GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O. Box 13528 • Austin, TX 78711-3528

August 28, 2018

Dr. Robin Perez
Superintendent
Nederland Independent School District
220 17th Street
Nederland, Texas 77627

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Nederland Independent School District and Orbit Gulf Coast NGL Exports, LLC, Application 1247

Dear Superintendent Perez:

On June 15, 2018, the Comptroller issued written notice that Orbit Gulf Coast NGL Exports, LLC (applicant) submitted a completed application (Application 1247) for a limitation on appraised value under the provisions of Tax Code Chapter 313.[1] This application was originally submitted on March 28, 2018, to the Nederland 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, Subchapter C; 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 committed 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 1247.

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, Subchapter C.

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 June 15, 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

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Orbit Gulf Coast NGL Exports, LLC (project) applying to Nederland 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 Orbit Gulf Coast NGL Exports, LLC.

Applicant	Orbit Gulf Coast NGL Exports, LLC
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Nederland ISD
2016-2017 Average Daily Attendance	4,962
County	Jefferson
Proposed Total Investment in District	$300,000,000
Proposed Qualified Investment	$300,000,000
Limitation Amount	$30,000,000
Qualifying Time Period (Full Years)	2019-2020
Number of new qualifying jobs committed to by applicant	15
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	$1,470
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	$1,470
Minimum annual wage committed to by applicant for qualified jobs	$76,458.80
Minimum weekly wage required for non-qualifying jobs	$1,089
Minimum annual wage required for non-qualifying jobs	$56,642
Investment per Qualifying Job	$20,000,000
Estimated M&O levy without any limit (15 years)	$33,300,800
Estimated M&O levy with Limitation (15 years)	$11,689,600
Estimated gross M&O tax benefit (15 years)	$21,611,200

Table 2 is the estimated statewide economic impact of Orbit Gulf Coast NGL Exports, LLC (modeled).

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	360	390	750	$27,525,168	$29,847,832	$57,373,000
2020	375	453	828.125	$28,672,050	$39,564,950	$68,237,000
2021	15	96	111	$1,146,882	$13,624,118	$14,771,000
2022	15	63	78	$1,146,882	$10,328,118	$11,475,000
2023	15	49	64	$1,146,882	$8,985,118	$10,132,000
2024	15	42	57	$1,146,882	$7,642,118	$8,789,000
2025	15	48	63	$1,146,882	$7,642,118	$8,789,000
2026	15	48	63	$1,146,882	$6,910,118	$8,057,000
2027	15	51	66	$1,146,882	$7,642,118	$8,789,000
2028	15	59	74	$1,146,882	$8,619,118	$9,766,000
2029	15	61	76	$1,146,882	$9,107,118	$10,254,000
2030	15	73	88	$1,146,882	$9,595,118	$10,742,000
2031	15	67	82	$1,146,882	$9,839,118	$10,986,000
2032	15	75	90	$1,146,882	$10,572,118	$11,719,000
2033	15	71	86	$1,146,882	$10,816,118	$11,963,000
2034	15	77	92	$1,146,882	$11,792,118	$12,939,000
2035	15	79	94	$1,146,882	$12,037,118	$13,184,000

Source: CPA REMI, Orbit Gulf Coast NGL Exports, 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		Nederland ISD I&S Tax Levy	Nederland ISD M&O Tax Levy	Nederland ISD M&O and I&S Tax Levies	Jefferson County Tax Levy	City of Nederland Tax Levy	Sabine-Neches Navigation District Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2698	1.0400		0.3650	0.5919	0.0916	
2020	$70,000,000	$70,000,000		$188,860	$728,000	$916,860	$255,500	$414,295	$414,295	$2,000,950
2021	$290,000,000	$290,000,000		$782,420	$3,016,000	$3,798,420	$1,058,500	$1,716,365	$1,716,365	$8,289,650
2022	$278,400,000	$278,400,000		$751,123	$2,895,360	$3,646,483	$1,016,160	$1,647,710	$1,647,710	$7,958,064
2023	$266,800,000	$266,800,000		$719,826	$2,774,720	$3,494,546	$973,820	$1,579,056	$1,579,056	$7,626,478
2024	$255,200,000	$255,200,000		$688,530	$2,654,080	$3,342,610	$931,480	$1,510,401	$1,510,401	$7,294,892
2025	$243,600,000	$243,600,000		$657,233	$2,533,440	$3,190,673	$889,140	$1,441,747	$1,441,747	$6,963,306
2026	$232,000,000	$232,000,000		$625,936	$2,412,800	$3,038,736	$846,800	$1,373,092	$1,373,092	$6,631,720
2027	$220,400,000	$220,400,000		$594,639	$2,292,160	$2,886,799	$804,460	$1,304,437	$1,304,437	$6,300,134
2028	$208,800,000	$208,800,000		$563,342	$2,171,520	$2,734,862	$762,120	$1,235,783	$1,235,783	$5,968,548
2029	$197,200,000	$197,200,000		$532,046	$2,050,880	$2,582,926	$719,780	$1,167,128	$1,167,128	$5,636,962
2030	$185,600,000	$185,600,000		$500,749	$1,930,240	$2,430,989	$677,440	$1,098,474	$1,098,474	$5,305,376
2031	$174,000,000	$174,000,000		$469,452	$1,809,600	$2,279,052	$635,100	$1,029,819	$1,029,819	$4,973,790
2032	$162,400,000	$162,400,000		$438,155	$1,688,960	$2,127,115	$592,760	$961,164	$961,164	$4,642,204
2033	$150,800,000	$150,800,000		$406,858	$1,568,320	$1,975,178	$550,420	$892,510	$892,510	$4,310,618
2034	$139,200,000	$139,200,000		$375,562	$1,447,680	$1,823,242	$508,080	$823,855	$823,855	$3,979,032
2035	$127,600,000	$127,600,000		$344,265	$1,327,040	$1,671,305	$465,740	$755,201	$755,201	$3,647,446
			Total	$8,638,996	$33,300,800	$41,939,796	$11,687,300	$18,951,037	$18,951,037	$91,529,170

Source: CPA, Orbit Gulf Coast NGL Exports, LLC
*Tax Rate per $100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Jefferson 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.

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		Nederland ISD I&S Tax Levy	Nederland ISD M&O Tax Levy	Nederland ISD M&O and I&S Tax Levies	Jefferson County Tax Levy	City of Nederland Tax Levy	Sabine-Neches Navigation District Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2698	1.0400		0.3650	0.5919	0.0916	
2020	$70,000,000	$70,000,000		$188,860	$728,000	$916,860	$255,500	$414,295	$414,295	$2,000,950
2021	$290,000,000	$30,000,000		$782,420	$312,000	$1,094,420	$529,250	$1,716,365	$1,716,365	$5,056,400
2022	$278,400,000	$30,000,000		$751,123	$312,000	$1,063,123	$508,080	$1,647,710	$1,647,710	$4,866,624
2023	$266,800,000	$30,000,000		$719,826	$312,000	$1,031,826	$486,910	$1,579,056	$1,579,056	$4,676,848
2024	$255,200,000	$30,000,000		$688,530	$312,000	$1,000,530	$465,740	$1,510,401	$1,510,401	$4,487,072
2025	$243,600,000	$30,000,000		$657,233	$312,000	$969,233	$444,570	$1,441,747	$1,441,747	$4,297,296
2026	$232,000,000	$30,000,000		$625,936	$312,000	$937,936	$423,400	$1,373,092	$1,373,092	$4,107,520
2027	$220,400,000	$30,000,000		$594,639	$312,000	$906,639	$402,230	$1,304,437	$1,304,437	$3,917,744
2028	$208,800,000	$30,000,000		$563,342	$312,000	$875,342	$762,120	$1,235,783	$1,235,783	$4,109,028
2029	$197,200,000	$30,000,000		$532,046	$312,000	$844,046	$719,780	$1,167,128	$1,167,128	$3,898,082
2030	$185,600,000	$30,000,000		$500,749	$312,000	$812,749	$677,440	$1,098,474	$1,098,474	$3,687,136
2031	$174,000,000	$174,000,000		$469,452	$1,809,600	$2,279,052	$635,100	$1,029,819	$1,029,819	$4,973,790
2032	$162,400,000	$162,400,000		$438,155	$1,688,960	$2,127,115	$592,760	$961,164	$961,164	$4,642,204
2033	$150,800,000	$150,800,000		$406,858	$1,568,320	$1,975,178	$550,420	$892,510	$892,510	$4,310,618
2034	$139,200,000	$139,200,000		$375,562	$1,447,680	$1,823,242	$508,080	$823,855	$823,855	$3,979,032
2035	$127,600,000	$127,600,000		$344,265	$1,327,040	$1,671,305	$465,740	$755,201	$755,201	$3,647,446
			Total	$8,638,996	$11,689,600	$20,328,596	$8,427,120	$18,951,037	$18,951,037	$66,657,790
			Diff	$0	$21,611,200	$21,611,200	$3,260,180	$0	$0	$24,871,380

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Orbit Gulf Coast NGL Exports, 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 Orbit Gulf Coast NGL Exports, 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 and direct, indirect and induced tax effects from project employment 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	2018	$0	$0	$0	$0
	2019	$0	$0	$0	$0
	2020	$728,000	$728,000	$0	$0
Limitation Period (10 Years)	2021	$312,000	$1,040,000	$2,704,000	$2,704,000
	2022	$312,000	$1,352,000	$2,583,360	$5,287,360
	2023	$312,000	$1,664,000	$2,462,720	$7,750,080
	2024	$312,000	$1,976,000	$2,342,080	$10,092,160
	2025	$312,000	$2,288,000	$2,221,440	$12,313,600
	2026	$312,000	$2,600,000	$2,100,800	$14,414,400
	2027	$312,000	$2,912,000	$1,980,160	$16,394,560
	2028	$312,000	$3,224,000	$1,859,520	$18,254,080
	2029	$312,000	$3,536,000	$1,738,880	$19,992,960
	2030	$312,000	$3,848,000	$1,618,240	$21,611,200
Maintain Viable Presence (5 Years)	2031	$1,809,600	$5,657,600	$0	$21,611,200
	2032	$1,688,960	$7,346,560	$0	$21,611,200
	2033	$1,568,320	$8,914,880	$0	$21,611,200
	2034	$1,447,680	$10,362,560	$0	$21,611,200
	2035	$1,327,040	$11,689,600	$0	$21,611,200
Additional Years as Required by 313.026(c)(1) (10 Years)	2036	$1,206,400	$12,896,000	$0	$21,611,200
	2037	$1,085,760	$13,981,760	$0	$21,611,200
	2038	$965,120	$14,946,880	$0	$21,611,200
	2039	$844,480	$15,791,360	$0	$21,611,200
	2040	$754,000	$16,545,360	$0	$21,611,200
	2041	$754,000	$17,299,360	$0	$21,611,200
	2042	$754,000	$18,053,360	$0	$21,611,200
	2043	$754,000	$18,807,360	$0	$21,611,200
	2044	$754,000	$19,561,360	$0	$21,611,200
	2045	$754,000	$20,315,360	$0	$21,611,200

$20,315,360	is less than	**$21,611,200**

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?	No

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, Orbit Gulf Coast NGL Exports, LLC

	Employment			Personal Income			Revenue & Expenditure		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2019	360	390	750	$27,525,168	$29,847,832	$57,373,000	2831000	-1373000	$4,204,000
2020	375	453	828.125	$28,672,050	$39,564,950	$68,237,000	3258000	-961000	$4,219,000
2021	15	96	111	$1,146,882	$13,624,118	$14,771,000	732000	908000	-$176,000
2022	15	63	78	$1,146,882	$10,328,118	$11,475,000	595000	931000	-$336,000
2023	15	49	64	$1,146,882	$8,985,118	$10,132,000	557000	908000	-$351,000
2024	15	42	57	$1,146,882	$7,642,118	$8,789,000	565000	885000	-$320,000
2025	15	48	63	$1,146,882	$7,642,118	$8,789,000	572000	839000	-$267,000
2026	15	48	63	$1,146,882	$6,910,118	$8,057,000	572000	786000	-$214,000
2027	15	51	66	$1,146,882	$7,642,118	$8,789,000	595000	732000	-$137,000
2028	15	59	74	$1,146,882	$8,619,118	$9,766,000	618000	671000	-$53,000
2029	15	61	76	$1,146,882	$9,107,118	$10,254,000	641000	671000	-$30,000
2030	15	73	88	$1,146,882	$9,595,118	$10,742,000	641000	626000	$15,000
2031	15	67	82	$1,146,882	$9,839,118	$10,986,000	587000	603000	-$16,000
2032	15	75	90	$1,146,882	$10,572,118	$11,719,000	618000	603000	$15,000
2033	15	71	86	$1,146,882	$10,816,118	$11,963,000	618000	534000	$84,000
2034	15	77	92	$1,146,882	$11,792,118	$12,939,000	626000	542000	$84,000
2035	15	79	94	$1,146,882	$12,037,118	$13,184,000	603000	542000	$61,000
2036	15	83	98	$1,146,882	$13,013,118	$14,160,000	580000	496000	$84,000
2037	15	85	100	$1,146,882	$13,257,118	$14,404,000	595000	496000	$99,000
2038	15	81	96	$1,146,882	$14,478,118	$15,625,000	656000	534000	$122,000
2039	15	89	104	$1,146,882	$16,187,118	$17,334,000	687000	488000	$199,000
2040	15	90	105	$1,146,882	$16,675,118	$17,822,000	671000	458000	$213,000
2041	15	96	111	$1,146,882	$18,140,118	$19,287,000	732000	450000	$282,000
2042	15	100	115	$1,146,882	$19,605,118	$20,752,000	793000	481000	$312,000
2043	15	98	113	$1,146,882	$21,802,118	$22,949,000	900000	519000	$381,000
2044	15	108	123	$1,146,882	$24,732,118	$25,879,000	961000	557000	$404,000
2045	15	114	129	$1,146,882	$24,732,118	$25,879,000	946000	565000	$381,000
2046	15	114	129	$1,146,882	$27,173,118	$28,320,000	1038000	626000	$412,000
						Total	**$23,788,000**	**$14,117,000**	**$9,671,000**
							$29,986,360	is greater than	**$21,611,200**

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

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 Orbit Gulf Coast NGL Exports 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 Orbit Gulf Coast NGL Exports, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  A. "Orbit Gulf Coast NGL Exports, LLC, is a JV that will export ethane out of ETP's Nederland facility ("Orbit"). It will provide ETP with the opportunity to enhance the value of their Gulf Coast assets by building a world class ethane export terminal and exporting its equity ethane production to China. Furthermore, future ethane supply is projected to out-pace domestic demand and this outlet will provide take-away opportunities and assurance of ability to grow across all ETP's upstream rich gas assets. Below are some alternative Energy Transfer Partners (ETP) terminal assets in states other than Texas that could potentially serve as a home to the proposed project. The chapter 313-guided tax incentive plays a significant role in if the project is built."
  B. "NGLs Pipelines this business includes approximately 900 miles of NGLs pipelines, primarily related to the Mariner systems in the northeast and southwest United States. Revenues on NGLs pipelines are generated from tariffs paid by shippers utilizing Sunoco's transportation services. These tariffs are filed with FERC and other state and Canadian regulatory agencies, as applicable. The Mariner East project transports NGLs from the Marcellus and Utica Shales areas in Western Pennsylvania, West Virginia, and Eastern Ohio to destinations in Pennsylvania, including the Marcus Hook Industrial Complex on the Delaware River. There, they are processed, stored and distributed to local, domestic and waterborne markets. The Mariner West pipeline provides transportation of ethane products from the Marcellus shale processing and fractionating areas in Houston, Pennsylvania to Marysville, Michigan and the Canadian border, Mariner West has a capacity to transport approximately 50 thousand barrels per day of ethane."
  C. "The Marcus Hook Industrial Complex includes terminalling and storage assets, with a capacity of approximately 3 million barrels of NGL storage capacity. The facility can receive NGLs via marine vessel, pipeline, truck and rail, and can deliver via marine vessel, pipeline and truck. In addition

to providing NGLs storage and terminalling services to both affiliates and third-party customers, the Marcus Hook Industrial Complex currently serves as an off-take outlet for the Mariner East 1 pipeline, and will provide similar off-take capabilities for the Mariner East 2 pipeline when it commences operations."

D. "The Inkster terminal, located near Detroit, Michigan, contains eight salt caverns with a total storage capacity of approximately 1 million barrels of NGLs. The Inkster terminal's storage is used to service the Toledo North pipeline system and for the storage of NGLs from local producers and a refinery in Western Ohio. The terminal can receive and ship by pipeline in both directions and has a truck loading and unloading rack."

- In a November 21, 2016, *SXL and ETP Investor* and August 15, 2017, *Energy Transfer, Citi One-on-One MLP Conference* presentations indicated, "Potential ethane and ethylene projects delivering Lone Star fractioned products to Nederland for export."
- According to *energytransfer.com* press release dated March 15, 2018, "At the terminal, Orbit will construct an 800,000 barrel refrigerated ethane storage tank and a 175,000 barrel per day ethane refrigeration facility. ETP will be the operator of the Orbit assets. Additionally, ETP will construct and wholly own the infrastructure that is required to both supply ethane to the pipeline and to load the ethane on to Very Large Ethane Carriers (VLECs) destined for Satellite's newly constructed ethane crackers in China's Jiangsu Province."
- A March 15, 2018 *Pipeline & Gas Journal* article states that, "Energy Transfer Partners, L.P. (ETP) and Satellite Petrochemical USA Corp. (Satellite) have entered into definitive agreements to form a joint venture, Orbit Gulf Coast NGL Exports, LLC (Orbit), with the purpose of constructing a new export terminal on the U.S. Gulf Coast to provide ethane to Satellite for consumption at their ethane cracking facilities in China."
- According to a Special Board Meeting of Nederland ISD dated March 28, 2018, "Consideration of the Orbit Gulf Coast NGL Exports, LLC Application. Discussion and possible action to accept the Application of Orbit Gulf Coast NGL Exports, LLC for an Appraised Value Limitation on Qualified Property; authorize the Superintendent to review the Application for completeness and submit to the Comptroller; and authorize the Superintendent to enter into any agreement to extend the deadline for Board action beyond 150 days subject to Board ratification."

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 as a Determining Factor

Orbit Gulf Coast NGL Exports, LLC, is a JV that will export ethane out of ETP's Nederland facility ("Orbit"). It will provide ETP with the opportunity to enhance the value of their Gulf Coast assets by building a world class ethane export terminal and exporting its equity ethane production to China. Furthermore, future ethane supply is projected to out-pace domestic demand and this outlet will provide take-away opportunities and assurance of ability to grow across all ETP's upstream rich gas assets.
Below are some alternative Energy Transfer Partners (ETP) terminal assets in states other than Texas that could potentially serve as a home to the proposed project. The chapter 313-guided tax incentive plays a significant role in if the project is built.

NGLs Pipelines

This business includes approximately 900 miles of NGLs pipelines, primarily related to the Mariner systems in the northeast and southwest United States. Revenues on NGLs pipelines are generated from tariffs paid by shippers utilizing Sunoco's transportation services. These tariffs are filed with FERC and other state and Canadian regulatory agencies, as applicable.

- The Mariner East project transports NGLs from the Marcellus and Utica Shales areas in Western Pennsylvania, West Virginia and Eastern Ohio to destinations in Pennsylvania, including the Marcus Hook Industrial Complex on the Delaware River. There, they are processed, stored and distributed to local, domestic and waterborne markets.
- The Mariner West pipeline provides transportation of ethane products from the Marcellus shale processing and fractionating areas in Houston, Pennsylvania to Marysville, Michigan and the Canadian border. Mariner West has a capacity to transport approximately 50 thousand barrels per day of ethane.

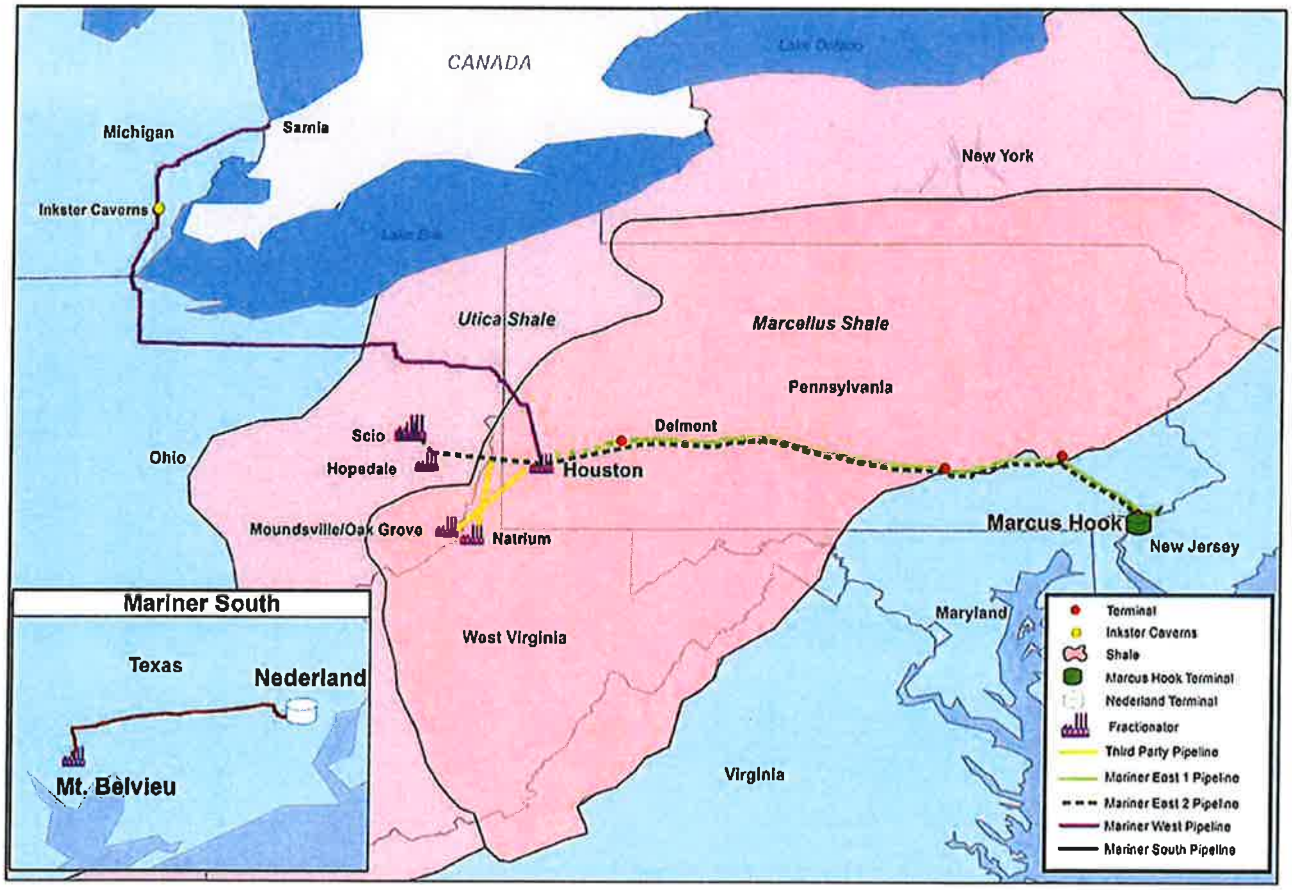
Marcus Hook Industrial Complex

The Marcus Hook Industrial Complex includes terminalling and storage assets, with a capacity of approximately 3 million barrels of NGL storage capacity. The facility can receive NGLs via marine vessel, pipeline, truck and rail, and can deliver via marine vessel, pipeline and truck. In addition to providing NGLs storage and terminalling services to both affiliates and third-party customers, the Marcus Hook Industrial Complex currently serves as an off-take outlet for the Mariner East 1 pipeline, and will provide similar off-take capabilities for the Mariner East 2 pipeline when it commences operations.

Inkster Terminal

The Inkster terminal, located near Detroit, Michigan, contains eight salt caverns with a total storage capacity of approximately 1 million barrels of NGLs. The Inkster terminal's storage is used to service the Toledo North pipeline system and for the storage of NGLs from local producers and a refinery in Western Ohio. The terminal can receive and ship by pipeline in both directions and has a truck loading and unloading rack.

Below is an illustration of Sunoco's alternative terminal assets and their respective service pipelines located in the Marcellus and Utica shales in the Northeastern United States.



Supporting Information

Additional information provided by the Applicant or located by the Comptroller

Pipeline & Gas Journal

New Ethane Export Facility and Pipeline Coming to Gulf Coast

3/15/2018

Energy Transfer Partners, L.P. (ETP) and Satellite Petrochemical USA Corp. (Satellite) have entered into definitive agreements to form a joint venture, Orbit Gulf Coast NGL Exports, LLC (Orbit), with the purpose of constructing a new export terminal on the U.S. Gulf Coast to provide ethane to Satellite for consumption at their ethane cracking facilities in China.

Under the terms of the agreements, Orbit will also build the following:

A 20-inch ethane pipeline originating at ETP's Mont Belvieu Fractionators that will make deliveries to Orbit's ethane export terminal on the U.S. Gulf Coast as well as domestic markets in the region.

- An 800,000 barrel refrigerated ethane storage tank and a 175,000 barrel per day ethane refrigeration facility.

ETP will be the operator of the Orbit assets and construct and own the infrastructure that is required to both supply ethane to the pipeline and to load the ethane on to Very Large Ethane Carriers (VLECs) destined for Satellite's newly constructed ethane crackers in China's Jiangsu Province. Subject to Chinese governmental approval, it is anticipated that the Orbit export terminal will be ready for commercial service in the fourth quarter of 2020.

ETP and Satellite also executed agreements for the sale of ethane at the terminal. According to the terms of these agreements, ETP will provide Satellite with approximately 150,000 barrels per day of ethane under a long-term, demand-based contract.

Related News

- Mariner East 1 Restart Approved
- Suncor CEO: Pipeline Bottlenecks Won't Constrain Company's Growth
- Robots, Drones Help Protect Offshore Pipelines
- Magellan Extends Open Season for Refined Products Pipeline
- Enterprise Starts Orla 1 Gas Plant, Pipelines
- FERC OK's Additional Rover Pipeline Operations

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PRESS RELEASE

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Energy Transfer Announces a New Gulf Coast Ethane Export Facility ("Orbit")

DALLAS--(BUSINESS WIRE)--Mar. 15, 2018– Energy Transfer Partners, L.P. (NYSE: ETP) and Satellite Petrochemical USA Corp. ("Satellite") have entered into definitive agreements to form a joint venture, Orbit Gulf Coast NGL Exports, LLC ("Orbit"), with the purpose of constructing a new export terminal on the U.S. Gulf Coast to provide ethane to Satellite for consumption at their ethane cracking facilities in China. Orbit will also construct a 20-inch ethane pipeline originating at ETP's Mont Belvieu Fractionators that will make deliveries to Orbit's ethane export terminal on the U.S. Gulf Coast as well as domestic markets in the region. At the terminal, Orbit will construct an 800,000 barrel refrigerated ethane storage tank and a 175,000 barrel per day ethane refrigeration facility. ETP will be the operator of the Orbit assets. Additionally, ETP will construct and wholly own the infrastructure that is required to both supply ethane to the pipeline and to load the ethane on to Very Large Ethane Carriers (VLECs) destined for Satellite's newly constructed ethane crackers in China's Jiangsu Province. Subject to Chinese Governmental approval, it is anticipated that the Orbit export terminal will be ready for commercial service in the 4th Quarter of 2020.

As part of these agreements, ETP and Satellite also executed agreements for the sale of ethane at the terminal. ETP will provide Satellite with approximately 150,000 barrels per day of ethane under a long-term, demand-based agreement. ETP will also provide storage and marketing services for Satellite.

ETP (via Sunoco Logistics) was the first company in North America to export ethane by utilizing its Mariner West system which exports ethane to Canada. Subsequently, in March 2016 ETP became the first company in North America to export ethane via waterborne vessel out of ETP's Marcus Hook terminal, which also serves domestic markets.

Energy Transfer Partners, L.P. (NYSE: ETP) is a master limited partnership that owns and operates one of the largest and most diversified portfolios of energy assets in the United States. Strategically positioned in all of the major U.S. production basins, ETP owns and operates a geographically diverse portfolio of complementary natural gas midstream, intrastate and interstate transportation and storage assets; crude oil, natural gas liquids (NGL) and refined product transportation and terminalling assets; NGL fractionation; and various acquisition and marketing assets. ETP's general partner is owned by Energy Transfer Equity, L.P. (NYSE: ETE). For more information, visit the Energy Transfer Partners, L.P. website at energytransfer.com.

Energy Transfer Equity, L.P. (NYSE:ETE) is a master limited partnership that owns the general partner and 100% of the incentive distribution rights (IDRs) of Energy Transfer Partners, L.P. (NYSE: ETP) and Sunoco LP (NYSE: SUN). ETE also owns Lake Charles LNG Company. On a consolidated basis, ETE's family of companies owns and operates a diverse portfolio of natural gas, natural gas liquids, crude oil and refined products assets, as

Contents:

Investor Relations

- Company Overview
- Frequently Asked Questions
- Financial Profile
- Non-GAAP Measures
- News Releases
- Presentations & Webcasts
- SEC Filings
- Corporate Governance
- K-1 Tax Package Information
- Tax Information Related to Mergers & Acquisitions
- Information Request
- Distribution Information
- ETP/SXL Merger Information

Toolkit:

- Print Page
- E-mail Page
- RSS Feeds
- E-mail Alerts
- IR Contacts

well as retail and wholesale motor fuel operations and LNG terminalling. For more information, visit the Energy Transfer Equity, L.P. website at energytransfer.com.

Forward-Looking Statements

This press release may include certain statements concerning expectations for the future that are forward-looking statements as defined by federal law. Such forward-looking statements are subject to a variety of known and unknown risks, uncertainties, and other factors that are difficult to predict and many of which are beyond management's control. These risks and uncertainties include the risks that the proposed transaction may not be consummated or the benefits contemplated therefrom may not be realized. An extensive list of other factors that can affect ETP's future results are discussed in its Annual Reports on Form 10-K and other documents filed from time to time with the Securities and Exchange Commission. Except as required by law, ETP undertakes no obligation to update or revise any forward-looking statement to reflect new information or events.

View source version on businesswire.com: http://www.businesswire.com/news/home/20180315005559/en/

Source: Energy Transfer Partners, L.P.

Energy Transfer Partners, L.P.
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or
Media Relations:
Vicki Granado, Alexis Daniel, 214-840-5820

NEDERLAND INDEPENDENT SCHOOL DISTRICT
220 17th Street
Nederland, Texas 77627-5029

MINUTES

SPECIAL MEETING: NEDERLAND INDEPENDENT SCHOOL DISTRICT BOARD OF TRUSTEES

DATE: March 28, 2018
TIME: 5:30 p.m., Special Board Meeting
PLACE: Boardroom, Administration Building, 220 N.17th Street

MEMBERS PRESENT: Kay DeCuir, Vice President
Jerry Albanese
Jesse Branick
Suzanne Isom
Nicholas L. Phillips

MEMBERS ABSENT: Reed Richard, President
Brian Gentile, Secretary

OTHERS PRESENT: Dr. Robin Perez, *Superintendent*
Mike Laird, *Asst.Supt./Personnel and Auxiliary Services*
Dr. Stuart Kieschnick, *Asst. Supt./Curriculum and Instruction*
Melissa Wong, *Business Manager*

VISITORS PRESENT: Roya Scott, Mike Frye, Kathy Mathias, Ron Burkhalter, and others who did not sign the register.

CALL TO ORDER: Meeting convened at 5:31 p.m.

1. **Orbit Gulf Coast NGL Exports, LLC Application – Consideration of the Orbit Gulf Coast NGL Exports, LLC Application. Discussion and possible action to accept the Application of Orbit Gulf Coast NGL Exports, LLC for an Appraised Value Limitation on Qualified Property; authorize the Superintendent to review the Application for completeness and submit to the Comptroller; and authorize the Superintendent to enter into any agreement to extend the deadline for Board action beyond 150 days subject to Board ratification.**

   DISCUSSION: Mike Frye with KE Andrews spoke to the Board about their roll which takes care of property taxes for energy transfers. He explained the proposal is to build an ethane manufacturing export project at the Nederland Sunoco Terminal. They will receive the liquid product through a pipeline, remove the methane, chill the product, manufacture plastics grade ethane, store the product, run it through a 800,000 barrel chilling tank, and then export the product to China. Mr. Darrell Bunker, the project manager, continued explaining the design is for an equivalent of six ships per month. It should begin in 2020 with three ships per month and grow to six. Ms. DeCuir asked if there would be any additional docks built or land purchased for this product and Mr. Bunker replied that the dock was built and the land purchased for this project when the Mariner South project was completed. She also asked if it was a new pipeline and Mr. Bunker replied that it would be a new pipeline running from Mont Belvieu to Hebert Terminal on highway 93 which would use one of the four lines ran during the Mariner South project. Ms. DeCuir asked if there would be any new jobs and Mr. Bunker said approximately 20-25 permanent positions and more contracted positions. There will be new families coming to Nederland from the additional staff.

Total investment is approximately $300,000,000 million dollars. There is more taxable value that will be included at a later time. Total amount spent for the project in Nederland is approximately $600,000,000 in total assets. The job will be completed all at once.

He went on to explain that the company Energy Transfer bought Sunoco Inc. which was a refining company. At that time they were Sunoco logistics partners and the general partner was Sunoco. The company was in the Energy Transfer partnership as Sunoco Logistics for approximately four years and then it was decided to wholly own Sunoco as part of Energy Transfer. They announced that Sunoco was buying Energy Transfer and then changed the name back to Energy Transfer Partners.

2. CLOSED SESSION: The Board of Trustees will meet in closed session to discuss certain matters excepted from public disclosure by the following statutory provisions: to deliberate the offer of a financial or other incentive to a business prospect, as permitted by section §551.087, Texas government Code and to consult with the school district's legal counsel regarding legal issues pertaining to the Application for appraised value limitation on qualified property p roposed by Orbit Gulf Coast NGL Exports, LLC pursuant to Texas Gover Any action, decision, or vote in this matter will be conducted in open session.

*****The Board entered into closed session at 5:52 p.m. and reconvened in open session at 6:39 p.m.*****

MOTION: Mr. Albanese motioned, seconded by Ms. Isom, that the Board approve and authorize the consideration of the proposed Application for Appraised value Limitation on Qualified Property submitted by Orbit Gulf Coast NGL Exports, LLC and authorize the Superintendent to provide the Application and any other information required by Chapter 313 of the Texas Tax Code to the Texas Comptroller of Public Accounts.

VOTE: Yea – Albanese, Branick, DeCuir, Isom, Phillips
Nay – None

3. Retain Consultants to Assist District in Application for Appraised Value Limitation on Qualified Property from Orbit Gulf Coast NGL Exports, LLC.- Discussion and possible action to retain consultants to assist the District in processing of Application for Appraised Value Limitation on Qualified Property from Orbit Gulf Coast NGL Exports, LLC.

DISCUSSION: Ms. Cathy Mathias with Moak Casey in Austin Texas informed the Board that Moak Casey has executed approximately 260 projects throughout the state since Chapter 313 projects began. The company works for the District and watches over the Districts assets. They also process reports, maintenance agreements and supplemental payments on each project. She went on to say that they are school finance experts within the state of Texas.

Ms. Mathias asked if any of the Board members had any conflict of interest at the Nederland Sunoco Terminal. Mr. Albanese, Mr. Branick, Ms. DeCuir, Ms. Isom, and Mr. Phillips all answered that they did not have any conflict of interest.

MOTION: Mr. Branick motioned, seconded by Mr. Phillips, to authorize the Superintendent to engage the financial consulting firm of Moak Casey to provide assistance to the District with regard to financial consulting services pertaining to the Application for Appraised Value Limitation on Qualified Property submitted by Orbit Gulf Coast NGL Exports, LLC based on the company's demonstrated competence, knowledge, and qualifications and authorize the Superintendent to negotiate an agreement with such company for services.

VOTE: Yea – Albanese, Branick, DeCuir, Isom, Phillips,
Nay – None

*********Mr. Phillips left the meeting at 6:45 p.m.*********

4. **Consider Revision of Local Policy CDC – Other Revenues Gifts and Solicitations** – Dr. Perez told the Board that the District has added the following verbiage – The Board delegates to the Superintendent the authority to accept unsolicited gifts *valued up to $20,000* on behalf of the District. *Any gift valued above $20,000 or any gift of real property*, shall require Board approval *and acceptance*.

   MOTION: Mr. Branick motioned, seconded by Mr. Albanese, to approve the revision of Local Policy CDC as presented.

   DISCUSSION: None

   VOTE: Yea – Albanese, Branick, DeCuir, Isom
   Nay – None

5. **Consider Revision of Local Policy GKB – Community Relations Advertising and Fundraising** – Dr. Perez explained that there was language added to this policy regarding advertising for the District. There is a list of different characteristics and items that are listed that would assure the advertising stay within the District's and community's expectations.

   MOTION: Mr. Branick motioned, seconded by Mr. Albanese, to approve the revision of Local Policy GKB as presented.

   DISCUSSION: None

   VOTE: Yea – Albanese, Branick, DeCuir, Isom
   Nay – None

The meeting adjourned at 6:57 p.m.

____, President

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April 5, 2018 9:26 AM

Energy Transfer to build Gulf Coast ethane export facility

RSS Print

Energy Transfer Partners, L.P. and Satellite Petrochemical USA Corp. have entered into definitive agreements to form a joint venture, Orbit Gulf Coast NGL Exports, LLC ("Orbit"), with the purpose of constructing a new export terminal on the U.S. Gulf Coast to provide ethane to Satellite for consumption at their ethane cracking facilities in China.

Orbit will also construct a 20-inch ethane pipeline originating at ETP's Mont Belvieu Fractionators that will make deliveries to Orbit's ethane export terminal on the U.S. Gulf Coast as well as domestic markets in the region. At the terminal, Orbit will construct an 800,000 barrel refrigerated ethane storage tank and a 175,000 barrel per day ethane refrigeration facility. ETP will be the operator of the Orbit assets. Additionally, ETP will construct and wholly own the infrastructure that is required to both supply ethane to the pipeline and to load the ethane on to Very Large Ethane Carriers (VLECs) destined for Satellite's newly constructed ethane crackers in China's Jiangsu Province. Subject to Chinese Governmental approval, it is anticipated that the Orbit export terminal will be ready for commercial service in the 4th Quarter of 2020.

As part of these agreements, ETP and Satellite also executed agreements for the sale of ethane at the terminal. ETP will provide Satellite with approximately 150,000 barrels per day of ethane under a long-term, ...ent. ETP will also provide storage and marketing services for Satellite.

50 Shares

...s) was the first company in North America to export ethane by utilizing its Mariner

West system which exports ethane to Canada. Subsequently, in March 2016 ETP became the first company in North America to export ethane via waterborne vessel out of ETP's Marcus Hook terminal, which also serves domestic markets.

Expansions Downstream Orbit Gulf Coast NGL Exports

April 5, 2018 9:26 AM

Sunoco Logistics

ENERGY TRANSFER

Sunoco Logistics Partners L.P.
Energy Transfer Partners, L.P.

SXL / ETP Transaction
November 2016

Forward-Looking Statements

Additional Information and Where to Find It

SECURITY HOLDERS ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS AND THE REGISTRATION STATEMENT REGARDING THE TRANSACTION (THE "TRANSACTION") INVOLVING SUNOCO LOGISTICS PARTNERS L.P. ("SXL") and ENERGY TRANSFER PARTNERS, L.P. ("ETP") CAREFULLY WHEN IT BECOMES AVAILABLE. These documents (when they become available), and any other documents filed by SXL or ETP with the U.S. Securities and Exchange Commission ("SEC"), may be obtained free of charge at the SEC's website, at www.sec.gov. In addition, investors and security holders will be able to obtain free copies of the registration statement and the proxy statement/prospectus by phone, e-mail or written request by contacting the investor relations department of SXL or ETP at the following:

Sunoco Logistics Partners L.P. 3807 West Chester Pike Newtown Square, PA 19073 Attention: Investor Relations Phone: 866-248-4344	Energy Transfer Partners, L.P. 8111 Westchester Drive, Suite 600 Dallas, TX 75225 Attention: Investor Relations Phone: 214-981-0700

Participants in the Solicitation

[SXL, ETP and their respective directors and executive officers may be deemed to be participants in the solicitation of proxies in connection with the proposed merger. Information regarding the directors and executive officers of SXL is contained in SXL's Form 10-K for the year ended December 31, 2015, which was filed with the SEC on February 26, 2016. Information regarding the directors and executive officers of ETP is contained in ETP's Form 10-K for the year ended December 31, 2015, which was filed with the SEC on February 29, 2016. Additional information regarding the interests of participants in the solicitation of proxies in connection with the proposed merger will be included in the proxy statement/prospectus.]

Cautionary Statement Regarding Forward-Looking Statements

This presentation includes "forward-looking" statements. Forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. Statements using words such as "anticipate," "believe," "intend," "project," "plan," "expect," "continue," "estimate," "goal," "forecast," "may" or similar expressions help identify forward-looking statements. SXL and ETP cannot give any assurance that expectations and projections about future events will prove to be correct. Forward-looking statements are subject to a variety of risks, uncertainties and assumptions. These risks and uncertainties include the risks that the proposed transaction may not be consummated or the benefits contemplated therefrom may not be realized. Additional risks include: the ability to obtain requisite regulatory and unitholder approval and the satisfaction of the other conditions to the consummation of the proposed transaction, the ability of SXL to successfully integrate ETP's operations and employees and realize anticipated synergies and cost savings, the potential impact of the announcement or consummation of the proposed transaction on relationships, including with employees, suppliers, customers, competitors and credit rating agencies, the ability to achieve revenue, DCF and EBITDA growth, and volatility in the price of oil, natural gas, and natural gas liquids. Actual results and outcomes may differ materially from those expressed in such forward-looking statements. These and other risks and uncertainties are discussed in more detail in filings made by SXL and ETP with the SEC, which are available to the public. SXL and ETP undertake no obligation to update publicly or to revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Synergy Opportunities

Permian Crude Gathering and Mainline Optimization

- Delaware Basin & Midland Basin opportunities
- Better opportunity to fill capacity on underutilized pipelines
  - SXL's Delaware Basin Pipeline has ability to expand by 100 MBPD
  - ETP has an idle 12" 100 MBPD pipeline in the basin
- ETP's gathering system is very synergistic with SXL's recently acquired Midland crude oil platform

Gulf Coast NGL Projects

- ETP's Lone Star presence in Mont Belvieu combined with SXL's Nederland terminal provide opportunities for multiple growth projects
- Potential ethane and ethylene projects delivering Lone Star fractionated products to Nederland for export

Marcellus Optimization

- ETP's Rover and Revolution system combined with SXL's NE Mariner system provide long-term growth potential
- Wellhead to market service offering

Cost Reduction Opportunities

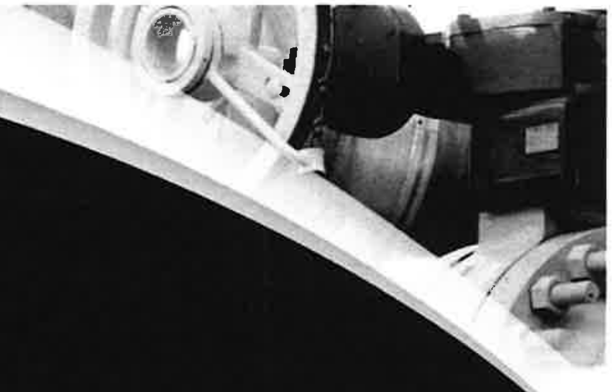
- More efficient tax structure with SXL's C-corp joint ventures
- Single public company cost
- SG&A optimization

EXPECT THAT THE TRANSACTION WILL ALLOW FOR COMMERCIAL SYNERGIES AND COST SAVINGS IN EXCESS OF $200 MILLION ANNUALLY BY 2019

Existing IDR Waivers

(in thousands)

	Existing ETP IDR Reduction	Existing SXL IDR Reduction	Total IDR Reduction
December 31, 2016	$137,500	$7,500	$145,000
March 31, 2017	$149,500	$7,500	$157,000
June 30, 2017	$154,500	$7,500	$162,000
September 30, 2017	$155,750	$7,500	$163,250
December 31, 2017	$165,750	$7,500	$173,250
2018	$138,000	$15,000	$153,000
2019	$128,000	--	$128,000
Total Through 2019	$1,029,000	$52,500	$1,081,500



ENERGY TRANSFER

Citi One-on-One MLP Conference

August 16th -17th , 2017

FORWARD-LOOKING STATEMENTS

Management of Energy Transfer Equity, L.P. (ETE) and Energy Transfer Partners, L.P. (ETP) will provide this presentation to analysts at meetings to be held on August 16 and 17, 2017. At the meetings, members of the Partnerships' management may make statements about future events, outlook and expectations related to Panhandle Eastern Pipe Line Company, LP (PEPL), Sunoco LP (SUN), ETP and ETE (collectively, the Partnerships), and their subsidiaries and this presentation may contain statements about future events, outlook and expectations related to the Partnerships and their subsidiaries all of which statements are forward-looking statements. Any statement made by a member of management of the Partnerships at this meeting and any statement in this presentation that is not a historical fact will be deemed to be a forward-looking statement. These forward-looking statements rely on a number of assumptions concerning future events that members of management of the Partnerships believe to be reasonable, but these statements are subject to a number of risks, uncertainties and other factors, many of which are outside the control of the Partnerships. While the Partnerships believe that the assumptions concerning these future events are reasonable, we caution that there are inherent risks and uncertainties in predicting these future events that could cause the actual results, performance or achievements of the Partnerships and their subsidiaries to be materially different. These risks and uncertainties are discussed in more detail in the filings made by the Partnerships with the Securities and Exchange Commission, copies of which are available to the public. The Partnerships expressly disclaim any intention or obligation to revise or publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

All references in this presentation to capacity of a pipeline, processing plant or storage facility relate to maximum capacity under normal operating conditions and with respect to pipeline transportation capacity, is subject to multiple factors (including natural gas injections and withdrawals at various delivery points along the pipeline and the utilization of compression) which may reduce the throughput capacity from specified capacity levels.

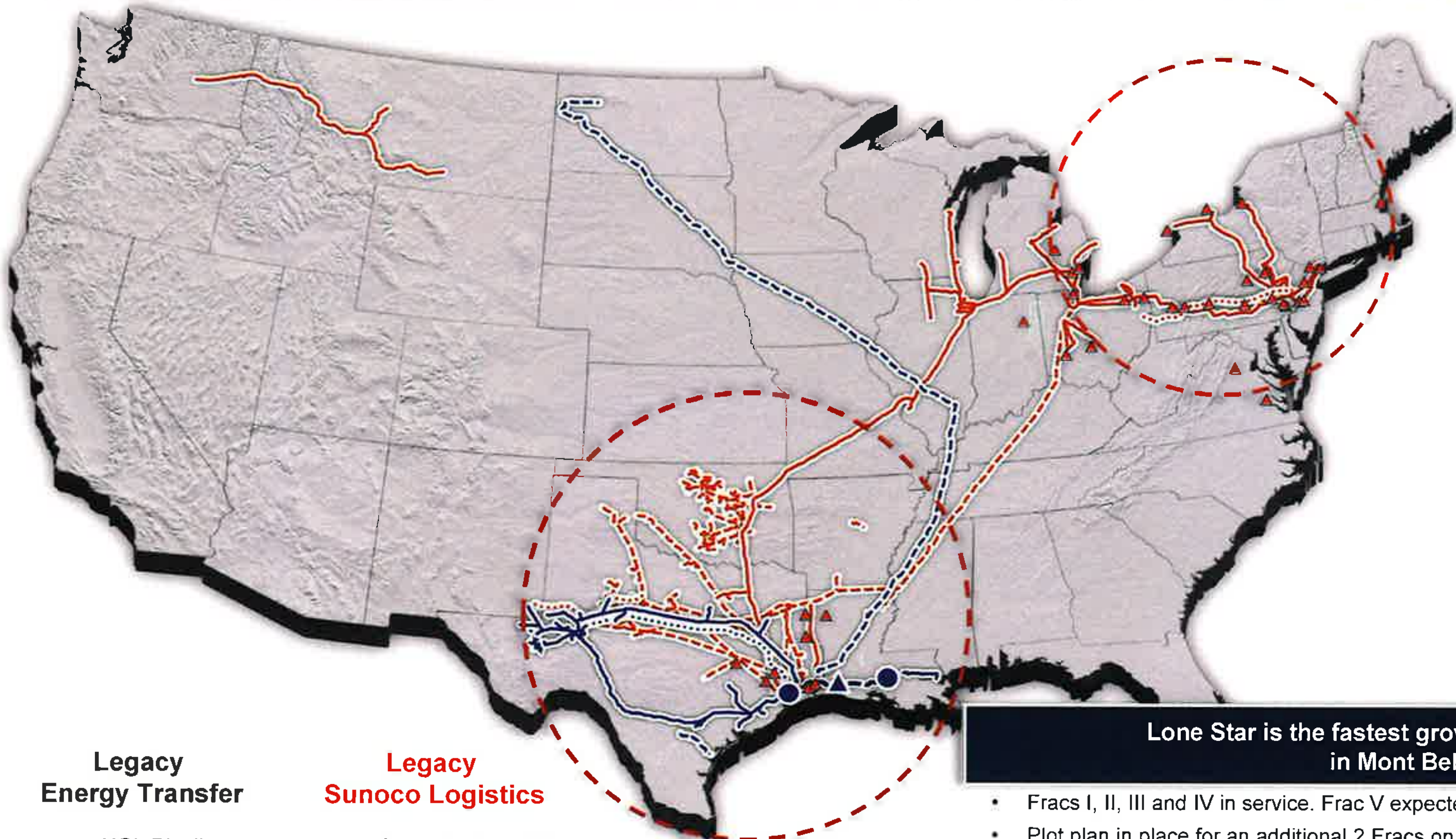
RECENT HIGHLIGHTS

ETP/SXL Merger	• In April 2017, ETP and SXL merged in a unit-for-unit transaction, with the combined company called Energy Transfer Partners • This combination expanded ETP's strategic footprint, adding scale and scope, and further diversifying its basin and product exposure
PennTex Acquisition	• Also, in June 2017, ETP purchased all of the outstanding PennTex common units not previously owned by ETP for $20 per common unit in cash. ETP now owns all of the economic interests of PennTex, and PennTex common units are no longer publicly traded or listed on the NASDAQ
Rover Equity Sale	• On July 31st, ETP announced that it signed an agreement to sell a 32.44% equity interest in an entity holding interest in the Rover Pipeline Project to a fund managed by Blackstone for approximately $1.57 billion in cash • The transaction is structured as a sale of a 49.9% interest in ET Rover Pipeline (HoldCo), an entity that owns a 65% interest in Rover • At closing, Blackstone will contribute funds to reimburse ETP for its pro rata share of the Rover construction costs incurred by ETP through the closing date, along with the payment of certain additional amounts • After the closing date, Blackstone will contribute specified amounts of Rover's future construction costs, and will also make certain additional payments to ETP • Immediately upon closing, ETP plans to use the proceeds to pay down debt, therefore reducing its leverage, and to help fund future growth projects • ETP will remain the operator of the Rover Pipeline Project • The transaction is expected to close in October of 2017, subject to customary closing conditions. Upon closing, HoldCo will be owned 50.1% by Energy Transfer, and 49.9% by Blackstone
Common Unit Offering	• On August 14, 2017, ETP announced it priced a public offering of 54 million common units[1] representing limited partner interests at $18.65 per common unit • Net proceeds from the offering will be used by ETP to repay amounts outstanding under its revolving credit facilities, to fund capital expenditures and for general partnership purposes • The offering is expected to close on August 18, 2017

1 *The underwriter has a 30-day option to purchase up to an additional 8,100,000 common units*

FULLY INTEGRATED MIDSTREAM/LIQUIDS PLATFORM ACROSS NORTH AMERICA

The ability to integrate a producer liquids end-to-end solution will better serve customers and alleviate bottlenecks currently faced by producers



Legacy Energy Transfer

- NGL Pipelines
- Crude Projects[1]
- NGL Projects
- LNG Facilities
- Fractionator

Legacy Sunoco Logistics

- Refined Products/NGL
- Crude
- Growth Projects
- Facility

(1) Via joint ventures

Marcus Hook: The future Mont Belvieu of the North

- 800 acre site: inbound and outbound pipeline along with infrastructure connectivity
- Logistically and financially advantaged for exports being 1,500 miles closer to Europe, significantly reducing shipping cost.
- Advantaged to local and regional markets
- No ship channel restriction, compared to the Houston Ship Channel
- 4 seaborne export docks can accommodate VLGC sized vessels
- ETP's Rover and Revolution system, combined with SXL's NE Mariner system provide long-term growth potential

Lone Star is the fastest growing NGLs business in Mont Belvieu

- Fracs I, II, III and IV in service. Frac V expected in-service third quarter 2018
- Plot plan in place for an additional 2 Fracs on existing footprint (7 fractionators in total)
- Total Frac capacity potentially 800,000 bpd
- 2,000 miles of NGL pipelines with fully-expanded capacity of 935,000 bpd
- Storage capacity of 53 mm bpd
- ~200 bpd LPG export terminal
- ETP's Lone Star presence in Mont Belvieu combined with SXL's Nederland terminal provide opportunities for multiple growth projects
- Potential ethane and ethylene projects delivering Lone Star fractionated products to Nederland for export

NON-GAAP FINANCIAL MEASURES

In the following analysis of segment operating results, a measure of segment margin is reported for segments with sales revenues. Segment Margin is a non -GAAP financial measure and is presented herein to assist in the analysis of segment operating results and particularly to facilitate an understanding of the impacts that changes in sales revenues have on the segment performance measure of Segment Adjusted EBITDA. Segment Margin is similar to the GAAP measure of gross margin, except that Segment Margin excludes charges for depreciation, depletion and amortization.

In addition, for certain segments, the sections below include information on the components of Segment Margin by sales t ype, which components are included in order to provide additional disaggregated information to facilitate the analysis of Segment Margin and Segment Adjusted EBITDA. For example, these components include transportation margin, storage margin, and other margin. These components of Segment Margin are calculated consistent with the calculation of Segment Margin; therefore these components also exclude charges for depreciation, depletion and amortization.

Following is a reconciliation of Segment Margin to operating income, as reported in the Partnership's consolidated statements of operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Segment Margin by segment:				
Intrastate transportation and storage	$ 202	$ 188	$ 384	$ 353
Interstate transportation and storage	207	234	442	493
Midstream	571	460	1,084	874
NGL and refined products transportation and services	523	448	1,080	879
Crude oil transportation and services	369	319	614	586
All other	76	86	178	179
Intersegment eliminations	(114)	(76)	(245)	(192)
Total Segment Margin	1,834	1,659	3,537	3,172
Less:				
Operating expenses	425	374	804	722
Depreciation, depletion and amortization	557	496	1,117	966
Selling, general and administrative	120	74	230	155
Operating income	$ 732	$ 715	$ 1,386	$ 1,329