Targa's North Texas system, to Targa's fractionation and storage complex in the NGL market hub at Mont Belvieu, Texas. Grand Prix will be supported by Targa's volumes and other third party customer commitments, and is expected to be in service in the second quarter of 2019. The capacity of the pipeline from the Permian Basin will be approximately 300 thousand barrels per day, expandable to 550 thousand barrels per day."
- Attached Railroad Commission of Texas Public GIS Viewer map depicting Natural Gas pipelines.

Supporting Information

a) Section 8 of the Application for a Limitation on Appraised Value
b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
c) Additional information provided by the Applicant or located by the Comptroller

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Supporting Information

Section 8 of the Application for a Limitation on Appraised Value

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? ☑ Yes ☐ No
2. The property will be used for one of the following activities:
   - (1) manufacturing ☑ Yes ☐ No
   - (2) research and development ☐ Yes ☑ No
   - (3) a clean coal project, as defined by Section 5.001, Water Code ☐ Yes ☑ No
   - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code ☐ Yes ☑ No
   - (5) renewable energy electric generation ☐ Yes ☑ No
   - (6) electric power generation using integrated gasification combined cycle technology ☐ Yes ☑ No
   - (7) nuclear electric power generation ☐ Yes ☑ No
   - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) ☐ Yes ☑ No
   - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 ☐ Yes ☑ No
3. Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☑ No
4. Will any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☑ No
5. Will any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☑ No
6. Are you including property that is owned by a person other than the applicant? ☐ Yes ☑ No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☑ No

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.

2. Check the project characteristics that apply to the proposed project:

☑ Land has no existing improvements
☐ Land has existing improvements *(complete Section 13)*
☐ Expansion of existing operation on the land *(complete Section 13)*
☐ Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? ☑ Yes ☐ No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? ☐ Yes ☑ No
3. Does the applicant have current business activities at the location where the proposed project will occur? ☐ Yes ☑ No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? ☐ Yes ☑ No
5. Has the applicant received any local or state permits for activities on the proposed project site? ☐ Yes ☑ No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? ☐ Yes ☑ No
7. Is the applicant evaluating other locations not in Texas for the proposed project? ☑ Yes ☐ No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? ☐ Yes ☑ No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ☐ Yes ☑ No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? ☑ Yes ☐ No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

Supporting Information

Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value

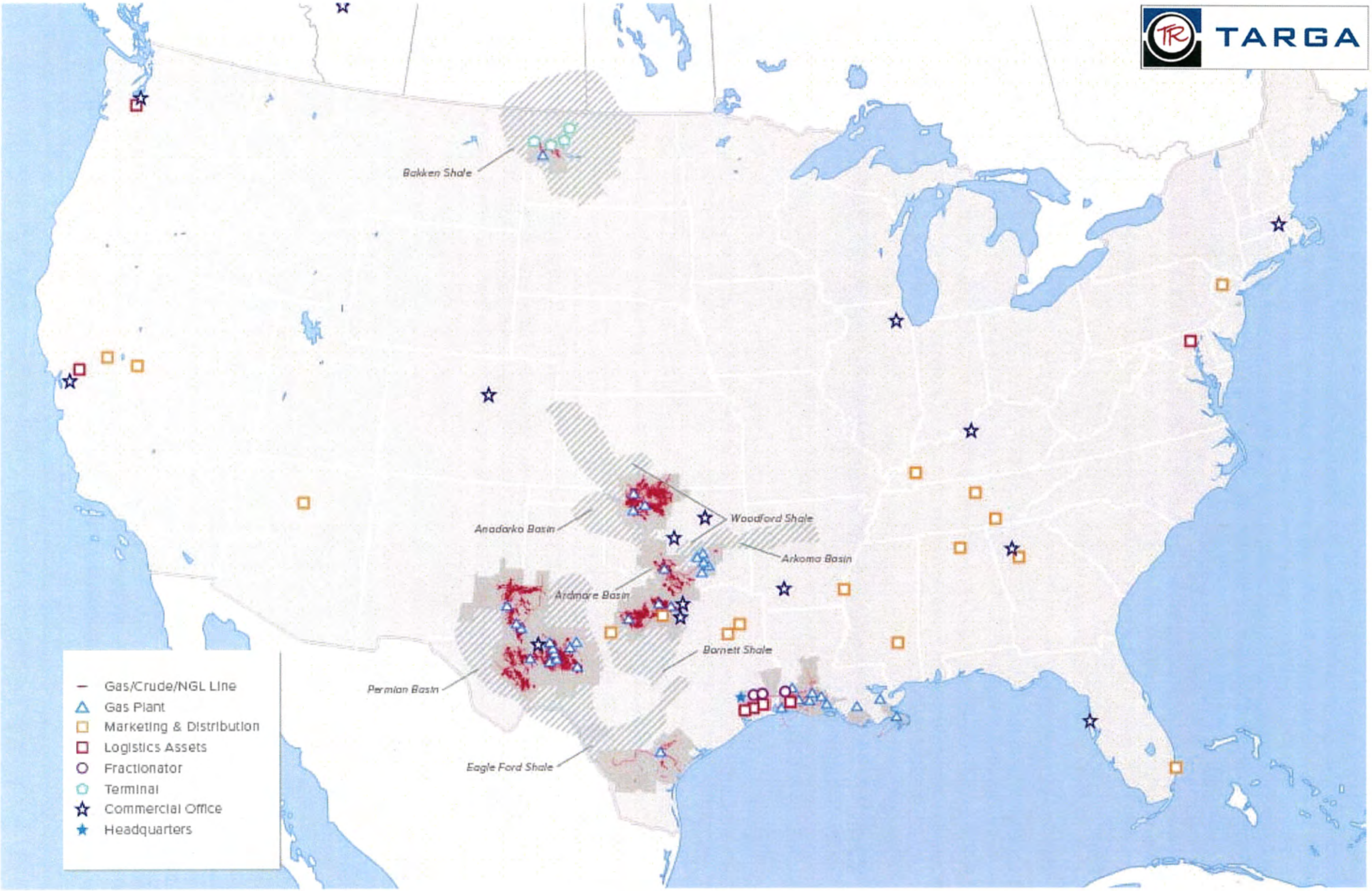
Limitation is a Determining Factor:

Targa Resources, LP (or "the Company") is a leading midstream energy company whose primary activities include:

- Gathering, treating, processing and transporting natural gas and natural gas liquids to a variety of markets and states
- Storing, fractionating, treating, transporting, and selling NGL's and NGL products, including services to LPG exporters
- Gathering, storing, and terminaling crude oil
- Storing, terminaling, and selling refined petroleum products

Targa currently operates over 27,000 miles of pipeline, 40 gas processing plants, 4 G&P crude terminals, 2 fractionation locations, 1 hydrotreater facility, 1 gas treating facility, 18 NGL terminals, 3 petroleum logistics facilities, and 2 storage facilities. There are also transportation assets, including 700 railcars, 90 tractors, and 20 barges. Locations for these operations included Arizona, Florida, Kansas, Louisiana, Maryland, Mississippi, North Dakota, New Mexico, Oklahoma, Texas, and Washington.

Targa's pipeline footprint provides substantial flexibility in where future facilities or investments may be located. Capital investments are allocated to projects and locations based on expected economic return and property tax liabilities can make up a substantial ongoing cost of operation.


TARGA
Bakken Shale
Anadarko Basin
Woodford Shale
Arkoma Basin
Ardmore Basin
Barnett Shale
Permian Basin
Eagle Ford Shale
Gas/Crude/NGL Line
Gas Plant
Marketing & Distribution
Logistics Assets
Fractionator
Terminal
Commercial Office
Headquarters

Supporting Information

Additional information provided by the Applicant or located by the Comptroller

CNX plans first midstream dropdown to CNX Midstream | OGJ Newsletter

Targa to add Permian gas processing, Texas fractionation capacities

HOUSTON, Feb. 9

02/09/2018

By Robert Brelsford

OGJ Downstream Technology Editor

Targa Resources Corp. plans to build two 250-MMcfd cryogenic natural gas processing plants to support rising production in the Midland basin of the Permian basin.

The first plant is scheduled for startup in first-quarter 2019, with commissioning of the second plant to follow during third-quarter 2019, Targa said.

The operator did not disclose precise locations for the proposed plants.

Separately, Targa said it will add a 100,000-b/d fractionation train in Mont Belvieu, Tex., as part of recently announced development joint ventures (DevCo JVs) with investment vehicles affiliated with Stonepeak Infrastructure Partners, which in addition to owning Targa's 25% interest in the Gulf Coast Express pipeline and a 20% interest in the Grand Prix pipeline, will own 100% interest in the proposed fractionator (OGJ Online, Jan. 3, 2018; Oct. 5, 2017).

Targa Permian basin capacity additions

Project	Location	Completion date
200-MMcfd West Texas Joyce gas plant, related	Midland basin	Q1 2018
200-MMcfd West Texas Johnson plant, related	Midland basin	Q3 2018
200-MMcfd West Texas unnamed plant 1, related infrastructure	Midland basin	Q1 2019
250-MMcfd West Texas unnamed plant 2, related infrastructure	Midland basin	Q3 2019
250-MMcfd Wildcat plant, related infrastructure	Delaware basin	Q2 2018

The DevCo JV will own and fund the fractionation train, while Targa will fund 100% of associated brine, storage, and other infrastructure required to support the fractionator's operation.

At an estimated cost of $350 million, the Mont Belvieu fractionation expansion and related infrastructure are scheduled for startup in first-quarter 2019, Targa said.

Including the two Midland basin gas plants and fractionation assets in Mont Belvieu, Targa said its estimated net-growth capex for 2018-announced projects is now about $1.6 billion.

Targa has a series of capacity additions planned through 2019 as part of a broader program to expand Permian midstream capabilities (OGJ Online, Aug. 25, 2017).

The accompanying shows a list of Targa's proposed projects to add fresh capacity in the Permian basin in 2018-19.

Contact Robert Brelsford at rbrelsford@ogjonline.com.

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GULF COAST / E&P / PERMIAN BASIN / SHALE DAILY / NGI THE WEEKLY GAS MARKET REPORT / NGI ALL NEWS ACCESS

Targa Planning Permian NatGas Midstream Plants, Mont Belvieu Fractionation Train

David Bradley February 9, 2018

TAGS fractionation / stonepeak / targa

Targa Resources Corp. is planning to build two 250 MMcf/d cryogenic natural gas processing plants to support increasing production in the Permian Basin's Midland sub-basin, and a 100,000 b/d fractionation train in Mont Belvieu, TX.

The first processing plant is expected to begin operations in 1Q2019 and the second in 3Q2019, Targa said. The fractionation train, which would cost an estimated $350 million, is also expected to begin operations in 1Q2019.

Targa would fund all required brine, storage and other infrastructure to support the operations of the fractionation train, which would be owned and funded by development joint ventures (DevCo JVs) with Stonepeak Infrastructure Partners.

The newly announced JVs also own Targa's 25% interest in the Gulf Coast Express Pipeline (GCX) and a 20% interest in the Grand Prix Pipeline. Targa said it controls the management, day-to-day construction and operation of the Grand Prix Pipeline and the planned fractionation train in Mont Belvieu.

In October GCX, designed to carry 1.92 Bcf/d from the Permian Basin to the Texas Gulf Coast,added Targa as a third partner, joining Kinder Morgan Inc. and DCP Midstream LP. Targa and DCP Midstream tentatively agreed to commit gas volumes to the project, including volumes provided by Pioneer Natural Resources Co., a joint owner in Targa's WestTX Permian gas system and one of the largest producers in the Permian.

The proposed Grand Prix pipeline would have 300,000 b/d of transport capacity from the Permian, expandable to 550,000 b/d. Targa has said Grand Prix would be supported by its

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ExxonMobil Polyethylene Lines in Mont Belvieu Begin Production

production volumes and other third-party customers, with in-service expected in 2Q2019.

Pro forma for the DevCo JVs and inclusive of the two new Midland plants and the fractionation assets in Mont Belvieu,Targa's 2018 estimated net growth capital expenditures for announced projects is about $1.6 billion.

"This is a transformational investment cycle for Targa," as it expands its gathering and processing footprint further "with new gas processing plants underway in the Permian, Bakken and Arkoma Woodford, announce additional fractionation in Mont Belvieu, and link our upstream assets further downstream with the Grand Prix and GCX pipelines," said CEO Joe Bob Perkins.

Targa is scheduled to report its 4Q2017 financial results Feb. 15.

Stonepeak owns an 80% interest in the JVs that hold the GCX interest and Targa's next fractionation train, and a 95% interest in the JV that holds the Grand Prix Interest, with Targa retaining the remaining interests. The JVs have about $220 million of assets.

Stonepeak committed $960 million, including $190 million to be distributed to Targa to reimburse it for capital spent to date; Targa committed to fund $150 million related to its share of the JVs' future capital costs.

"The DevCo JVs significantly reduce Targa's equity funding needs for 2018 and 2019, and proceeds from Stonepeak's initial contribution will be used to reduce Targa's current debt," Targa said.

Under the terms of the DevCo JV agreements, Targa has an option to acquire all or part (in $100 million increments) of Stonepeak's interests for a four-year period beginning on the earlier of the date that all three projects have commenced commercial operations or January 1, 2020. The purchase price payable for such partial or full interests is based on a predetermined fixed return or multiple on invested capital, including distributions received by Stonepeak from the DevCo JVs. Targa will control the management of the DevCo JVs unless and until Targa declines to exercise its option to acquire Stonepeak's interests. There will be no dilution associated with the DevCo JVs for Targa's existing shareholders during the construction period, and if Targa elects to exercise its option to acquire all or part of the DevCo JV interests, significant upside associated with the three included DevCo JV projects will be for the benefit of Targa and its shareholders.

Last month Targa and MPLX LP said they plan to expand the Centrahoma Processing LLC JV that serves producers working in Oklahoma's Arkoma Woodford Basin. Targa and MPLX plan to build a 150 MMcf/d cryogenic natural gas processing plant, to be named Hickory Hills, in Hughes County, which could begin operations in late 2018.

North America Resource Plays

Canada
- Duvernay Shale
- Eastern Canada
- Horn River
- Montney Shale

Gulf Coast

Mid-Continent

Northeast

Rocky Mountains/West

Daily GPI NEWS

Overnight Forecast Changes Seen Bearish; April Called Lower

March Inches Higher Ahead of Expiry; Natural Gas Spot Market Mixed on Weak Demand

Grid Performed Well During New Year's Cold Snap, But Price Reform Needed, PJM Says

Pacific Northwest Gas Storage Expansion on Schedule for Power Boost

Lack of Pemex IPO a 'Flaw' in 2013-14 Energy Reform?

TARGA

Targa to Build NGL Pipeline from Permian Basin to Mont Belvieu, Texas

May 25, 2017 16:08 ET | **Source:** Targa Resources Corp.

HOUSTON, May 25, 2017 (GLOBE NEWSWIRE) -- Targa Resources Corp. (NYSE:TRGP) ("Targa" or the "Company") announced today plans to construct a new common carrier natural gas liquids ("NGL") pipeline from the Permian Basin. Targa's NGL pipeline ("Grand Prix") will transport volumes from the Permian Basin, and also from Targa's North Texas system, to Targa's fractionation and storage complex in the NGL market hub at Mont Belvieu, Texas. Grand Prix will be supported by Targa's volumes and other third party customer commitments, and is expected to be in service in the second quarter of 2019. The capacity of the pipeline from the Permian Basin will be approximately 300 thousand barrels per day, expandable to 550 thousand barrels per day.

Targa is one of the largest gatherers and processors of natural gas in the prolific Permian Basin, with approximately 1.7 Bcf/d of current natural gas processing capacity and approximately 0.7 Bcf/d of processing capacity being added across both the Midland Basin and the Delaware Basin. Targa's current and future natural gas processing plants and third party connections are expected to generate significant NGL volumes for Grand Prix. Grand Prix is expected to be an attractive and reliable fee-based takeaway solution for NGLs to Mont Belvieu, and will connect to Targa's fractionation, storage and export assets further downstream.

"We are excited to be moving forward with Grand Prix, which will enhance our ability to move our customers' volumes from the wellhead in the Permian Basin and North Texas to key petrochemical and export markets," said Joe Bob Perkins, Chief Executive Officer of the Company. "Our ability to offer a highly competitive, fully integrated model, from gathering and processing through transportation and fractionation, to current and future customers should drive continued growth for Targa in both our Gathering and Processing and Downstream segments. One of our key strategic objectives has been to identify attractive opportunities to leverage our growing G&P volumes from one of the best hydrocarbon basins in the world into additional downstream opportunities for Targa and our customers, and Grand Prix is an excellent result of those efforts."

Total growth capital for Grand Prix is expected to be approximately $1.3 billion, with approximately $250 million of spending in 2017. Total 2017 net growth capital spending from Targa's current list of announced projects is now approximately $1.2 billion.

Forward Looking Statements

Certain statements in this press release are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that Targa expects, believes or anticipates will or may occur in the future are forward-looking statements. These forward-looking statements rely on a number of assumptions concerning future events and are subject to a number of uncertainties, factors and risks, many of which are outside Targa's control, which could cause results to differ materially from those expected by management of Targa. Such risks and uncertainties include, but are not limited to, the timing and extent of changes in commodity prices, interest rates and demand for services, the level and success of crude oil and natural gas drilling around assets, the timing and success of business development efforts, ability to access the capital markets, the amount of collateral required to be posted from time to time in transactions, success in risk management activities, the credit risk of customers, changes in laws and regulations, weather and other uncertainties. These and other applicable uncertainties, factors and risks are described more fully in Targa's Annual Report on Form 10-K for the year ended December 31, 2016 and other reports filed with the Securities and Exchange Commission. Targa undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

About Targa Resources Corp.

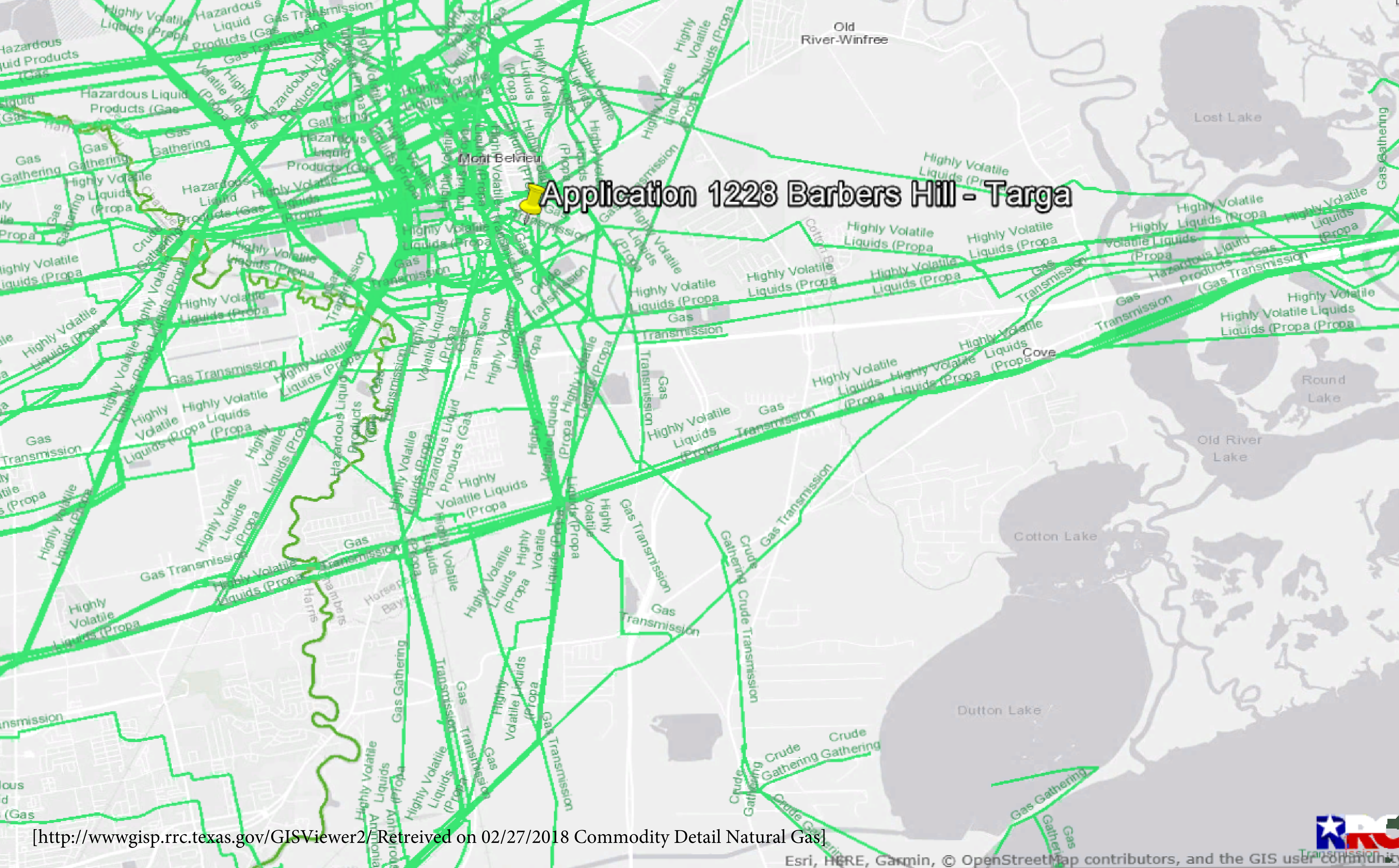
Targa Resources Corp. is a leading provider of midstream services and is one of the largest independent midstream energy companies in North America. Targa owns, operates, acquires, and develops a diversified portfolio of complementary midstream energy assets. The Company is primarily engaged in the business of: gathering, compressing, treating, processing, and selling natural gas; storing, fractionating, treating, transporting, and selling NGLs and NGL products, including services to LPG exporters; gathering, storing, and terminaling crude oil; storing, terminaling, and selling refined petroleum products.

For more information please go to www.targaresources.com.

Contact investor relations by phone at (713) 584-1133.

Sanjay Lad
Director – Investor Relations

Jennifer Kneale
Vice President - Finance



[http://wwwgisp.rrc.texas.gov/GISViewer2/ Retreived on 02/27/2018 Commodity Detail Natural Gas]