GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

January 16, 2019

Dr. Greg Poole
Superintendent
Barbers Hill Independent School District
PO Box 1108
Mont Belvieu, Texas 77580-1108

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 Lone Star NGL Asset Holdings II, LLC, Application 1298

Dear Superintendent Poole:

On October 31, 2018, the Comptroller issued written notice that Lone Star NGL Asset Holdings II, LLC (applicant) submitted a completed application (Application 1298) for a limitation on appraised value under the provisions of Tax Code Chapter 313.[1] This application was originally submitted on September 24, 2018, 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, Subchapter B; 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 1298.

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 B.

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, 2019.

Note that any building or improvement existing as of the application review start date of October 31, 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,

Lisa Craven

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Lone Star NGL Asset Holdings II, 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 Lone Star NGL Asset Holdings II, LLC.

Applicant	Lone Star NGL Asset Holdings II, LLC
Tax Code, 313.024 Eligibility Category	Manufacturing
School District	Barbers Hill ISD
2017-2018 Average Daily Attendance	5,117
County	Chambers
Proposed Total Investment in District	$265,000,000
Proposed Qualified Investment	$265,000,000
Limitation Amount	$80,000,000
Qualifying Time Period (Full Years)	2020-2021
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	$1,274
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	$66,222
Minimum annual wage committed to by applicant for qualified jobs	$66,222
Minimum weekly wage required for non-qualifying jobs	$1,191
Minimum annual wage required for non-qualifying jobs	$61,920
Investment per Qualifying Job	$22,083,333
Estimated M&O levy without any limit (15 years)	$30,337,200
Estimated M&O levy with Limitation (15 years)	$15,783,400
Estimated gross M&O tax benefit (15 years)	$14,553,800

** 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 Lone Star NGL Asset Holdings II, LLC (modeled).

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	300	431	731	$19,866,660	$36,133,340	$56,000,000
2020	312	496	808	$20,661,326	$45,338,674	$66,000,000
2021	12	104	116	$794,666	$14,205,334	$15,000,000
2022	12	66	78	$794,666	$10,205,334	$11,000,000
2023	12	33	45	$794,666	$7,205,334	$8,000,000
2024	12	18	30	$794,666	$5,205,334	$6,000,000
2025	12	15	27	$794,666	$4,205,334	$5,000,000
2026	12	19	31	$794,666	$4,205,334	$5,000,000
2027	12	26	38	$794,666	$5,205,334	$6,000,000
2028	12	33	45	$794,666	$5,205,334	$6,000,000
2029	12	40	52	$794,666	$6,205,334	$7,000,000
2030	12	46	58	$794,666	$7,205,334	$8,000,000
2031	12	49	61	$794,666	$8,205,334	$9,000,000
2032	12	52	64	$794,666	$8,205,334	$9,000,000
2033	12	54	66	$794,666	$9,205,334	$10,000,000
2034	12	55	67	$794,666	$9,205,334	$10,000,000

Source: CPA REMI, Lone Star NGL Asset Holdings II, 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 ISD M&O and I&S Tax Levies	Chambers County Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2698	1.0600		0.5425	
2021	$265,000,000	$265,000,000		$714,970	$2,809,000	$3,523,970	$1,437,752	$4,961,722
2022	$254,400,000	$254,400,000		$686,371	$2,696,640	$3,383,011	$1,380,242	$4,763,253
2023	$243,800,000	$243,800,000		$657,772	$2,584,280	$3,242,052	$1,322,732	$4,564,784
2024	$233,200,000	$233,200,000		$629,174	$2,471,920	$3,101,094	$1,265,222	$4,366,316
2025	$222,600,000	$222,600,000		$600,575	$2,359,560	$2,960,135	$1,207,712	$4,167,847
2026	$212,000,000	$212,000,000		$571,976	$2,247,200	$2,819,176	$1,150,202	$3,969,378
2027	$201,400,000	$201,400,000		$543,377	$2,134,840	$2,678,217	$1,092,692	$3,770,909
2028	$190,800,000	$190,800,000		$514,778	$2,022,480	$2,537,258	$1,035,182	$3,572,440
2029	$180,200,000	$180,200,000		$486,180	$1,910,120	$2,396,300	$977,671	$3,373,971
2030	$169,600,000	$169,600,000		$457,581	$1,797,760	$2,255,341	$920,161	$3,175,502
2031	$159,000,000	$159,000,000		$428,982	$1,685,400	$2,114,382	$862,651	$2,977,033
2032	$148,400,000	$148,400,000		$400,383	$1,573,040	$1,973,423	$805,141	$2,778,564
2033	$137,800,000	$137,800,000		$371,784	$1,460,680	$1,832,464	$747,631	$2,580,096
2034	$127,200,000	$127,200,000		$343,186	$1,348,320	$1,691,506	$690,121	$2,381,627
2035	$116,600,000	$116,600,000		$314,587	$1,235,960	$1,550,547	$632,611	$2,183,158
			Total	$7,721,676	$30,337,200	$38,058,876	$15,527,724	$53,586,600

Source: CPA, Lone Star NGL Asset Holdings II, 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.

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 ISD M&O and I&S Tax Levies	Chambers County Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2698	1.0600		0.5425	
2021	$265,000,000	$80,000,000		$714,970	$848,000	$1,562,970	$718,876	$2,281,846
2022	$254,400,000	$80,000,000		$686,371	$848,000	$1,534,371	$690,121	$2,224,492
2023	$243,800,000	$80,000,000		$657,772	$848,000	$1,505,772	$661,366	$2,167,138
2024	$233,200,000	$80,000,000		$629,174	$848,000	$1,477,174	$632,611	$2,109,785
2025	$222,600,000	$80,000,000		$600,575	$848,000	$1,448,575	$603,856	$2,052,431
2026	$212,000,000	$80,000,000		$571,976	$848,000	$1,419,976	$575,101	$1,995,077
2027	$201,400,000	$80,000,000		$543,377	$848,000	$1,391,377	$546,346	$1,937,723
2028	$190,800,000	$80,000,000		$514,778	$848,000	$1,362,778	$517,591	$1,880,369
2029	$180,200,000	$80,000,000		$486,180	$848,000	$1,334,180	$488,836	$1,823,015
2030	$169,600,000	$80,000,000		$457,581	$848,000	$1,305,581	$460,081	$1,765,662
2031	$159,000,000	$159,000,000		$428,982	$1,685,400	$2,114,382	$862,651	$2,977,033
2032	$148,400,000	$148,400,000		$400,383	$1,573,040	$1,973,423	$805,141	$2,778,564
2033	$137,800,000	$137,800,000		$371,784	$1,460,680	$1,832,464	$747,631	$2,580,096
2034	$127,200,000	$127,200,000		$343,186	$1,348,320	$1,691,506	$690,121	$2,381,627
2035	$116,600,000	$116,600,000		$314,587	$1,235,960	$1,550,547	$632,611	$2,183,158
			Total	$7,721,676	$15,783,400	$23,505,076	$9,632,940	$33,138,016
			Diff	$0	$14,553,800	$14,553,800	$5,894,784	$20,448,584

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Lone Star NGL Asset Holdings II, 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 Lone Star NGL Asset Holdings II, 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	2018	$0	$0	$0	$0
	2019	$0	$0	$0	$0
	2020	$1,060,000	$1,060,000	$0	$0
Limitation Period (10 Years)	2021	$848,000	$1,908,000	$1,961,000	$1,961,000
	2022	$848,000	$2,756,000	$1,848,640	$3,809,640
	2023	$848,000	$3,604,000	$1,736,280	$5,545,920
	2024	$848,000	$4,452,000	$1,623,920	$7,169,840
	2025	$848,000	$5,300,000	$1,511,560	$8,681,400
	2026	$848,000	$6,148,000	$1,399,200	$10,080,600
	2027	$848,000	$6,996,000	$1,286,840	$11,367,440
	2028	$848,000	$7,844,000	$1,174,480	$12,541,920
	2029	$848,000	$8,692,000	$1,062,120	$13,604,040
	2030	$848,000	$9,540,000	$949,760	$14,553,800
Maintain Viable Presence (5 Years)	2031	$1,685,400	$11,225,400	$0	$14,553,800
	2032	$1,573,040	$12,798,440	$0	$14,553,800
	2033	$1,460,680	$14,259,120	$0	$14,553,800
	2034	$1,348,320	$15,607,440	$0	$14,553,800
	2035	$1,235,960	$16,843,400	$0	$14,553,800
Additional Years as Required by 313.026(c)(1) (10 Years)	2036	$1,123,600	$17,967,000	$0	$14,553,800
	2037	$1,011,240	$18,978,240	$0	$14,553,800
	2038	$898,880	$19,877,120	$0	$14,553,800
	2039	$786,520	$20,663,640	$0	$14,553,800
	2040	$674,160	$21,337,800	$0	$14,553,800
	2041	$561,800	$21,899,600	$0	$14,553,800
	2042	$561,800	$22,461,400	$0	$14,553,800
	2043	$561,800	$23,023,200	$0	$14,553,800
	2044	$561,800	$23,585,000	$0	$14,553,800
	2045	$561,800	$24,146,800	$0	$14,553,800

$24,146,800 is greater than **$14,553,800**

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

Source: CPA, Lone Star NGL Asset Holdings II, 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 Lone Star NGL Asset Holdings II, 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 Lone Star NGL Asset Holdings II, LLC'sTab 5 of their Application for a Limitation on Appraised Value:
  - A. "As the primary available property tax incentive in Texas, a 313 agreement is vital to the proposed Frac VII Plant economics. Approval of such agreement will be an influential factor in determing the establishment of the plant, especially since there are multiple other potential projects presently competing for the same capital expenditures by the company, including possible plants in Louisiana and in New Mexico."
  - B. "In the event a 313 agreement is not permitted, Energy Transfer will relocate Frac VII to another area more financially viable for the continuation of this project. Unfortunately, this would also dismiss Chambers County from receiving the economic benefits associated with the development of an additional natural gas processing plant within their county. It is our goal to reach a 313 value limitation agreement for Frac VII for the benefit of both Chambers County, Texas, and Energy Transfer."
- Per Comptroller research:
  - A. Per the Energy Transfer website they state "The Mont Belvieu storage facility, owned by Lone Star, is an integrated liquids storage facility with over 50 million Bbls of salt dome capacity providing 100% fee-based cash flows. The Mont Belvieu storage facility has access to multiple NGL and refined product pipelines, the Houston Ship Channel, and numerous petrochemical plants, refineries and fractionation facilities."
  - B. In May 2018 Energy Transfer stated in their *2018 MLP & Energy Infrastructure Conference* that…
    - a) "Integrated assets allow solid commercial synergies across entire midstream value chain, including gas, crude and NGLs."

b) they were in the process of expanding their North Texas Pipeline by "approximately 160,000 Mmbtu/d from West Texas for deliveries into Old Ocean. The expansion is expected to be complete by the end of 2018."
c) They are the "fastest growing NGL's business in Mont Belvieu via Lone Star," and "ETP's Lone Star presence in Mont Belvieu combined with its Nederland terminal provide opportunities for multiple growth projects." Therefore, they have the opportunity to "increase fractionation volumes as large NGL fractionation third-party agreements expire."

C. On April 3-4, 2017 Energy Transfer stated in a presentation on page 17 under fractionation and processing that "Frac V expected in-service September 2018," and it had the "ability to build a total of 7 Mont Belvieu fractionators on current footprint."

- Supplemental information provided by applicant:
  A. Energy Transfer is the parent company for ETC Texas Pipeline, LTD and Lone Star Asset Holdings II, LLC. Lone Star Asset Holdings II, LLC is a holding company for their Liquids Transportation and Service Segment.

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

Tab 5

Limitation as a Determining Factor

ETC Texas Pipeline, LTD is a leading midstream company whose primary activities include gathering, treating, processing, and transporting natural gas and natural gas liquids to a variety of markets and states. Currently, Energy Transfer operates over 34,050 miles of pipeline, 32 gas processing plants, 19 gas treating facilities, and 3 gas conditioning plants. The states where these operations are located include Arizona, New Mexico, Utah, Colorado, Kansas, Oklahoma, Texas, Arkansas, and Louisiana.

As the primary available property tax incentive in Texas, a 313 agreement is vital to the proposed Frac VII Plant economics. Approval of such agreement will be an influential factor in determing the establishment of the plant, especially since there are multiple other potential projects presently competing for the same capital expenditures by the company, including possible plants in Louisiana and in New Mexico where similar property tax incentives such as the following are also offered:

- Louisiana offer a 10-year, 100% property tax abatement under that state's Industrial Tax Exemption program as well as additional state sales tax incentives
- New Mexico offers Industrial Revenue Bonds and Job Training incentive programs

The vast footprint of ETC 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. In the event a 313 agreement is not permitted, Energy Transfer will relocate Frac VII to another area more financially viable for the continuation of this project. Unfortunately, this would also dismiss Chambers County from receiving the economic benefits associated with the development of an additional natural gas processing plant within their county. It is our goal to reach a 313 value limitation agreement for Frac VII for the benefit of both Chambers County, Texas, and Energy Transfer.

SIGNIFICANT GEOGRAPHIC FOOTPRINT ACROSS THE FAMILY

Asset Overview

- ETP Assets
- SXL Assets
- Terminals
- Marcus Hook
- Eagle Point
- Nederland
- Midland

Recently In-service & Announced Growth Projects

- Lake Charles LNG
- Dakota Access Pipeline
- Crude Conversion Pipeline
- Comanche Trail Pipeline
- Trans-Pecos Pipeline
- Bayou Bridge
- Rover Pipeline
- Revolution System
- Mariner East Phase 2

1) Represents Sunoco LP retail locations. On April 6, 2017, Sunoco LP announced the partnership will be divesting approximately 1,100 convenience stores to 7-Eleven. Sunoco LP is currently marketing nother 207 convenience stores in North and West Texas, New Mexico and Oklahoma. SUN plans to exit the company-operated convenience store business in the Continental United States during 2017.

Supporting Information

Additional information provided by the Applicant or located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Barbers Hill CISD– Lone Star Asset Holdings II, LLC App. #1298

Comptroller Questions (via email on January 1, 2019):

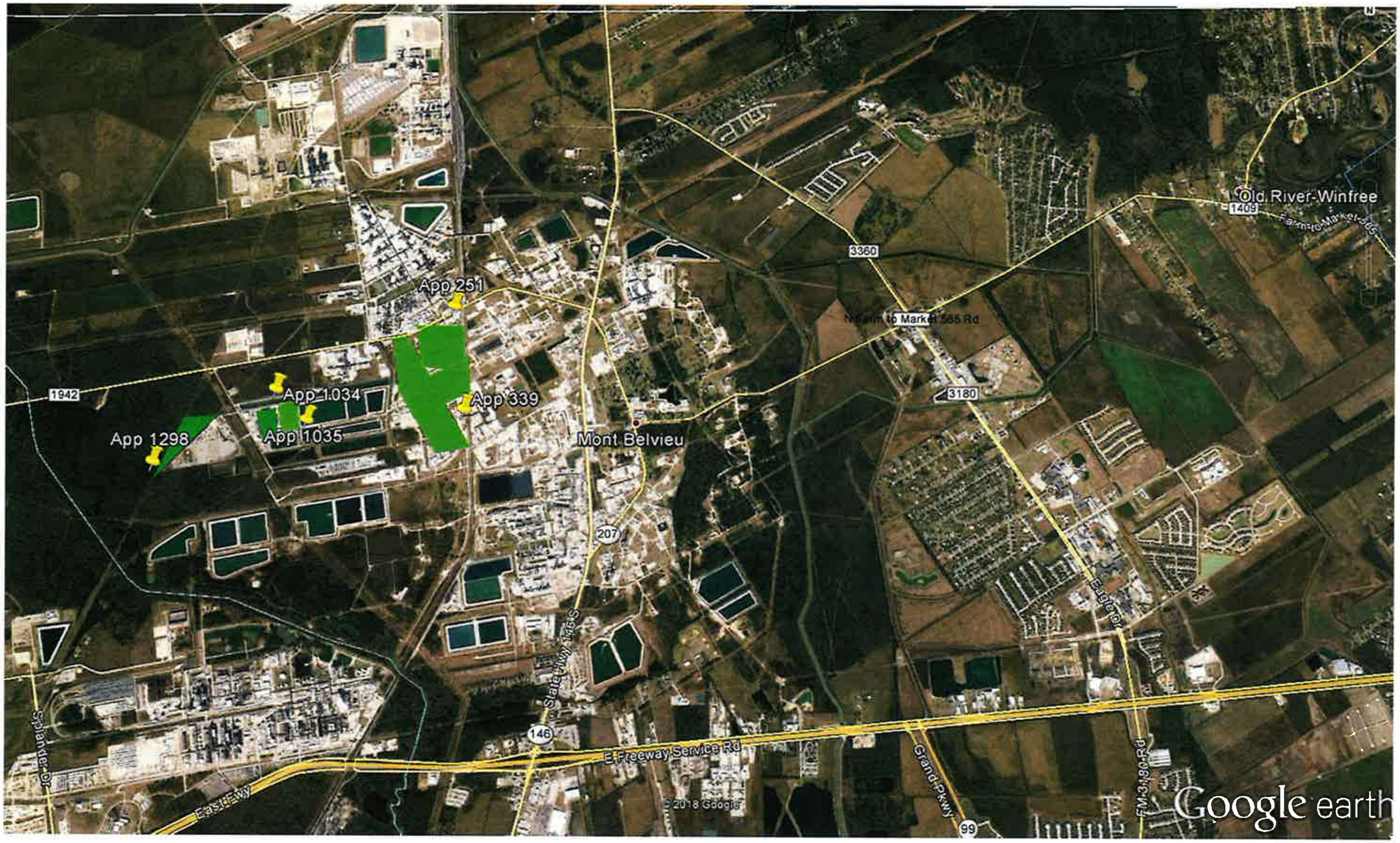
1. What is the relation between ETC Texas Pipeline, LTD, Energy Transfer, and Lone Star NGL Asset Holdings II, LLC

Applicant Response (via email on January 1, 2019):

1. Energy Transfer is the parent company for ETC Texas Pipeline, LTD and Lone Star Asset Holdings II, LLC.

   Lone Star Asset Holdings II, LLC is a holding company for their Liquids Transportation and Service Segment.

Proximity Map



ENERGY TRANSFER

Forbes | 2018 AMERICA'S BEST LARGE EMPLOYERS

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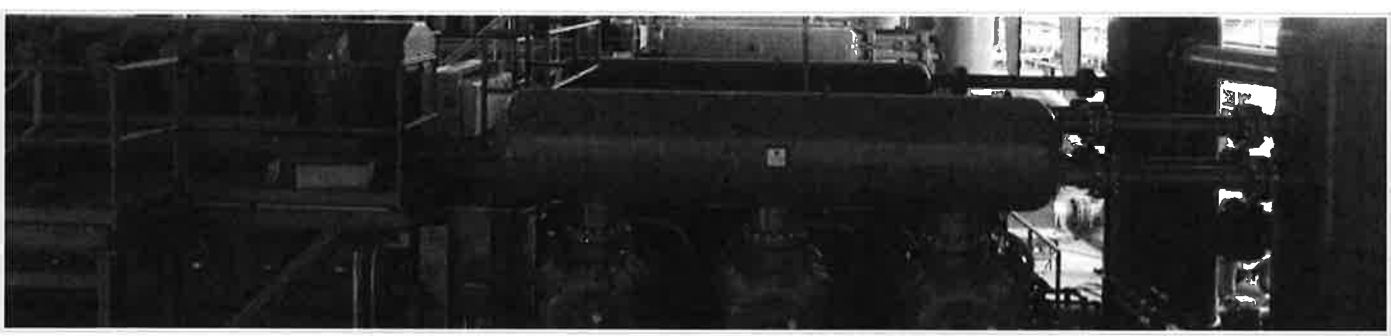


LIQUIDS TRANSPORTATION AND SERVICES SEGMENT

Natural Gas Liquids (NGLs) pipelines transport demethanized mix (Y-grade or raw make) from natural gas processing plants to fractionation plants and storage facilities. NGL fractionators separate Y-grade into purity products. Those purity products typically include ethane, propane, iso-butane, normal butane and natural gasoline. NGL storage facilities store Y-grade, purity products and petrochemical feedstocks in underground salt caverns. These products are staged to meet the needs of their customers.

Through our liquids transportation and services segment, we own: approximately 3,181 miles of NGL pipelines with an aggregate transportation capacity of approximately 977,000 Bbls/d; four NGL fractionators and a propane de-ethanizer in Mont Belvieu and fractionators at King Ranch and Geismar, LA, with an aggregate capacity of 545,000

Bbls/d; and NGL storage facilities in Mont Belvieu and Hattiesburg with aggregate working storage capacity of approximately 53 million Bbls. The NGL pipelines primarily transport NGLs from the Permian, Delaware, Barnett and Eagle Ford Basins to Mont Belvieu.

Liquids transportation revenue is principally generated from fees charged to customers under dedicated or take-or-pay contracts. Under a dedicated contract, the customer agrees to deliver the total output from particular processing plants that are connected to the NGL pipeline. Take-or-pay contracts have minimum throughput commitments requiring the customer to pay regardless of whether volume is transported or not.

NGL fractionation revenue is principally generated from fees charged to customers under take-or-pay contracts. Take-or-pay contracts have minimum payment obligations for throughput commitments requiring the customer to pay regardless of whether a fixed volume raw make is fractionated into purity products or not. Fractionation fees are market-based and are negotiated with customers at rates competitive with other Gulf Coast fractionators.

This segment also includes revenues earned from marketing NGLs.

NGL storage revenues are derived from base storage fees and throughput fees. Base storage fees are firm contracts based on the reserved storage capacity, regardless of the capacity actually used. Fees are also charged for the receipt and delivery of products, loading and unloading and for in-well transfers.

The following details our assets in the liquids transportation and services segment. Certain assets, as discussed below, are owned by ETC/Lone Star in which we have a 100% interest.

Lone Star Express

- Capacity of 507,000 Bbls/d
- Approximately 532 miles of NGL transmission pipelines

The Lone Star Express System, owned by Lone Star, is an interstate NGL pipeline consisting of 24-inch and 30-inch long-haul, mixed NGLs transportation pipeline that can deliver up to 507,000 Bbls/d of capacity from processing plants in the Permian Basin and Barnett Shale to Mont Belvieu NGL storage and fractionation facilities.

West Texas Gateway Pipeline

- Capacity of 240,000 Bbls/d
- Approximately 570 miles of NGL transmission pipeline

The West Texas Gateway Pipeline, owned by Lone Star, began service in December 2012 and transports NGLs produced in the Permian and Delaware Basins and the Eagle Ford Shale to Mont Belvieu, Texas.

Justice Pipeline

- Capacity of 375,000 Bbls/d
- Approximately 127 miles of NGL transmission pipeline

Other NGL Pipelines

- Aggregate capacity of 150,000 Bbls/d
- Approximately 147 miles of NGL transmission pipelines

Other NGL pipelines include the 87-mile Liberty pipeline with a capacity of 140,000 Bbls/d, the 45-mile Freedom pipeline with a capacity of 56,000 Bbls/d and the 15-mile Spirit pipeline with a capacity of 20,000 Bbls/d.

Mont Belvieu Facilities

- Working storage capacity of approximately 50 million Bbls
- Approximately 185 miles of NGL transmission pipelines
- 520,000 Bbls/d NGL and propane fractionation facilities

The Mont Belvieu storage facility, owned by Lone Star, is an integrated liquids storage facility with over 50 million Bbls of salt dome capacity providing 100% fee-based cash flows. The Mont Belvieu storage facility has access to multiple NGL and refined product pipelines, the Houston Ship Channel, and numerous petrochemical plants, refineries and fractionation facilities.

Hattiesburg Storage Facility

- Working storage capacity of approximately 3.0 million Bbls

The Hattiesburg storage facility, owned by Lone Star, is an integrated liquids storage facility with approximately 3.0 million Bbls of salt dome capacity, providing 100% fee-based cash flows. The facility has a 22 spot rail unloading and loading facility and six truck bays.

Sea Robin Processing Plant

- One processing plant with 320 MMcf/d residue capacity and 9,000 Bbls/d NGL capacity
- 18.5% non-operating interest held by Lone Star

Sea Robin is a rich gas processing plant located on the Sea Robin Pipeline in southern Louisiana. The plant, which is connected to nine interstate and four intrastate residue pipelines as well as various deep-water production fields, has a residue capacity of 320 MMcf/d and an NGL capacity of 9,000 Bbls/d.

Refinery Services

- One processing plant (Chalmette) with capacity of 54 MMcf/d
- One NGL fractionator with 25,000 Bbls/d capacity
- Approximately 85 miles of NGL pipelines

The Refinery Services segment consists of a refinery off-gas processing and O-grade NGL fractionation complex located along the Mississippi River refinery corridor in southern Louisiana that cryogenically processes refinery off-gas and fractionates the O-grade NGL stream into its higher value components. The O-grade fractionator located in Geismar, Louisiana is connected by approximately 80 miles of pipeline to the Chalmette processing plant with a lateral into Convent. The Geismar fractionator also receives and processes up to 2,000 bpd of raw mix via tank truck. Raw Mix specifications are below.

Lone Star Contacts

NGL Transportation and Fractionation:

Mark McKee	713-989-2773

NGL and Refined Products Storage:

Valerie White	713-989-2729

Refinery Services:

Brian Webb	713-989-2319

Butane Blending Contacts

To learn more about our patented Automated Butane Blending System, click **here**.

Dan Myers	281-637-6522
Charles Maier	267-521-8915

To view the applicable Lone Star NGL Tariffs and product specifications, please click on the links below.

- West Texas Pipeline Intrastate Service Tariff 124 (Currently Effective)
- Intrastate General Rules and Regulations Tariff (West Texas Pipeline)
- Intrastate Service Tariff (Hastings Pipeline)
- FERC Tariff No. 1.1.0 - Rules and Regulations (Currently Effective)
- FERC Tariff No. 2.9.0 – Rates (Currently Effective)
- Y-Grade Specifications
- Purity Product Specifications
- Refinery Services Trucked-in Product Specifications
- Refinery Services Butane Mix, Isobutane Mix, and Pentanes Plus Mix Specifications
- Justice Pipeline Intrastate Service Tariff 107.2 (Currently Effective)

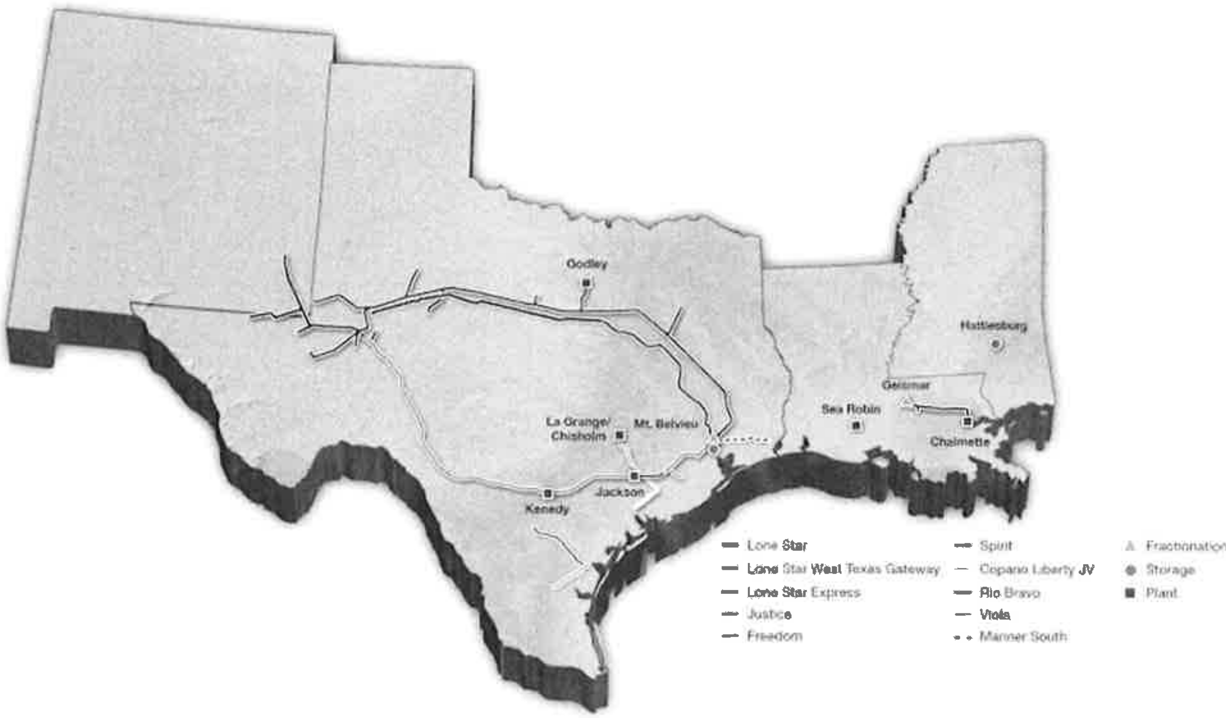
ETC NGL Contacts

NGL Transportation:

Mark McKee	713-989-2773

To view the current ETC NGL Pipeline Tariffs and product specifications, please click on the links below.

- Freedom Pipeline Intrastate Service Tariff 106.1 (Currently Effective)
- Intrastate General Rules and Regulations Tariff
- Y-Grade Specifications



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Operations

Sunoco Logistics

ENERGY TRANSFER

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

Mizuho Energy
Infrastructure Summit
April 3-4, 2017

Forward-Looking Statements

This presentation relates to a presentation that the management of Energy Transfer Equity, L.P. (ETE) and Energy Transfer Partners, L.P. (ETP) will give to analysts on April 3 and 4, 2017. At the meeting, members of the Partnerships' management may make statements about future events, outlook and expectations related to Energy Transfer Partners, L.P. (ETP), Sunoco Logistics Partners L.P. (SXL), Panhandle Eastern Pipe Line Company, LP (PEPL), Sunoco LP (SUN), PennTex Midstream Partners, LP (PennTex) 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.

Additional Information and Where to Find It

This presentation does not constitute an offer to buy or solicitation of an offer to sell any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended. This presentation relates to a proposed merger between ETP and SXL. In furtherance of the proposed merger and subject to future developments, SXL has filed a registration statement on Form S-4 with the U.S. Securities and Exchange Commission ("SEC") and a proxy statement/prospectus of SXL and other documents related to the proposed merger. This communication is not a substitute for any registration statement, proxy statement/prospectus or other document ETP or SXL may file with the SEC in connection with the proposed merger. The registration statement of SXL was declared effective by the SEC on March 24, 2017. INVESTORS AND SECURITY HOLDERS OF ETP AND SXL ARE URGED TO READ THE REGISTRATION STATEMENT, PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS THAT HAVE BEEN OR MAY BE FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY AS THEY CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED MERGER. The definitive proxy statement/prospectus has been mailed to ETP unitholders.

These documents 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 may 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, 2016, which was filed with the SEC on February 24, 2017. Information regarding the directors and executive officers of ETP is contained in ETP's Form 10-K for the year ended December 31, 2016, which was filed with the SEC on February 24, 2017. 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.

Key Transaction Highlights

Sunoco Logistics Partners L.P. ("SXL") and Energy Transfer Partners, L.P. ("ETP") have entered into a merger agreement providing for the acquisition of ETP by SXL in a unit-for-unit transaction

- 1.500 SXL common units for each ETP unit, implying a price of $39.29 per unit based on SXL's closing price immediately prior to the announcement of the transaction
- That price represents a 10% premium to the volume weighted average price of ETP's common units for the last 30 trading days immediately prior to the announcement of the transaction

SXL will assume ETP outstanding debt

- No change of control triggered in ETP's existing notes

Expected to be immediately accretive to SXL's distributable cash flow and distribution per unit

Expected to allow the combined partnership to be in position to achieve near-term distribution increases in the low double digits and a more than 1.0x distribution coverage ratio

SXL's IDR structure survives following the transaction

- Existing SXL and ETP IDR subsidies remain in place

SXL Common Units and Class B Units held by ETP are retired

- ETP Class H units held by ETE are retired, with ETE owning 100% of the pro forma company's GP / IDRs

Transaction subject to customary approvals

- SXL's registration statement on Form S-4 was declared effective by the SEC on March 24, 2017
- ETP filed its definitive proxy statement with the SEC on March 24, 2017
- The special meeting of ETP unitholders will be held on April 26, 2017
- Expect transaction to close in April, shortly after receipt of the ETP unitholder vote
- In the event that the transaction does not close prior to the distribution record date for the Q1 2017 distribution, ETP expects to reduce its distribution to the equivalent level that would replicate the SXL distribution as if the merger had occurred

Combined company to be called Energy Transfer Partners, L.P.

CEO, President, CFO and Chief Commercial Officer of combined company will be Kelcy Warren, Matt Ramsey, Tom Long and Mackie McCrea, respectively

Mike Hennigan and other members of the SXL management team will continue in leading management roles of the combined company with SXL business remaining headquartered in Philadelphia

TRANSACTION CREATES ONE OF THE LARGEST MLPS BY ENTERPRISE VALUE AND UNLOCKS VALUE THROUGH LIQUIDS INTEGRATION OPPORTUNITIES

) *All ETP common unitholders of record as of the close of business on February 27, 2017, which is the record date for the special meeting, will be entitled to vote their common units at the special meeting*

Key Transaction Highlights

EXPANDS STRATEGIC FOOTPRINT

- Unique opportunity to extend SXL's strategic footprint further upstream to vertically integrate its NGL and crude businesses and realize potential benefits of consolidating additional volumes
- Potential benefits of additional scale and scope of business, including diversification of basin and product exposures

ENHANCED ABILITY TO PURSUE CONTINUED GROWTH

- Enhanced ability to manage risk associated with large-scale investment opportunities
- Strong access to capital markets
- Maintain investment grade metrics and attractive funding costs
- Existing IDR subsidies remain

COMMERCIAL SYNERGIES AND INTEGRATION OPPORTUNITIES

- Ability to capitalize on commercial synergies between the businesses and realize potential cost synergies not available as separate entities
- Significant commercial synergies related to Permian basin, Marcellus / Utica basin, and Gulf Coast platforms
- Complementary businesses create tremendous value that mitigate commodity price headwinds

STRONG PRO FORMA FINANCIAL PROFILE

- Immediately accretive to SXL distributable cash flow and distributions per unit
- Expect to achieve near-term distribution increases in low double digits with a more than 1.0x distribution coverage ratio
- Investment grade credit profile
- Simplified structure

A "WIN-WIN" FOR ALL STAKEHOLDERS

Strategic Rationale

SXL

- Expands SXL's strategic footprint and integrates the NGL business closer to the wellhead
  - More closely aligns ETP's NGL growth plans with SXL's
- Increased scale and scope of business
- Complementary geographic asset bases
- Additional diversification and enhanced ability to manage risk and large-scale investment opportunities
- Enhanced ability to offer wider range of services to the market

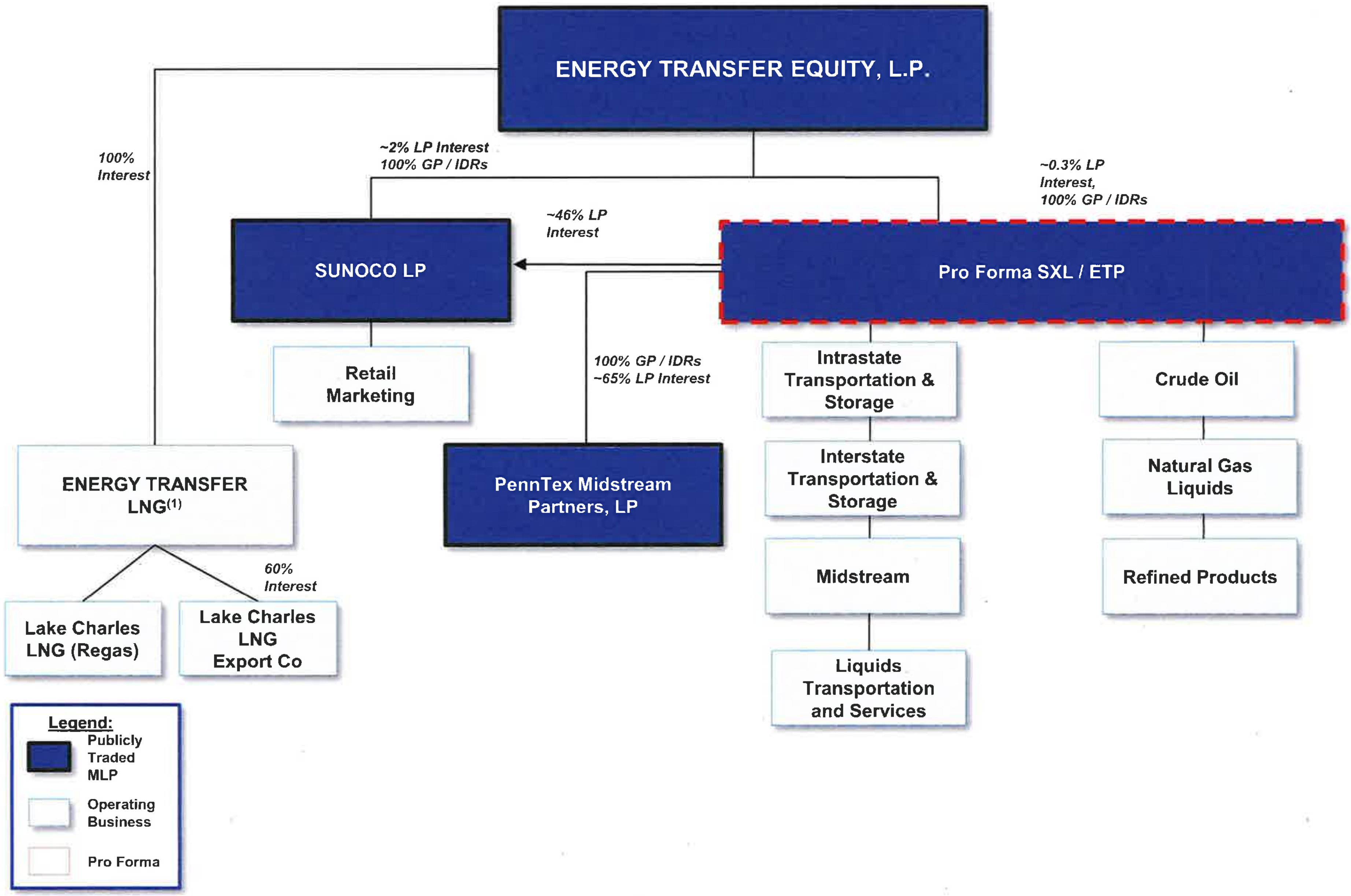
ETP

- Preserves cash for debt reduction and growth capital funding through implied distribution reduction
  - Creates the ability to accelerate deleveraging
- Increased diversification through the combination of ETP's primarily gas focused and SXL's primarily liquids focused businesses
- Without this transaction, ETP would need to consider a distribution reduction in the range of 15-25%, subject to a number of assumptions, in order to reduce leverage and increase distribution coverage to strengthen ETP's financial health and future cash distribution growth profile
- With this transaction, current ETP unitholders will participate in the expected cash distribution growth of the combined company

Benefits to Both Entities

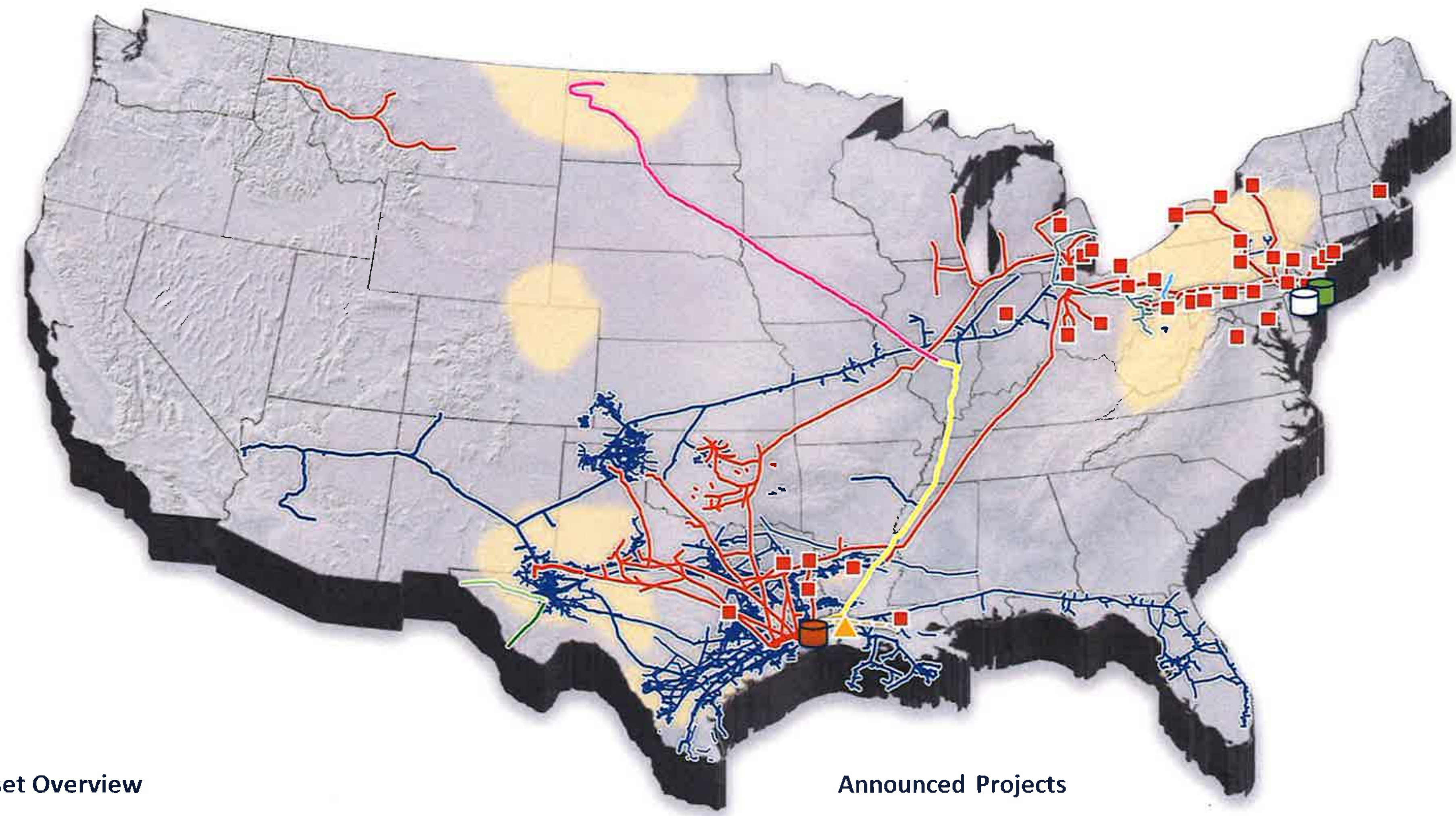
- Combination allows for more efficient capitalization of commercial synergies
- Combination allows for cost reductions across the two companies
- Transaction represents another large step in ETE's simplification of the family of partnerships

Pro Forma Energy Transfer Family Organizational Structure



(1) Owner and operator of LNG Regasification facility in Lake Charles, LA and expected nucleus of new stand-alone MLP.

Diversified Asset Base Across North America Drives Opportunity



Asset Overview

- ETP Assets
- SXL Assets
- Terminals
- Marcus Hook
- Eagle Point
- Nederland

Announced Projects

- Lake Charles LNG
- Dakota Access Pipeline
- Crude Conversion Pipeline
- Comanche Trail Pipeline
- Trans-Pecos Pipeline
- Bayou Bridge
- Rover Pipeline
- Revolution System
- Mariner East Phase 2

Fully Integrated Platform Spanning the Entire Midstream Value Chain

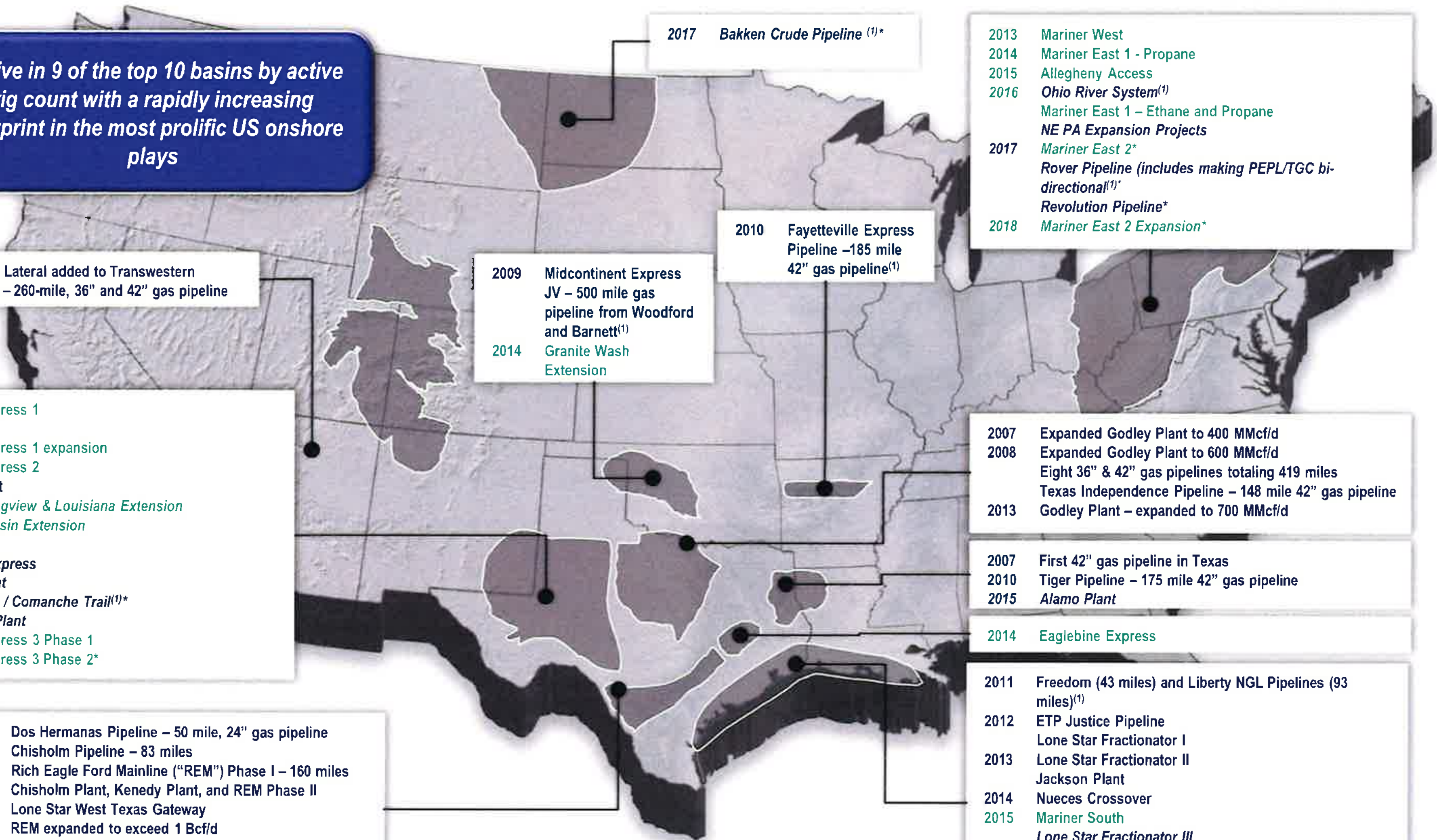
Involvement in Major Midstream Themes Across the Best Basins and Logistics Hubs

	Franchise Strengths	Opportunities
Interstate Natural Gas T&S	• Access to multiple shale plays, storage facilities and markets • Approximately 95% of revenue from reservation fee contracts • Well-positioned to capitalize on changing market dynamics • Key assets: PEPL, FGT, Transwestern, Trunkline, Tiger, MEP	• Marcellus natural gas takeaway to the Midwest, Gulf Coast, and Canada • Backhaul to LNG exports and new petrochemical demand on Gulf Coast
Intrastate Natural Gas T&S	• Well-positioned to capture additional revenues from anticipated changes in natural gas supply and demand • Largest intrastate natural gas pipeline and storage system on the Gulf Coast • Key assets: ET Fuel Pipeline, Oasis Pipeline, Houston Pipeline System, ETC Pipeline	• Natural gas exports to Mexico • Additional demand from LNG and petrochemical development on Gulf Coast
Midstream	• ~33,000 miles of gathering pipelines with ~6.7 Bcf/d of processing capacity • Projects placed in-service underpinned by long-term, fee-based contracts	• Gathering and processing build out in Texas and Marcellus • Synergies with ETP downstream assets • Significant growth projects ramping up to full capacity over the next two years
Lone Star NGL	• World-class integrated platform for processing, transporting, fractionating, storing and exporting NGLs • Fastest growing NGLs business in Mont Belvieu • Liquids volumes from our midstream segment culminate in the ETE family's Mont Belvieu / Mariner South / Nederland Gulf Coast Complex	• Increased volumes from transporting and fractionating volumes from Permian/Delaware and Midcontinent basins • Increased fractionation volumes as large NGL fractionation third-party agreements expire
Liquids Transportation & Services	• Bakken Crude Oil pipeline supported by long-term, fee-based contracts; expandable to 570,000 bpd with incremental pumps • Mariner East provides significant Appalachian liquids takeaway capacity connecting NGL volumes to local, regional and international markets via Marcus Hook	• Bakken crude takeaway to Gulf Coast refineries • Permian crude, condensate and NGL takeaway • NGL optimization in the Marcellus / Utica basin • Marcellus / Utica NGL takeaway pipelines

Organic Growth Enhances the Combined Entity's Strong Foothold in the Most Prolific Producing Basins

ETP Projects
SXL Projects

Active in 9 of the top 10 basins by active rig count with a rapidly increasing footprint in the most prolific US onshore plays



2017 *Bakken Crude Pipeline* (1)*

2013 Mariner West
2014 Mariner East 1 - Propane
2015 Allegheny Access
2016 *Ohio River System*(1)
Mariner East 1 – Ethane and Propane
NE PA Expansion Projects
2017 *Mariner East 2**
Rover Pipeline (includes making PEPL/TGC bi-directional)(1)*
*Revolution Pipeline**
2018 *Mariner East 2 Expansion**

2010 Fayetteville Express Pipeline –185 mile 42" gas pipeline(1)

2009 Midcontinent Express JV – 500 mile gas pipeline from Woodford and Barnett(1)
2014 Granite Wash Extension

2009 Phoenix Lateral added to Transwestern pipeline – 260-mile, 36" and 42" gas pipeline

2013 Permian Express 1
2014 Rebel Plant
Permian Express 1 expansion
2015 Permian Express 2
Mi Vida Plant
2016 *Permian Longview & Louisiana Extension*
Delaware Basin Extension
Orla Plant
Lone Star Express
2017 *Panther Plant*
Trans-Pecos / Comanche Trail(1)*
Arrowhead Plant
Permian Express 3 Phase 1
2018 Permian Express 3 Phase 2*

2007 Expanded Godley Plant to 400 MMcf/d
2008 Expanded Godley Plant to 600 MMcf/d
Eight 36" & 42" gas pipelines totaling 419 miles
Texas Independence Pipeline – 148 mile 42" gas pipeline
2013 Godley Plant – expanded to 700 MMcf/d

2007 First 42" gas pipeline in Texas
2010 Tiger Pipeline – 175 mile 42" gas pipeline
2015 *Alamo Plant*

2014 Eaglebine Express

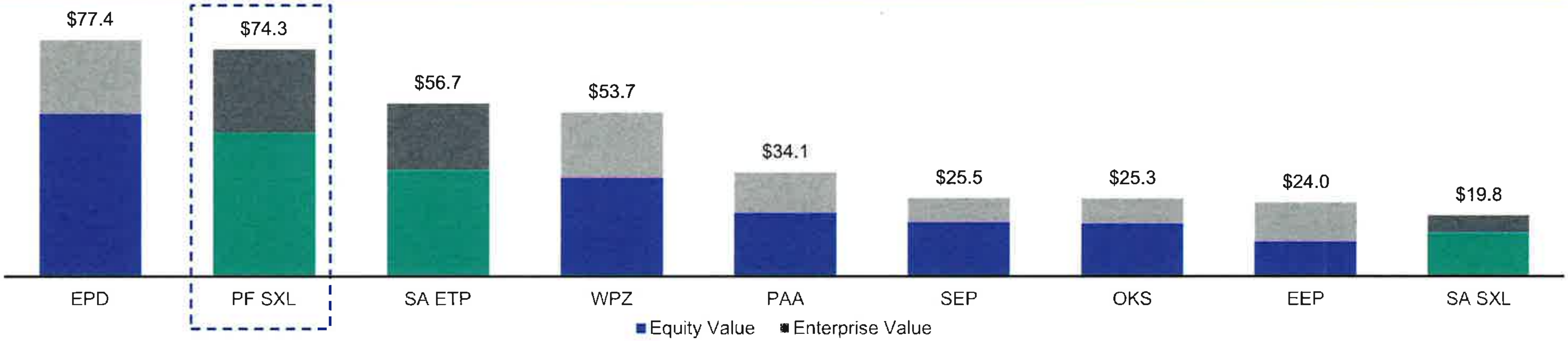
2010 Dos Hermanas Pipeline – 50 mile, 24" gas pipeline
2011 Chisholm Pipeline – 83 miles
Rich Eagle Ford Mainline ("REM") Phase I – 160 miles
2012 Chisholm Plant, Kenedy Plant, and REM Phase II
Lone Star West Texas Gateway
2014 REM expanded to exceed 1 Bcf/d
Rio Bravo Crude Conversion
Eagle Ford Expansion Project
2015 Kenedy II Plant (REM II)

2011 Freedom (43 miles) and Liberty NGL Pipelines (93 miles)(1)
2012 ETP Justice Pipeline
Lone Star Fractionator I
2013 Lone Star Fractionator II
Jackson Plant
2014 Nueces Crossover
2015 Mariner South
Lone Star Fractionator III
2016 *Lone Star Fractionator IV*
Bayou Bridge Phase I(1)
2017 *Bayou Bridge Phase II*(1)*
2018 *Lone Star Fractionator V**
2020+ *Lake Charles LNG Facility (60% ETE/40% ETP)**

* *Growth project under development*
(1) Joint venture.

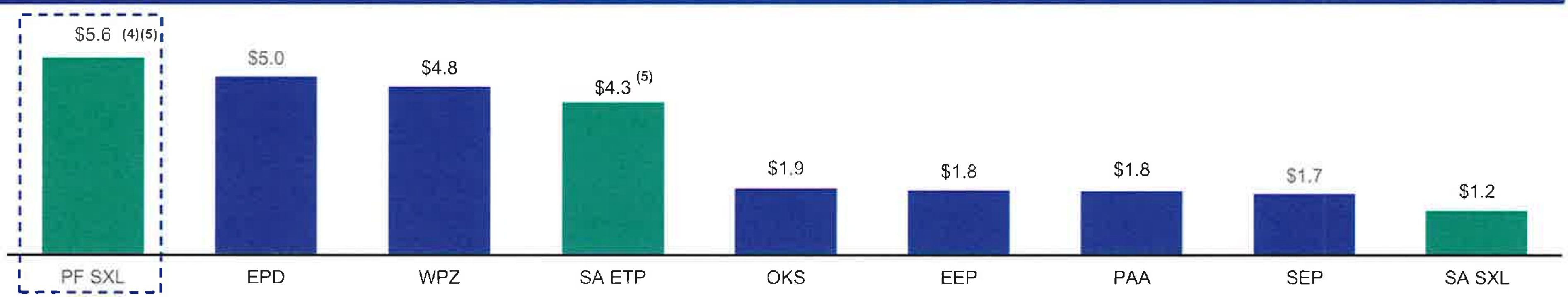
One of the Largest and Most Dynamic Midstream MLPs

Enterprise Value ($bn)(1)(2)



Credit Rating:	EPD	PF SXL	SA ETP	WPZ	PAA	SEP	OKS	EEP	SA SXL
	Baa1/ BBB+/ BBB+		Baa3/ BBB-/ BBB-	Baa3/ BBB-/ BBB-	Baa3/ BBB-/ BBB	Baa2/ BBB/ BBB	Baa2/ BBB/ NR	Baa3/ BBB/ NR	Baa3/ BBB/ BBB

Q3 2016 Annualized Adjusted EBITDA ($bn)(3)



(1) Enterprise Value includes GP value. Private GP value calculated as LP equity value / (1 – Gross GP / IDR Take Percentage) * (Gross GP / IDR Take Percentage). Pro forma SXL calculated using the exchange ratio of 1.500x and SXL unit price as of 11/18/2016. Excludes Midstream C-Corps.
(2) Market data as of 11/18/16.
(3) Annualized adjusted EBITDA amounts derived from respective quarterly SEC filings of each company and multiplied by four. Reconciliations of the quarterly EBITDA amounts for each company to generally accepted accounting principle metrics can be found in the respective SEC filings for each company.
(4) Pro forma annualized adjusted EBITDA for SXL derived from historical adjusted EBITDA for each of SXL and ETP for the 3rd quarter of 2016. As a result, this pro forma adjusted EBITDA does not reflect any pro forma adjustments related to the proposed transaction between SXL and ETP.
(5) ETP standalone EBITDA excludes investment in Sunoco Logistics.

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

Proven Track Records of Successful Integration

- SXL and ETP's management teams have proven track records of successfully integrating acquisitions:

LDH ENERGY	Southern Union Company	Southern Union Gas Services	SUNOCO	SUSSER Holdings Corporation	REGENCY
2011	2012	2012	2012	2014	2015

- Knowledge of respective assets and businesses will facilitate a smooth integration of:
  - Operations
  - Commercial
  - Risk Management
  - Finance / Accounting
  - Information Technology

- Integration plan expected to be substantially complete by the time transaction closes

Key Takeaways

- **SXL/ETP becomes the second largest MLP**
  - Pro forma SXL becomes a fully integrated midstream / liquids platform across North America with more than 71,000 miles of pipeline
  - Operations in major high-growth oil and gas shales and basins, including Permian, Eagle Ford, Panhandle and Marcellus / Utica

SXL benefits from further diversified basin exposure and enhanced liquids integration

- **The transaction creates benefits for current ETP unitholders**
  - Long-term value potential from improved distribution growth profile and strong coverage
  - Larger float and enhanced access to capital markets for larger pro forma entity

This transaction will make ETP stronger and better positioned for future strategic opportunities

- **ETE benefits from size and strength of SXL's more diversified platform**
  - A stronger MLP creates a stronger GP
  - Clearly identified commercial synergy opportunities and cost saving initiatives
  - Step toward simplifying ETE family structure

ETE benefits from a larger, combined underlying MLP

Transaction Timeline

- **Integration plan will result in one functional organization at closing**

November 2016
- Sign Agreement
- Announce transaction
- Begin drafting Proxy / registration statement
- Begin regulatory approval process

March 24, 2017
Proxy statement / S-4 registration statement declared effective by the SEC and filed definitive proxy statement with the SEC

April 26, 2017
Special meeting of ETP unitholders

April 2017
Transaction close [2]

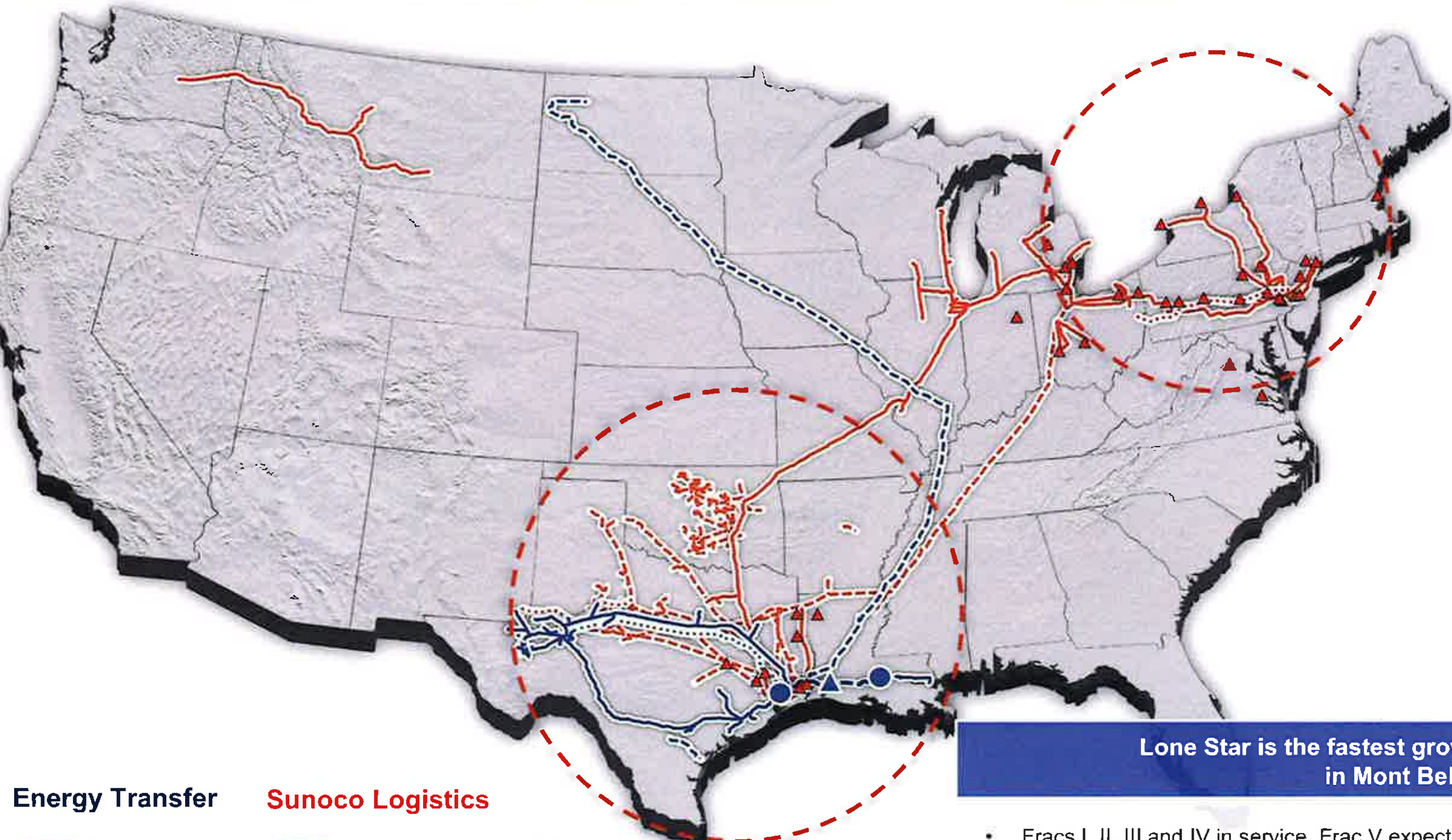
In the event that the transaction does not close prior to the distribution record date for the Q1 2017 distribution, ETP expects to reduce its distribution to the equivalent level that would replicate the SXL distribution as if the merger had occurred

) Record date for special meeting was February 27, 2017
) Expected shortly after receipt of ETP unitholder vote

Liquids Integration Opportunities

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



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

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

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

Lone Star is the fastest growing NGLs business in Mont Belvieu

- Fracs I, II, III and IV in service. Frac V expected in-service September 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 53mm bpd
- 210,000 bpd LPG export terminal
- 80,000 bpd of diluent export capacity

(1) Via joint ventures

ETP NGL Transportation & Services

NGL Storage

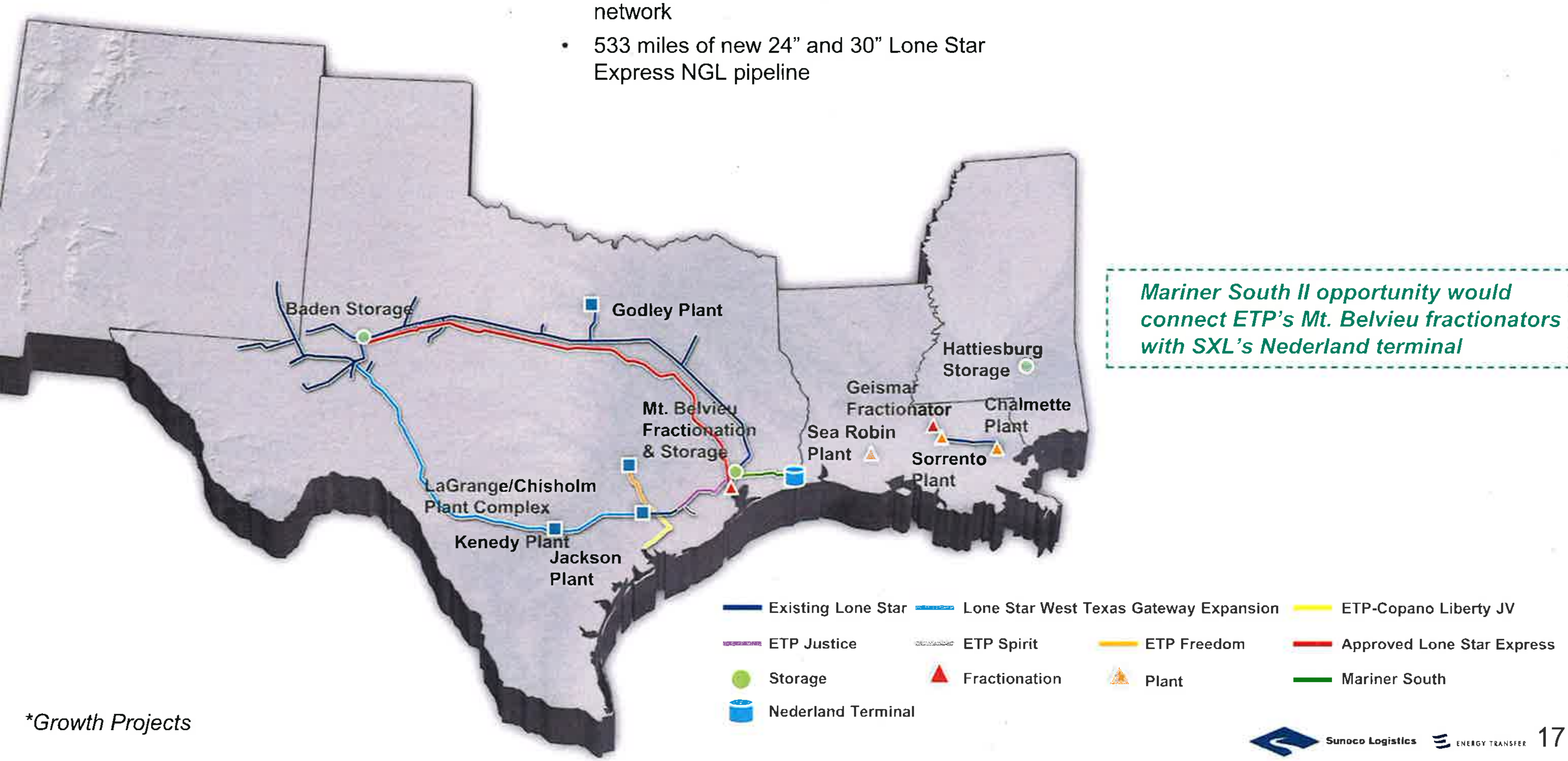
- ~53 million barrels NGL storage
- Permitted to drill additional 8 caverns*

Pipeline Transportation

- 2,000+ miles of NGL Pipelines
- ~ 580 Mbpd of raw make transport capacity
- Expanding capacity to 935 Mbpd
- 210 Mbpd LPG export terminal
- 80 Mbpd of Diluent export capacity
- Extensive Houston Ship Channel pipeline network
- 533 miles of new 24" and 30" Lone Star Express NGL pipeline

Fractionation and Processing

- Four fractionators at Mont Belvieu with a total capacity of 420,000 bpd
- Frac V expected in-service September 2018
- Ability to build a total of 7 Mont Belvieu fractionators on current footprint*



Mariner South II opportunity would connect ETP's Mt. Belvieu fractionators with SXL's Nederland terminal

*Growth Projects

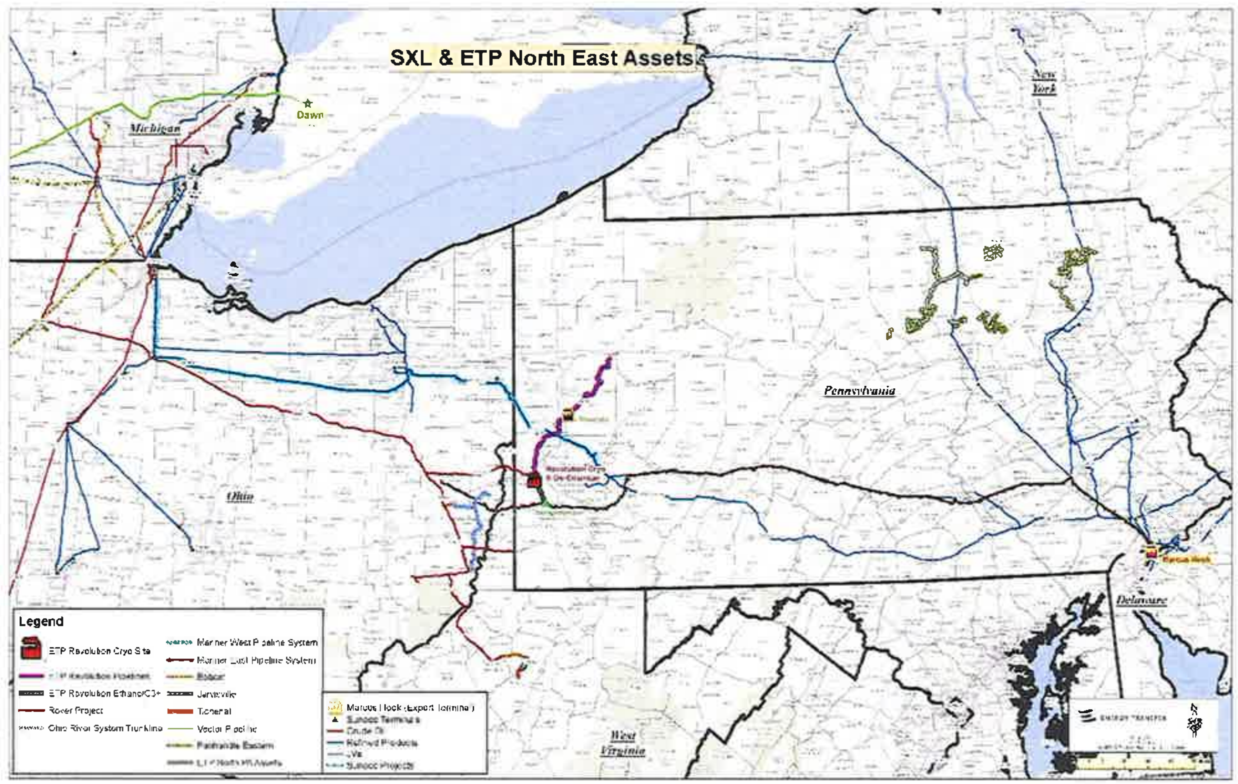
Mariner Franchise & Revolution System Projects

Project Details

- System is located in Pennsylvania's Marcellus/Utica Shale rich-gas area
- Rich-gas, complete solution system
- Currently 20 miles of 16" in-service
- Build out assets will include:
  - 110 miles of 20", 24" & 30" gathering pipelines
  - Cryogenic processing plant with de-ethanizer
  - Natural gas residue pipeline with direct connect to ETP's Rover pipeline
  - Purity ethane pipeline to SXL's Mariner East system
  - C3+ pipeline and storage to SXL's Mariner East system
  - Fractionation facility located at SXL's Marcus Hook facility
- Expected in-service Q4 2017

- ***Opportunity to connect ETP's Revolution system to SXL's Mariner East system to move additional NGL volumes out of the Marcellus / Utica***
- ***Potential to increase product flows to SXL's Marcus Hook***

Revolution Project Map



Bayou Bridge Pipeline Project

Project Details

- Crude oil transportation – joint venture between Phillips 66 Partners (40%), SXL (30% operator) and ETP (30%)
  - Phillips 66 Partners = construction manager for segment 1 – Nederland to Lake Charles, Louisiana
  - ETP = construction manager for segment 2 – Lake Charles to St. James, Louisiana
- 30" Nederland to Lake Charles segment went into service in April 2016
- 24" St. James segment expected in-service fourth quarter of 2017
- Light and heavy crude service

Project highlights synergistic nature of ETP and SXL crude platforms and creates additional growth opportunities and market diversification

Bayou Bridge Project Map

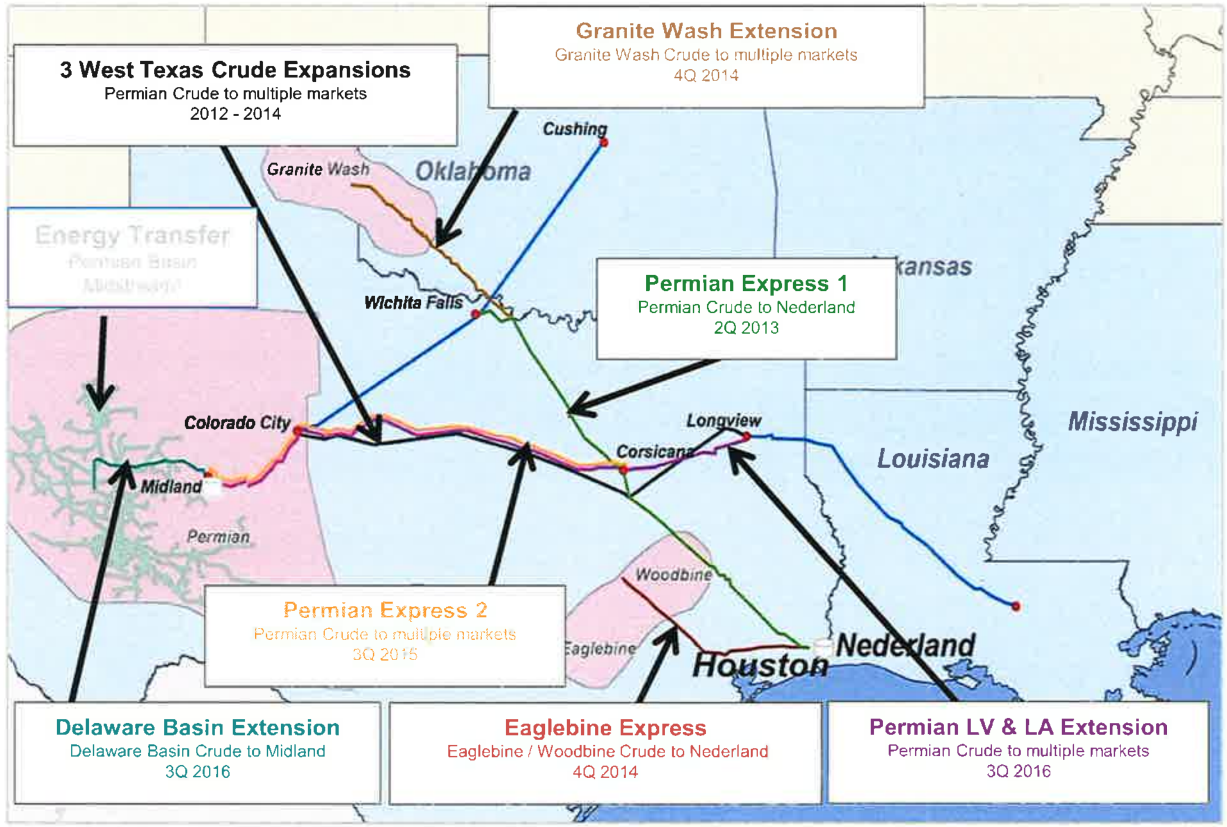
Permian Crude Gathering and Mainline

Integration Potential

- **Pecos Crossing System**
  - System Capacity: 100,000 bpd
  - Currently flowing: ~40,000 bpd
  - Adding interconnect to Advantage Pipeline for access to Houston markets
- **Delaware Gathering Expansion**
  - 3 new oil gathering systems consisting of 130 miles of pipeline in Reeves, Loving and Lea Counties
  - Total Capacity: 120,000 bpd
  - Delivery into SXL's new Delaware Basin Expansion Project

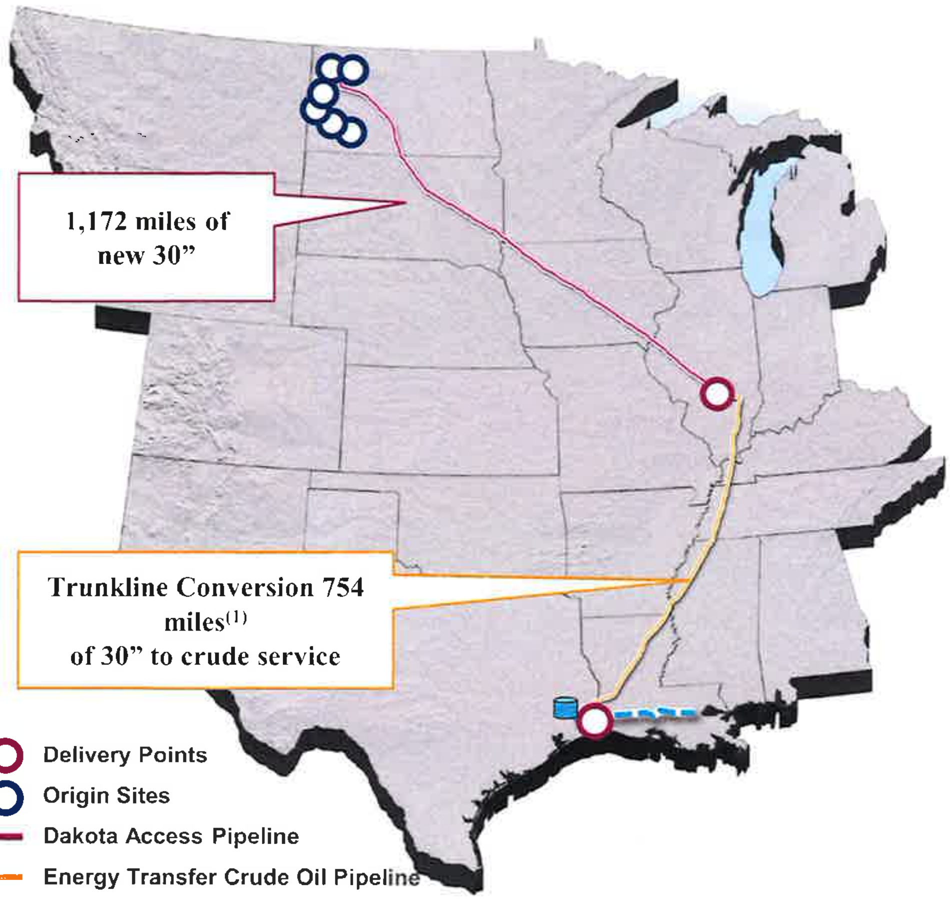
- ***Better opportunity to fill capacity on underutilized pipelines***
- ***SXL's Delaware Basin Pipeline has ability to expand by 100 MBPD***
- ***ETP has an idle 12" 100 MBPD pipeline in the basin***
- ***ETP's gathering system is very synergistic with SXL's recently acquired Midland crude oil platform***

Permian Crude Assets



(1) Includes gas and crude gathering assets

Bakken Pipeline



Project Name	Asset Type	Miles	Project Cost ($bn)	Ready for Service	Average Contract Duration
[2] Dakota Access	Crude pipelines	1,172	$4.8	2Q 2017	9 yrs
[2] ETCO Pipeline	Crude pipelines	754[1]			

Project Details

- Dakota Access Pipeline will connect Bakken production to Patoka, IL with interconnection to Energy Transfer Crude Oil Pipeline (Trunkline conversion) to reach Nederland and the Gulf Coast
  - Supported by long-term, fee-based contracts with large, creditworthy counterparties
  - Currently expected to deliver in excess of 470,000 barrels per day
  - Expandable to 570,000 barrels per day

Project highlights synergistic nature of ETP and SXL crude platforms and creates additional growth opportunities and market diversification

Recent Developments

- ETP, SXL and Phillips 66 announced the successful completion of the project-level financing of jointly-owned Bakken Pipeline Project in February 2017
- In February 2017, ETP and SXL closed on their sale of 36.75% of the Bakken Pipeline Project to MarEn Bakken Company LLC (MarEn), an entity jointly owned by Enbridge Energy Partners LP and MPLX LP, for $2 billion in cash
- As a result, the ownership of the Bakken Pipeline Project is: ETP and SXL - 38.25%, MarEn - 36.75%, and Phillips 66 - 25%. ETP and SXL own 60% and 40%, respectively, of the combined 38.25% equity interest in the Bakken pipeline

ote: Gross JV project cost where applicable
) 686 miles of converted pipeline + 68 miles of new build.
) Bakken Crude Pipelines owned ETP & SXL- 38.25%, MarEn- 36.75%, and P66- 25%.

Existing IDR Waivers

(in thousands)

	Existing ETP IDR Reduction	Existing SXL IDR Reduction	Total IDR Reduction
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	$891,500	$45,000	$936,500


ENERGY TRANSFER
2018 MLP & Energy Infrastructure Conference
May 23rd & 24th, 2018
ENERGY TRANSFER

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 May 23rd and 24th, 2018. At the meetings, members of management may make statements about future events, outlook and expectations related to Panhandle Eastern Pipe Line Company, LP (PEPL), Sunoco LP (SUN), USA Compression Partners, LP (USAC), 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 these meetings 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.

KEY INVESTMENT HIGHLIGHTS

Well Positioned Assets

- Fully integrated platform spanning entire midstream value chain
- Assets well positioned in most active basins
- Integrated assets allow solid commercial synergies across entire midstream value chain, including gas, crude and NGLs

Growth From Organic Investments

- Completing multi-year capex program
- Beginning to see strong EBITDA growth from recently completed major growth projects
- Expect additional EBITDA growth from remainder of projects coming online through 2020

Solid Financials

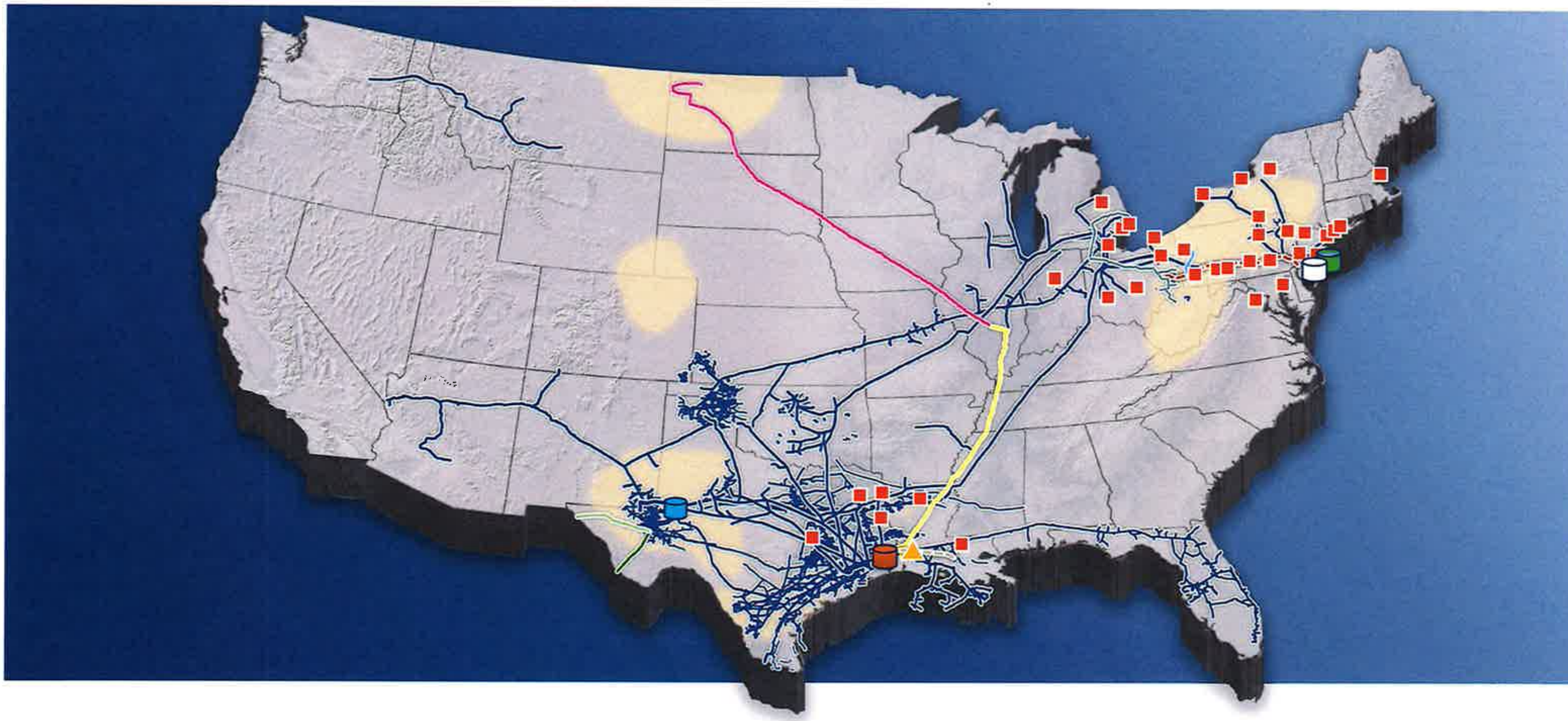
- Stable cash flow profile with minimal contract roll-offs
- Healthy and improving balance sheet
- Strong funding activity in 2017 and YTD 2018 resulting in majority of 2018 pre-funded
- Distribution coverage expected to remain strong in 2018

RECENT HIGHLIGHTS

Q1 2018 Earnings	• ETP Adjusted EBITDA (consolidated): $1.88 billion, up 30% year-over-year • Distributable Cash Flow attributable to the partners of ETP: $1.22 billion, up nearly 30% year-over-year • ETE Distributable Cash Flow, as adjusted: $395 million • Distribution per ETP common unit paid May 15, 2018: $0.565 ($2.26 per ETP common unit annualized) • Distribution per ETE common unit paid May 21, 2018: $0.305 ($1.22 per ETE common unit annualized) • Distribution coverage ratio: ETP - 1.15x; ETE – 1.48x
Compression Sale	• On April 2, 2018, ETP sold its contract compression business to USA Compression Partners (USAC) for $1.232 billion in cash, 19.2 million USAC common units, and 6.4 million USAC Class B units • ETP used the cash proceeds from the transaction to reduce leverage • At the same time, ETE acquired all of the equity interests in USAC's general partner and approximately 12.5 million USAC common units in exchange for $250 million in cash • As part of the transaction, pursuant to an equity restructuring agreement, the IDRs in USAC were cancelled and the general partner interest in USAC was converted into a non-economic interest in exchange for the issuance of 8 million new USAC common units to ETE
Series C Perpetual Preferred Units	• In April, ETP issued $450 million of its 7.375% Series C, Fixed-To-Floating Rate Cumulative Perpetual Preferred Units • They provide a cost-effective means of raising equity capital, and ETP used the proceeds to repay amounts outstanding under its revolving credit facilities and for general partnership purposes • The securities received 50% equity treatment from all three ratings agencies
New Export Projects	• Entered into definitive agreement with Satellite Petroleum (Satellite) to form a joint venture to construct new ethane export terminal on the U.S. Gulf Coast, which will provide Satellite with ethane for consumption at the cracking facilities in China. Expected in service in Q4 2020 • Also entered into a non-binding MOU with Nova Chemicals Corporation (Nova) to secure market commitments in relation to an intended joint participation in an ethylene export terminal on the U.S. Gulf Coast. Expected in service mid-2020, pending a final investment decision, which is subject to execution of adequate commercial off-take commitments and acceptable engineering and construction bids
New Growth Projects	• Launched binding open season for 30,000 Bbls/d pipeline that will transport diesel fuel from Hebert, TX to a newly-constructed terminal in the Midland, TX area. It is expected in service in the third quarter of 2020 • Announced formation of a 50/50 joint venture with Enterprise to resume service on the 24-inch Old Ocean natural gas pipeline. • In addition, ETP and Enterprise are in the process of expanding their jointly-owned, 36-inch North Texas Pipeline by approximately 160,000 Mmbtu/d from West Texas for deliveries into Old Ocean. The expansion is expected to be complete by the end of 2018


WELL POSITIONED ASSETS
ENERGY TRANSFER

SIGNIFICANT GEOGRAPHIC FOOTPRINT ACROSS THE FAMILY



Asset Overview

- Energy Transfer Assets
- Terminals
- Marcus Hook
- Eagle Point
- Nederland
- Midland

Recently In-service & Announced Growth Projects

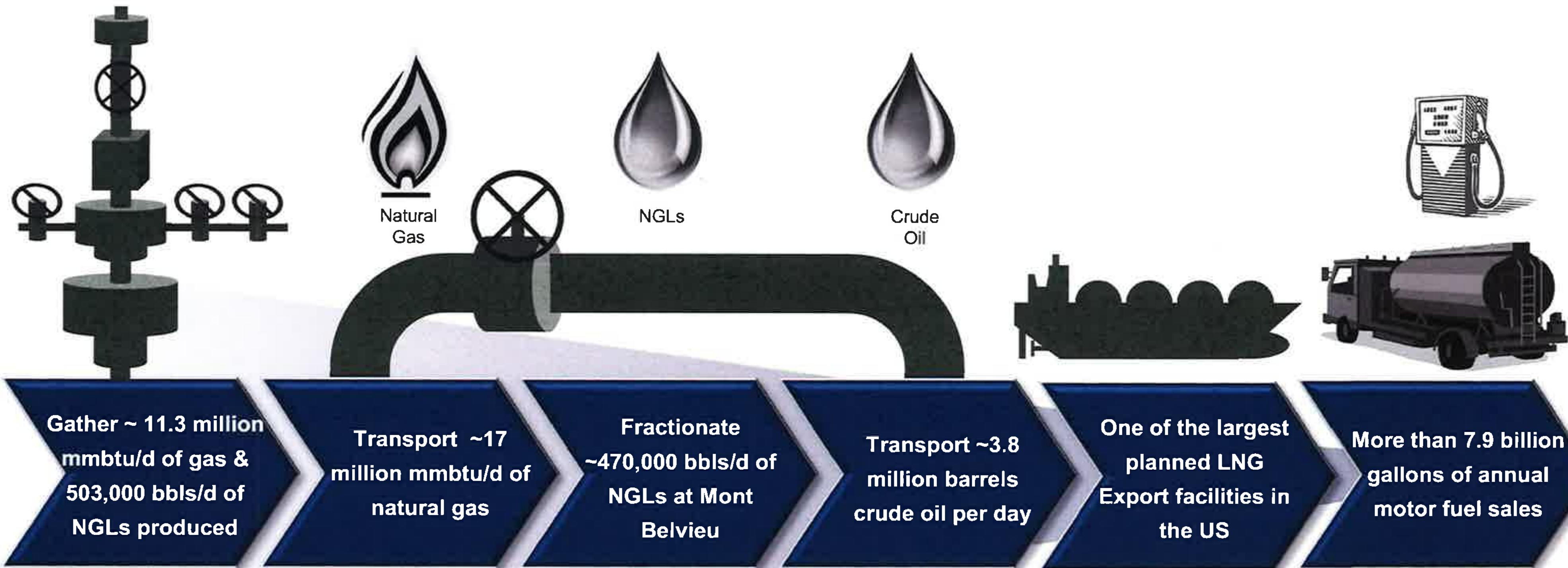
- Lake Charles LNG
- Dakota Access Pipeline
- ETCO Pipeline
- Comanche Trail Pipeline
- Trans-Pecos Pipeline
- Bayou Bridge
- Rover Pipeline
- Revolution System
- Mariner East Phase 2

A TRULY UNIQUE FRANCHISE

ENERGY TRANSFER

Lake Charles LNG

SUNOCO LP

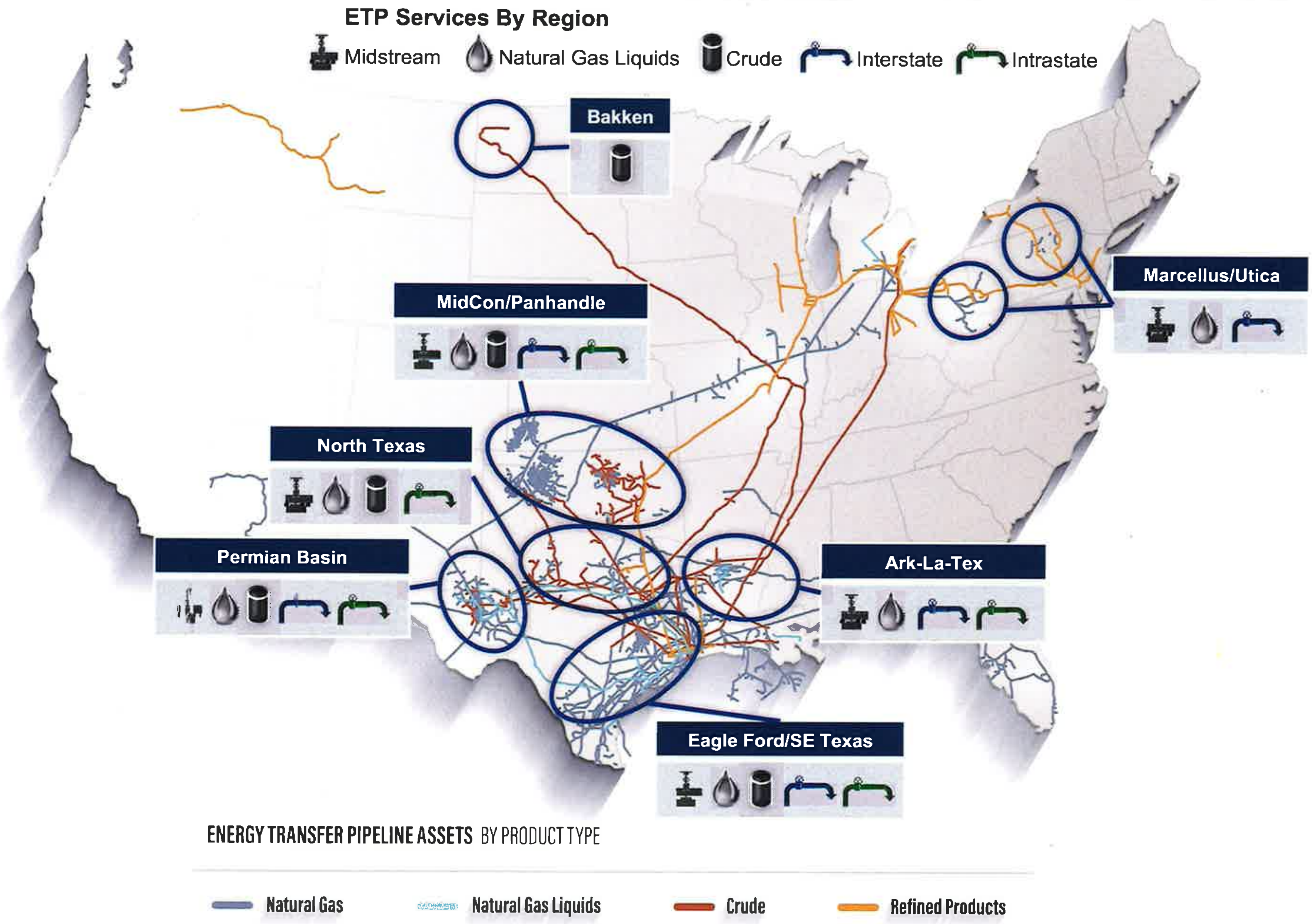


FULLY INTEGRATED PLATFORM SPANNING THE ENTIRE MIDSTREAM VALUE CHAIN

➢ Involvement in Major Midstream Themes Across the Best Basins and Logistics Hubs

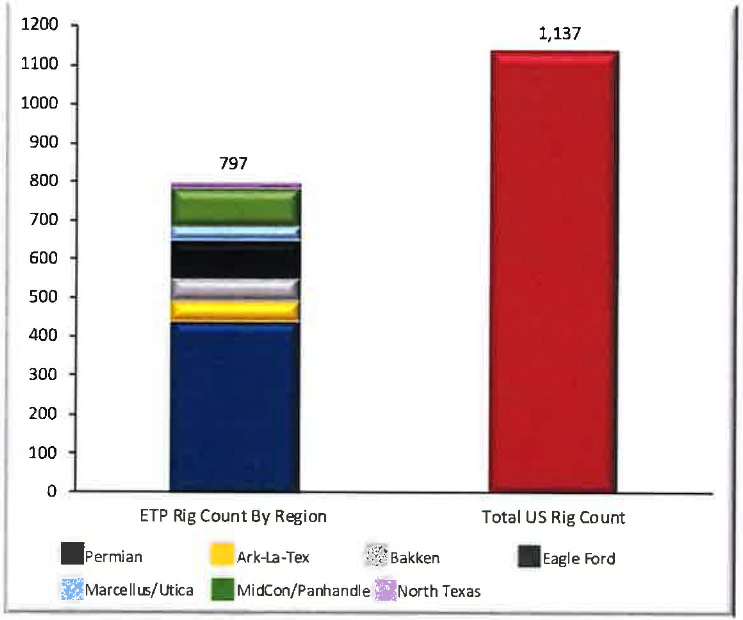
	Franchise Strengths	Opportunities
Interstate Natural Gas T&S	• Access to multiple shale plays, storage facilities and markets • Approximately 95% of revenue from reservation fee contracts • Well positioned to capitalize on changing market dynamics • Key assets: Rover, PEPL, FGT, Transwestern, Trunkline, Tiger	• Marcellus natural gas takeaway to the Midwest, Gulf Coast, and Canada • Backhaul to LNG exports and new petrochemical demand on Gulf Coast
Intrastate Natural Gas T&S	• Well positioned to capture additional revenues from anticipated changes in natural gas supply and demand • Largest intrastate natural gas pipeline and storage system on the Gulf Coast • Key assets: ET Fuel Pipeline, Oasis Pipeline, Houston Pipeline System, ETC Katy Pipeline	• Natural gas exports to Mexico • Additional demand from LNG and petrochemical development on Gulf Coast
Midstream	• ~33,000 miles of gathering pipelines with ~6.9 Bcf/d of processing capacity • Projects placed in-service underpinned by long-term, fee-based contracts	• Gathering and processing build out in Texas and Marcellus/Utica • Synergies with ETP downstream assets • Significant growth projects ramping up to full capacity over the next two years
NGL & Refined Products	• World-class integrated platform for processing, transporting, fractionating, storing and exporting NGLs • Fastest growing NGLs business in Mont Belvieu via Lone Star • Liquids volumes from our midstream segment culminate in the ETE family's Mont Belvieu / Mariner South / Nederland Gulf Coast Complex • Mariner East provides significant Appalachian liquids takeaway capacity connecting NGL volumes to local, regional and international markets via Marcus Hook	• Increased volumes from transporting and fractionating volumes from Permian/Delaware and Midcontinent basins • Increased fractionation volumes as large NGL fractionation third-party agreements expire • Permian NGL takeaway • New ethane and ethylene export opportunities from Gulf Coast
Crude Oil	• Bakken Crude Oil pipeline supported by long-term, fee-based contracts; expandable to 570,000 bpd with incremental pumps • Significant Permian takeaway abilities with potential to provide the market with ~1 million barrels of crude oil takeaway • ~400,000 barrels per day crude oil export capacity from Nederland • 26 million barrel Nederland crude oil terminal on the Gulf Coast • Bakken crude takeaway to Gulf Coast refineries	• Permian Express 3 expected to provide Midland & Delaware Basin crude oil takeaway to various markets, including Nederland, TX • Permian Express Partners Joint Venture with ExxonMobil • Also aggressively pursuing larger project to move barrels from the Permian Basin to Nederland, providing shipper capacity to ETP storage facilities and header systems

FULLY INTEGRATED SERVICES BY REGION

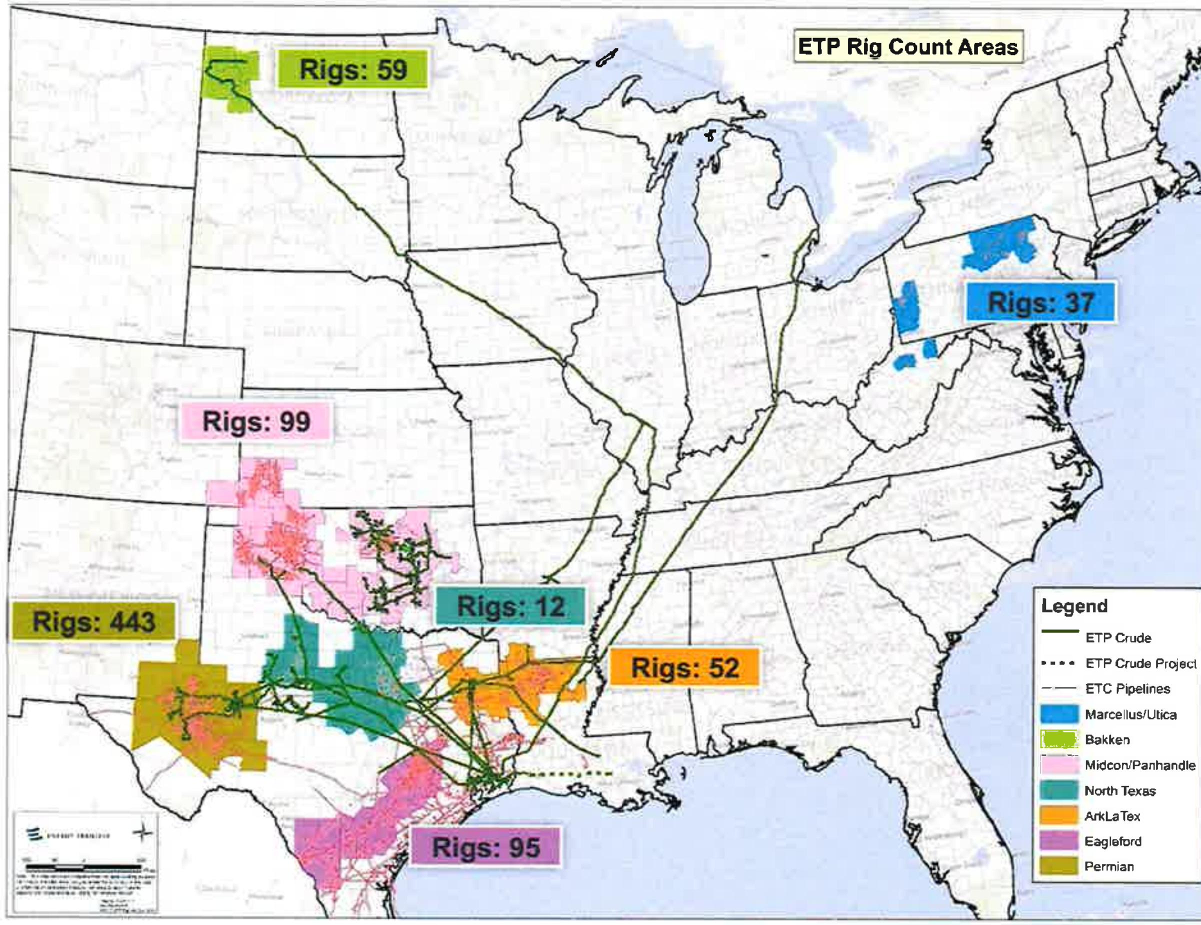


ETP ASSETS ALIGNED WITH MAJOR U.S. DRILLING REGIONS

ETP Rig Count Vs. Total US Rig Count[1]



ETP Rig Count[1] Vs. Lower 48 US Rig Count



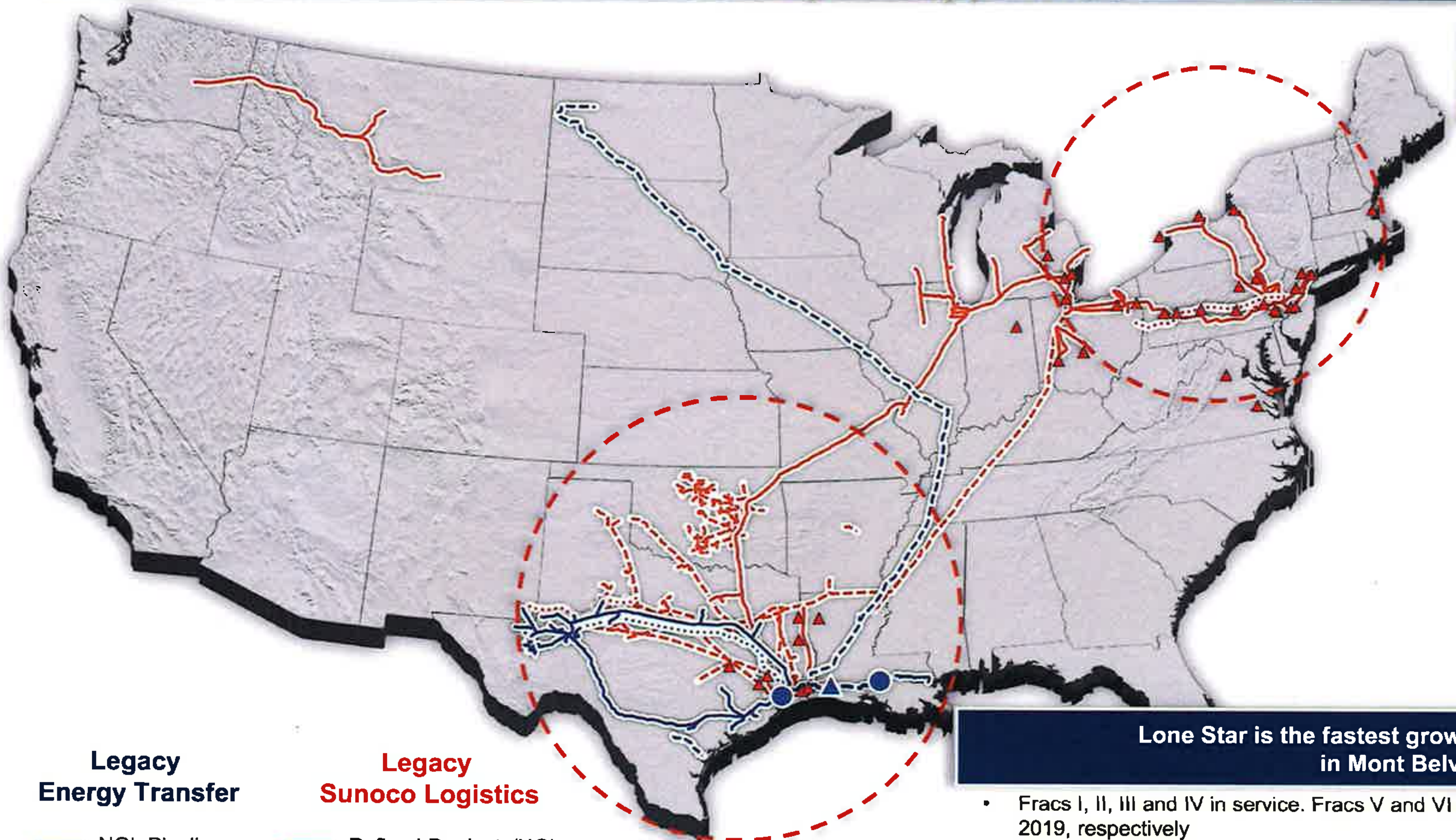
- Significant growth opportunities from bolt-on projects
  - Bolt-on projects are typically lower cost, higher return

ETP's gas and crude gathering assets are located in counties where ~70% of total US rigs are currently drilling

(1) Source: Drilling Info; ETP rig count includes only rigs operating in counties in which ETP has assets/operations. As of 5-16-2018.

FULLY INTEGRATED MIDSTREAM/LIQUIDS PLATFORM ACROSS NORTH AMERICA

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



(1) Via joint ventures

Marcus Hook: The future Mont Belvieu of the North

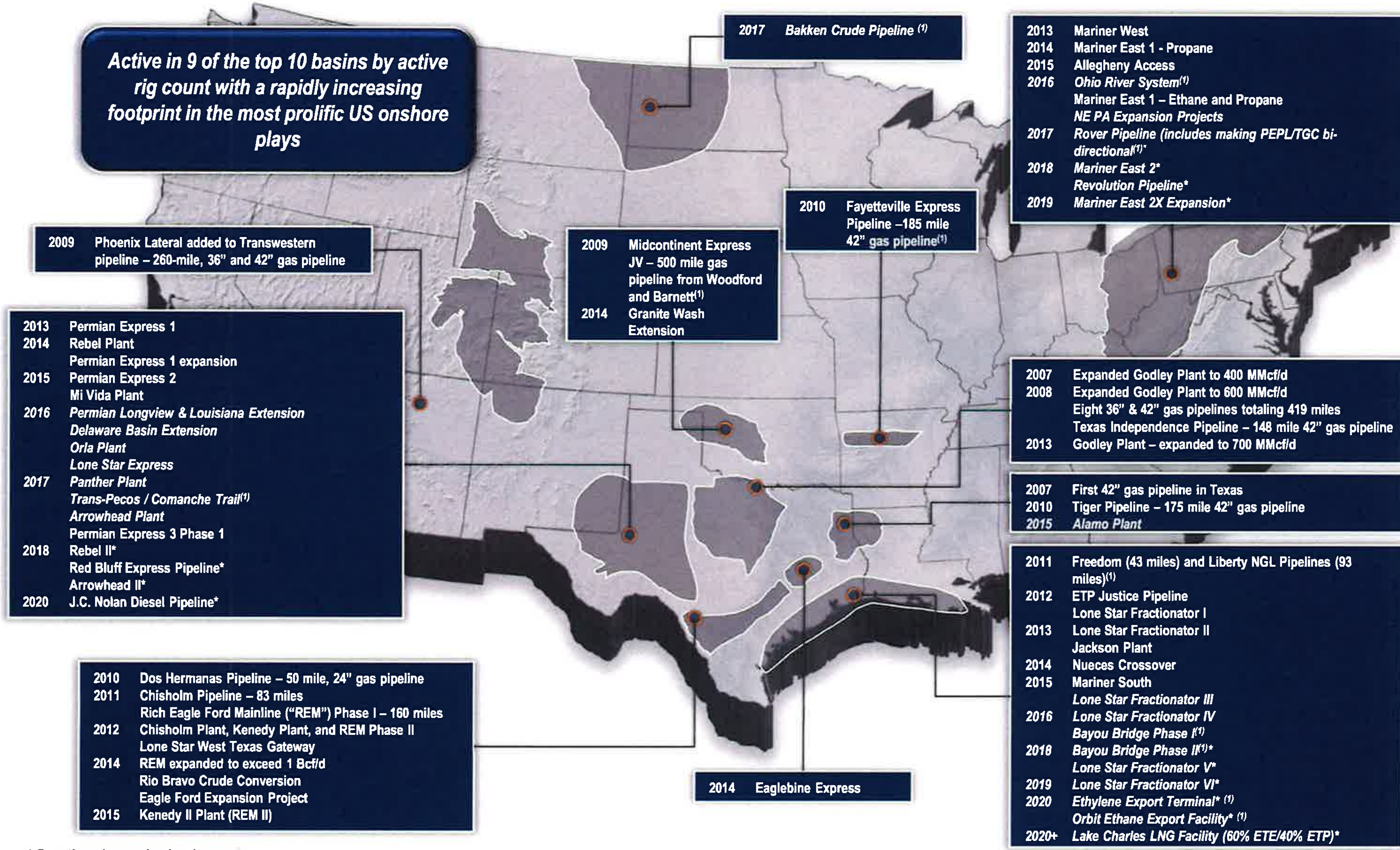
- 800 acre site: inbound and outbound pipeline along with infrastructure connectivity
- Logistically and financially advantaged for exports being 1,500 miles closer to Europe, significantly reducing shipping cost.
- Advantaged to local and regional markets
- No ship channel restriction, compared to the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

Lone Star is the fastest growing NGLs business in Mont Belvieu

- Fracs I, II, III and IV in service. Fracs V and VI expected in-service Q3 2018 and Q2 2019, respectively
- Plot plan in place for an additional Frac 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 ~1,300,000 bpd
- Storage capacity of 53 millions barrels
- ~200,000 bpd LPG export terminal
- ETP's Lone Star presence in Mont Belvieu combined with its Nederland terminal provide opportunities for multiple growth projects
- Potential ethane and ethylene projects delivering Lone Star fractionated products to Nederland for export

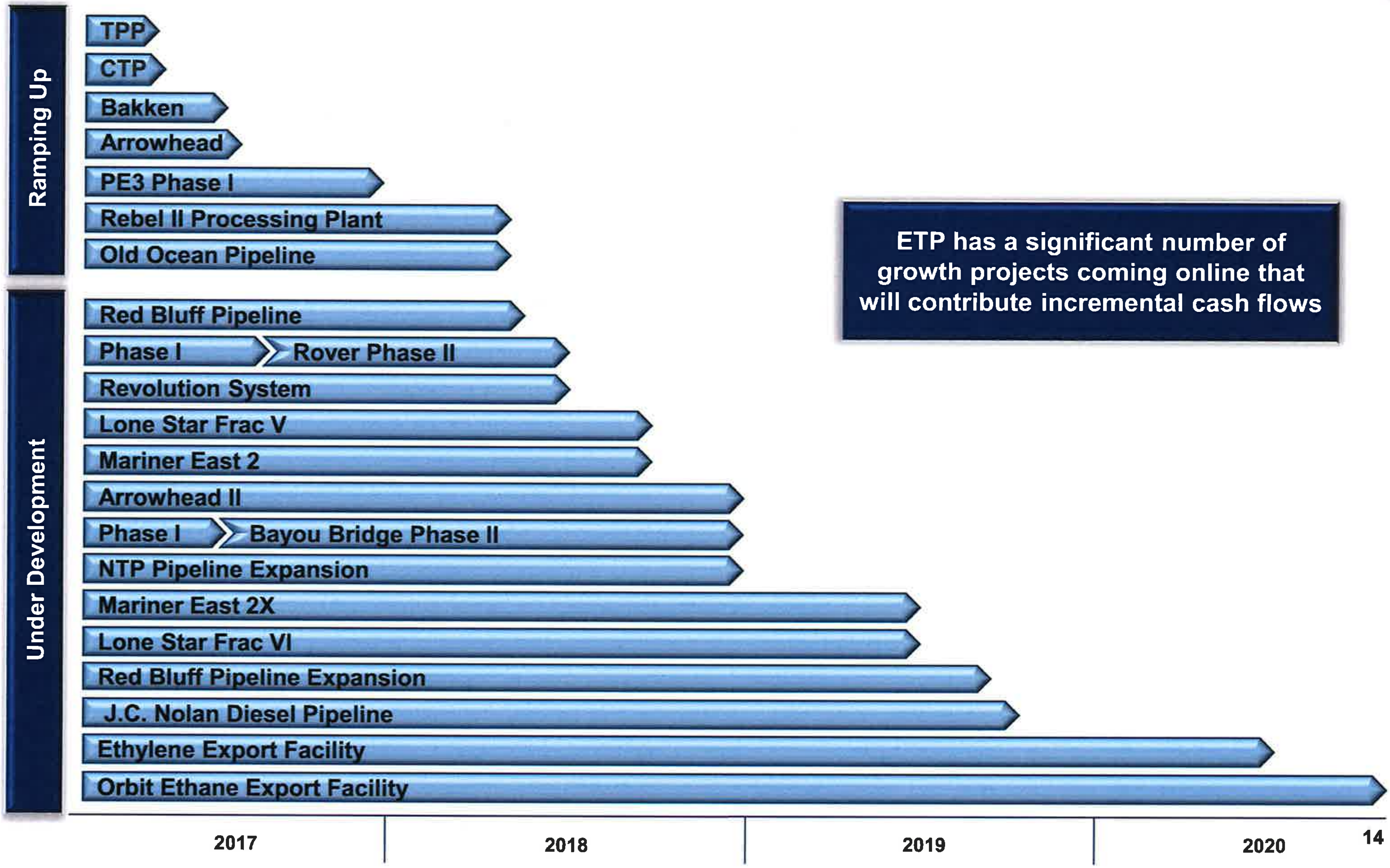

GROWTH FROM ORGANIC INVESTMENTS
ENERGY TRANSFER

ORGANIC GROWTH ENHANCES THE COMBINED ENTITY'S STRONG FOOTHOLD IN THE MOST PROLIFIC PRODUCING BASINS



** Growth project under development*
(1) Joint venture.

ETP PROJECTS PROVIDE VISIBILITY FOR FUTURE EBITDA GROWTH



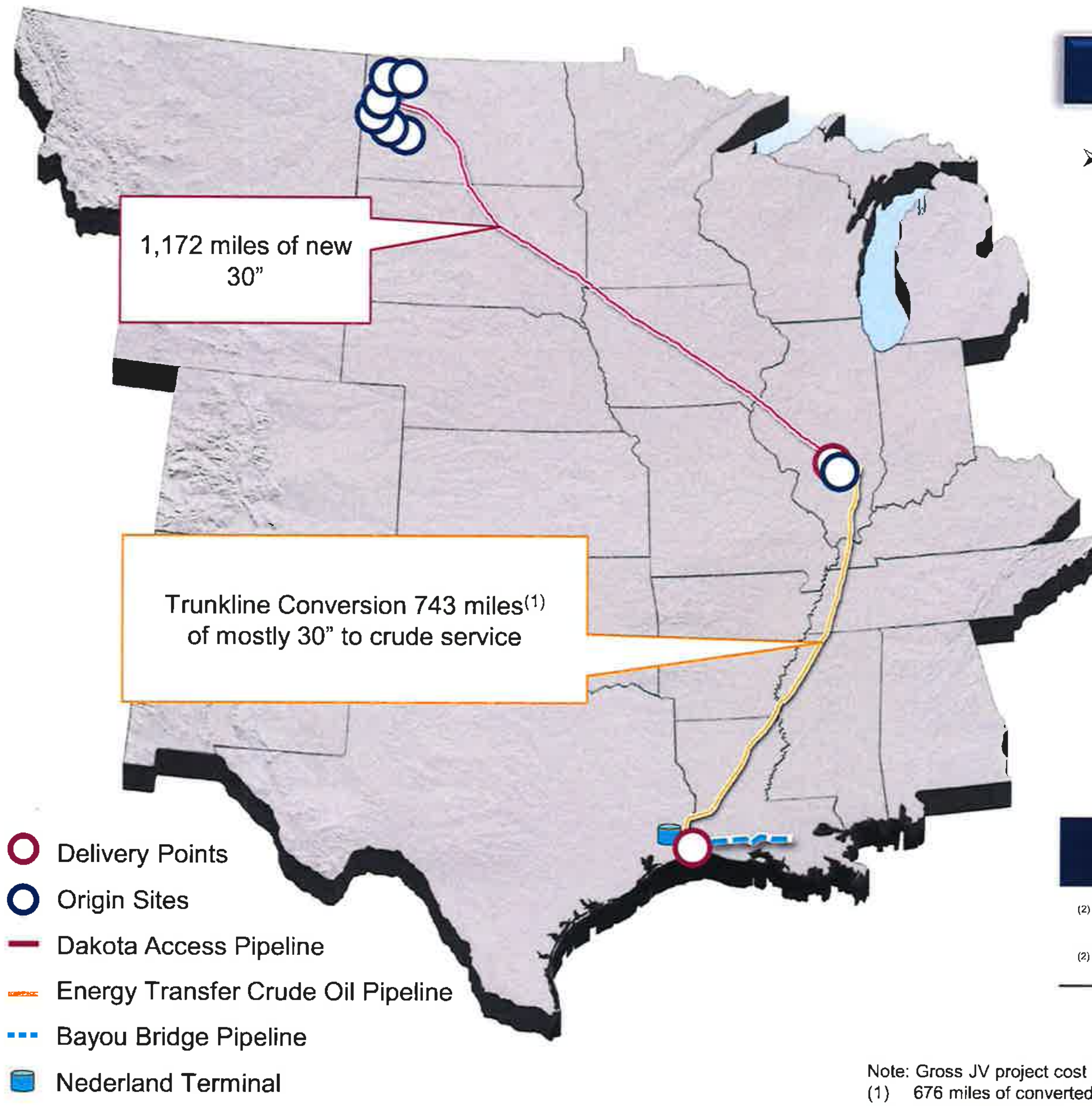
ETP has a significant number of growth projects coming online that will contribute incremental cash flows

FORESEE SIGNIFICANT EBITDA GROWTH IN 2018 FROM COMPLETION OF PROJECT BACKLOG

	Project Description	Project Timing
Trans-Pecos & Comanche Trail Pipelines(1)	Collective 337 miles of natural gas pipelines with 2.5 Bcf/d capacity in the Permian	In Service Q1 2017
Bakken Crude Pipeline(2)	30" pipeline from North Dakota to Patoka Hub, interconnection with ETCO to reach Nederland	In Service June 2017
Arrowhead Processing Plant	200 MMcf/d cryogenic processing plant in Midland Basin	In Service Q3 2017
Permian Express 3	Provides incremental Permian takeaway capacity, with Phase I capacity of 140Mbpd	Phase I In Service Q4 2017
Rebel II Processing Plant	200 MMcf/d cryogenic processing plant near existing Rebel plant	In Service Q2 2018
Old Ocean Pipeline(3)	24-inch, 160,000 Mmbtu/d natural gas pipeline from Maypearl, TX to Sweeny, TX	In Service Q2 2018
Red Bluff Express Pipeline	~80-mile pipeline with capacity of at least 1.4 bcf/d will connect Orla Plant to the Waha Plant to provide residue takeaway; new extension will add an incremental 25 miles of pipeline	Q2 2018 / 2H 2019
Rover Pipeline(4)	712 mile pipeline from Ohio / West Virginia border to Defiance, OH and Dawn, ON	Aug. 31, 2017 – Q2 2018
Revolution	110 miles of gas gathering pipeline, cryogenic processing plant, NGL pipelines, and fractionation facility in PA	Q2 2018
Lone Star Frac V	Additional 120 Mbpd fractionator at Mont Belvieu complex	Q3 2018
Mariner East 2	NGLs from Ohio/PA Marcellus Shale to the Marcus Hook Industrial Complex with 275Mbpd initial capacity; 450Mbpd total capacity w/storage	Q3 2018
Arrowhead II	200 MMcf/d cryogenic processing plant in Midland Basin	Q4 2018
Bayou Bridge(5)	Crude pipeline connecting Nederland to Lake Charles / St. James, LA	Q2 2016 / Q4 2018
NTP Pipeline Expansion(3)	36-inch natural gas pipeline expansion, providing 160,000 Mmbtu/d of additional capacity from WTX for deliveries into Old Ocean	End of 2018
Mariner East 2X	Increase NGL takeaway from the Marcellus to the East Coast w/storage at Marcus Hook Industrial Complex; 250Mbpd total capacity	Mid – 2019
Lone Star Frac VI	Additional 120 Mbpd fractionator at Mont Belvieu complex	Q2 2019
J.C. Nolan Diesel Pipeline	30,000 bbls/d diesel pipeline from Hebert, TX to newly-constructed terminal in Midland, TX	Q3 2020
Ethylene Export Facility(6)	30,000 ton refrigerated storage tank and refrigeration system with capacity to export 800 kta (1.8 billion pounds) per year of ethylene	Mid-2020
Orbit Ethane Export Terminal	800,000 bbl refrigerated ethane storage tank and 175,000 bbl/d ethane refrigeration facility and 20-inch ethane pipeline to connect Mont Belvieu to export terminal	End of 2020

(1) JV with Carso Energy and Mastec, Inc: ETP – 16%, Mastec – 33%, Carso – 51%
(2) JV with MarEn and PSXP; ETP ownership ~36.37%; MarEn, 36.75%; PSXP, 25%
(3) 50/50 JV with Enterprise
(4) 32.56% ETP; 35% Traverse; 32.44% Blackstone
(5) JV with Phillips 66 Partners: 60% ETP ownership/operator; 40% Phillips 66 Partners
(6) Pending FID, which is subject to execution of commercial off-take commitments and acceptable engineering and construction bids

CRUDE OIL SEGMENT-BAKKEN PIPELINE PROJECT



Project Details

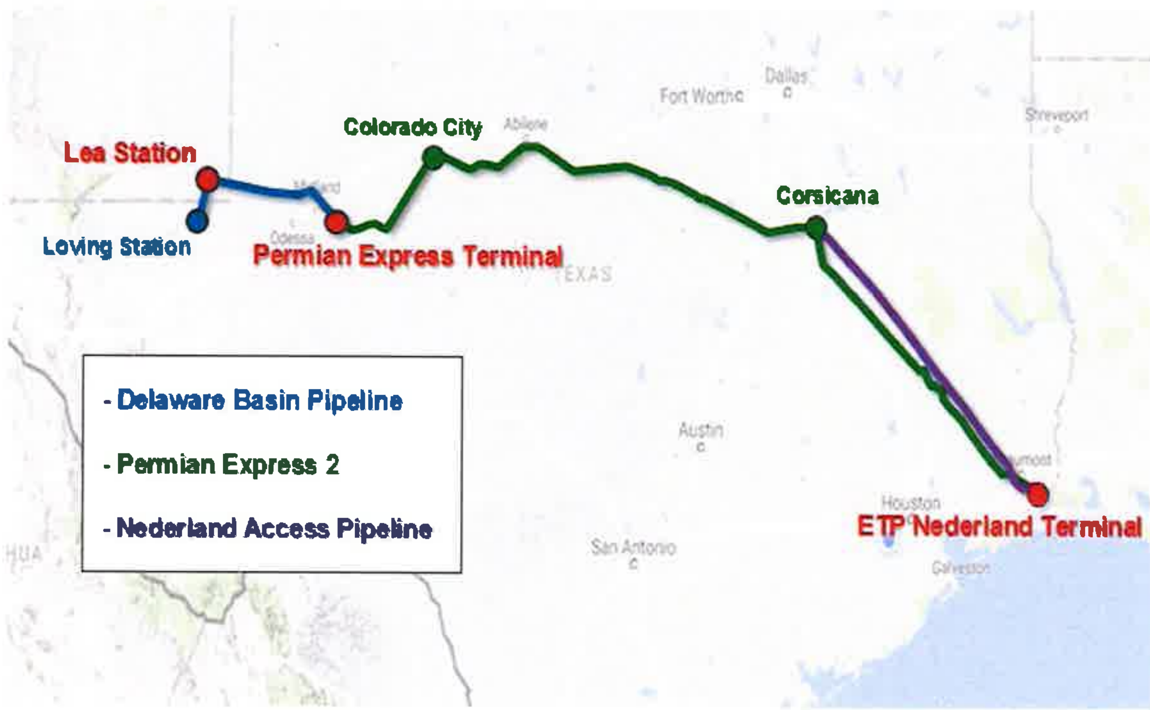
- Dakota Access Pipeline connects Bakken production to Patoka Hub, IL, with interconnection to Energy Transfer Crude Oil Pipeline (Trunkline conversion) to reach Nederland and the Gulf Coast
  - Have commitments, including shipper flexibility and walk-up for an initial capacity of ~470,000 barrels per day
  - Open season in early 2017 increased the total to ~525,000 barrels per day
  - Expandable to 570,000 barrels per day with incremental pumps
  - Went into service and began collecting demand charges on the initial committed capacity June 1, 2017
  - Q1 2018 volumes averaged over 400,000 bbls/d
  - Seen solid growth in beginning of second quarter 2018, with peak volumes transported reaching over 500,000 barrels per day

Project Name	Asset Type	Miles	Project Cost ($bn)	In-service	Average Contract Duration
(2) Dakota Access	Crude pipelines	1,172	$4.8	June 1, 2017	8.5 yrs
(2) ETCO Pipeline	Crude pipelines	743(1)			

Note: Gross JV project cost where applicable
(1) 676 miles of converted pipeline + 67 miles of new build
(2) Ownership is ETP-~36.37%, MarEn-36.75%, PSXP-25%

CRUDE OIL SEGMENT-CRUDE EXPANSION PROJECTS

Permian Express



New 30-Inch Crude Pipeline

- Making significant progress on new 30-inch crude pipeline from Midland to Nederland, with extensions to Moore Road and the Houston Ship Channel
- Developing an agreement with a strategic partner
- Expected to have an initial capacity of 600,000 barrels per day, expandable to one million barrels per day

Permian Express 3

- Expected to provide Midland & Delaware Basin producers new crude oil takeaway capacity (utilizing existing pipelines) from this rapidly growing area to multiple markets, including the 26 million barrel ETP Nederland, Texas terminal facility
- Successfully brought Phase I online in the fourth quarter of 2017, with additional volumes ramping up later this year
- Expect to launch marketing process soon for remaining capacity on 140,000 barrel per day Phase I
- Continue to evaluate an additional expansion of PE3

CRUDE OIL SEGMENT-BAYOU BRIDGE PIPELINE PROJECT

Project Details

- Joint venture between Phillips 66 Partners (40%) and ETP (60%, operator)
- 30" Nederland to Lake Charles segment went into service in April 2016
  - Transported an average of 160,000 barrels per day in Q1 2018
- 24" St. James segment expected to be complete in the fourth quarter of 2018
- Light and heavy service
- Project highlights synergistic nature of ETP and SXL crude platforms and creates additional growth opportunities and market diversification

Bayou Bridge Pipeline Map

NGL & REFINED PROJECTS SEGMENT: MARINER EAST SYSTEM

- A comprehensive Marcellus Shale solution
- Will transport Natural Gas Liquids from OH / Western PA to the Marcus Hook Industrial Complex on the East Coast
- Supported by long-term, fee-based contracts

Mariner East 1:

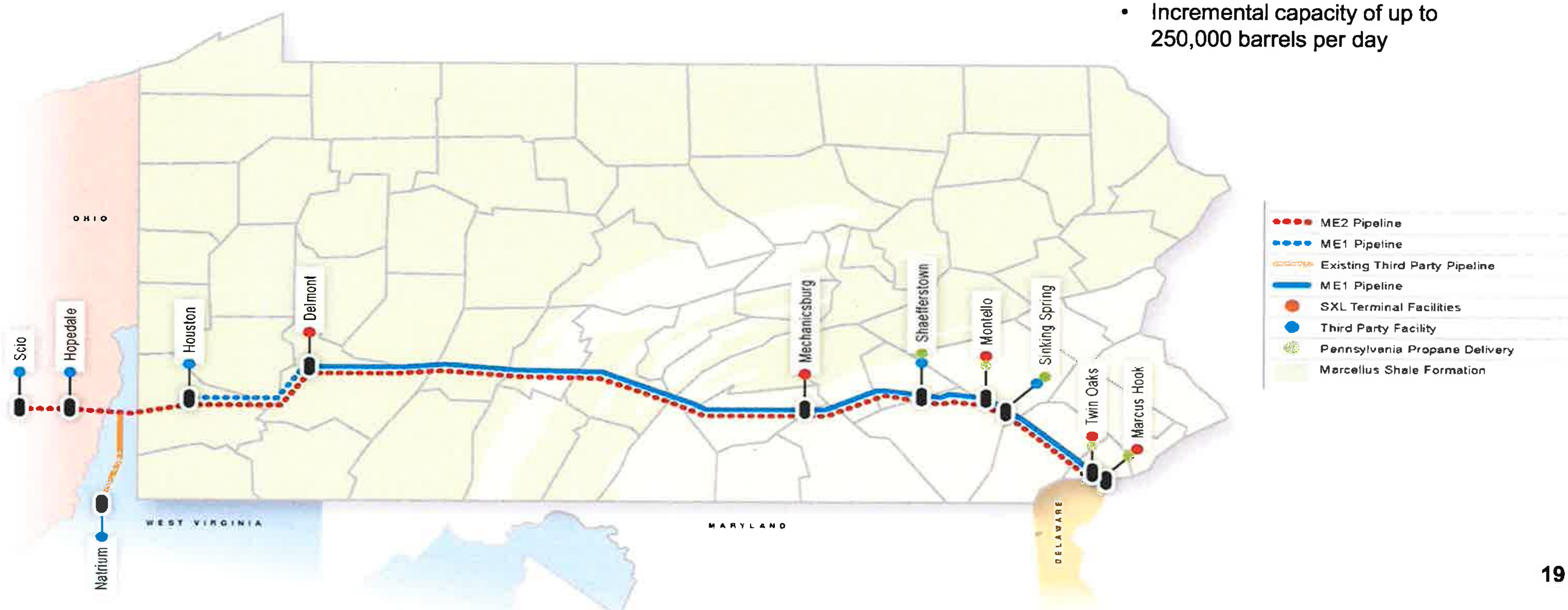
- Currently in-service for Propane & Ethane transportation, storage & terminalling services
- Approximate capacity of 70,000 barrels per day

Mariner East 2:

- Expected to be in-service in Q3 2018
- NGL transportation, storage & terminalling services
- Initial capacity of 275,000 barrels per day with upside of up to 450,000 barrels per day

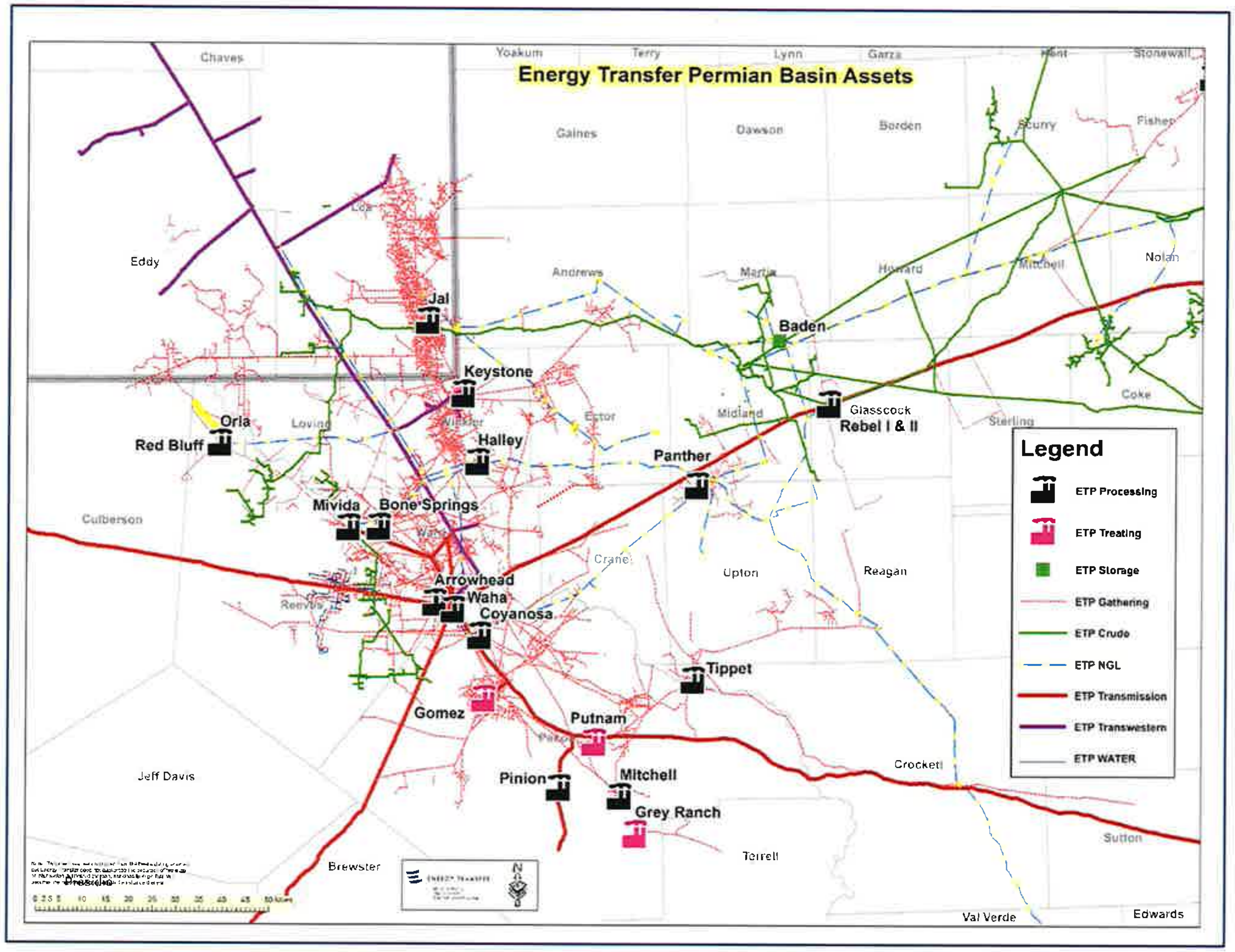
Mariner East 2x:

- Expected to be in-service mid-2019
- Currently in open season to offer transportation, storage and terminalling services for ethane, propane, butane, C3+, natural gasoline, condensate and refined products
- Incremental capacity of up to 250,000 barrels per day



MIDSTREAM SEGMENT: PERMIAN BASIN INFRASTRUCTURE BUILDOUT

- ETP is nearing capacity in both the Delaware and Midland Basins due to continued producer demand and strong growth outlook in the Permian
- As a result of this demand, ETP has continued to buildout its Permian infrastructure
  - Brought 600 mmcf/d of processing capacity online in 2016 and 2017
  - Brought 200 mmcf/d Rebel II processing plant online at the end of April 2018
  - Expect 200 mmcf/d Arrowhead II processing plant to be placed into service in Q4 2018

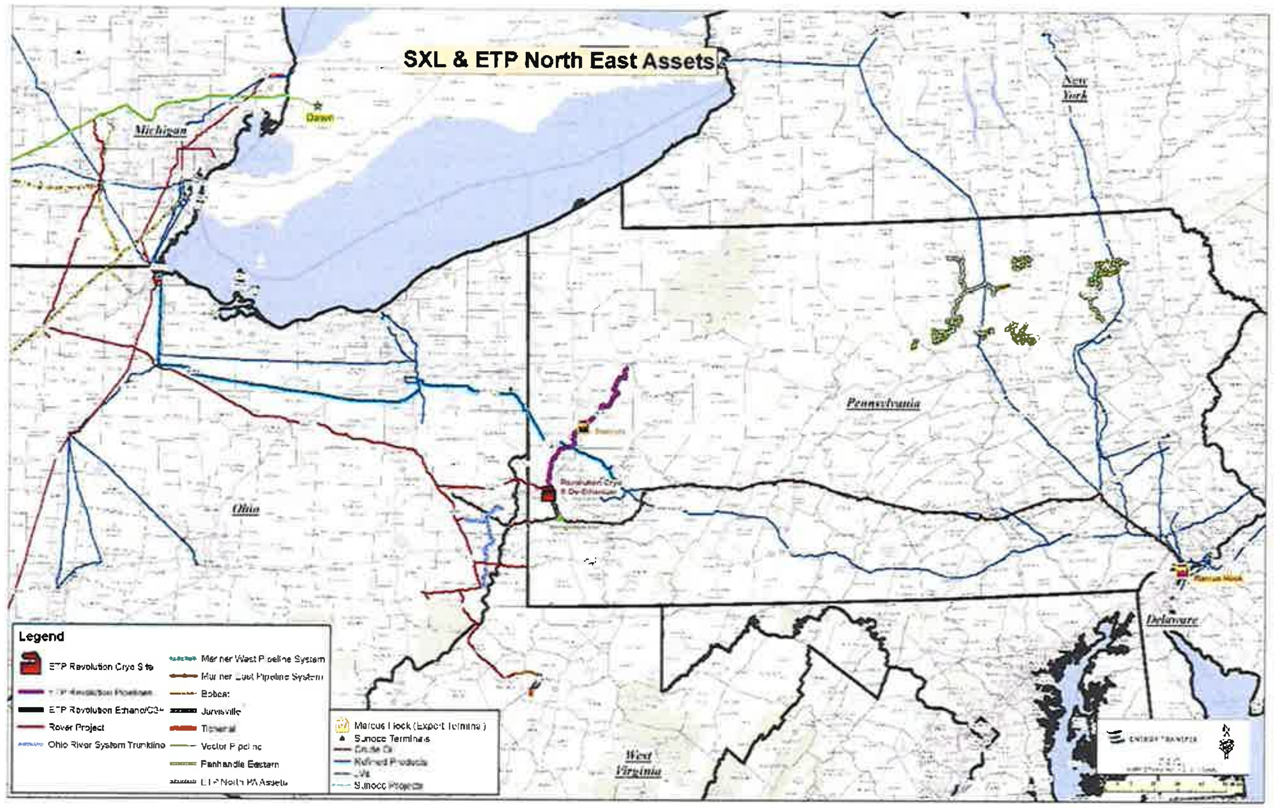


MIDSTREAM SEGMENT: REVOLUTION SYSTEM PROJECT

Project Details

- System is located in Pennsylvania's Marcellus/Upper Devonian Shale rich-gas area
- Rich-gas, complete solution system
- Currently 20 miles of 16" in-service
- Build out assets will include:
  - 110 miles of 20", 24" & 30" gathering pipelines
  - Cryogenic processing plant with de-ethanizer
  - Natural gas residue pipeline with direct connect to Rover pipeline
  - Purity ethane pipeline to Mariner East system
  - C3+ pipeline and storage to Mariner East system
  - Fractionation facility located at Marcus Hook facility
- Multiple customers committed to project, which includes volume commitments and a large acreage dedication
- The Revolution processing plant is complete and will go into full-service once Rover has received full approval of all facilities

Revolution Project Map



- *Opportunity to connect Revolution system to Mariner East system to move additional NGL volumes out of the Marcellus / Utica*
- *Potential to increase product flows to Marcus Hook*

INTERSTATE SEGMENT: MARCELLUS/UTICA ROVER PIPELINE

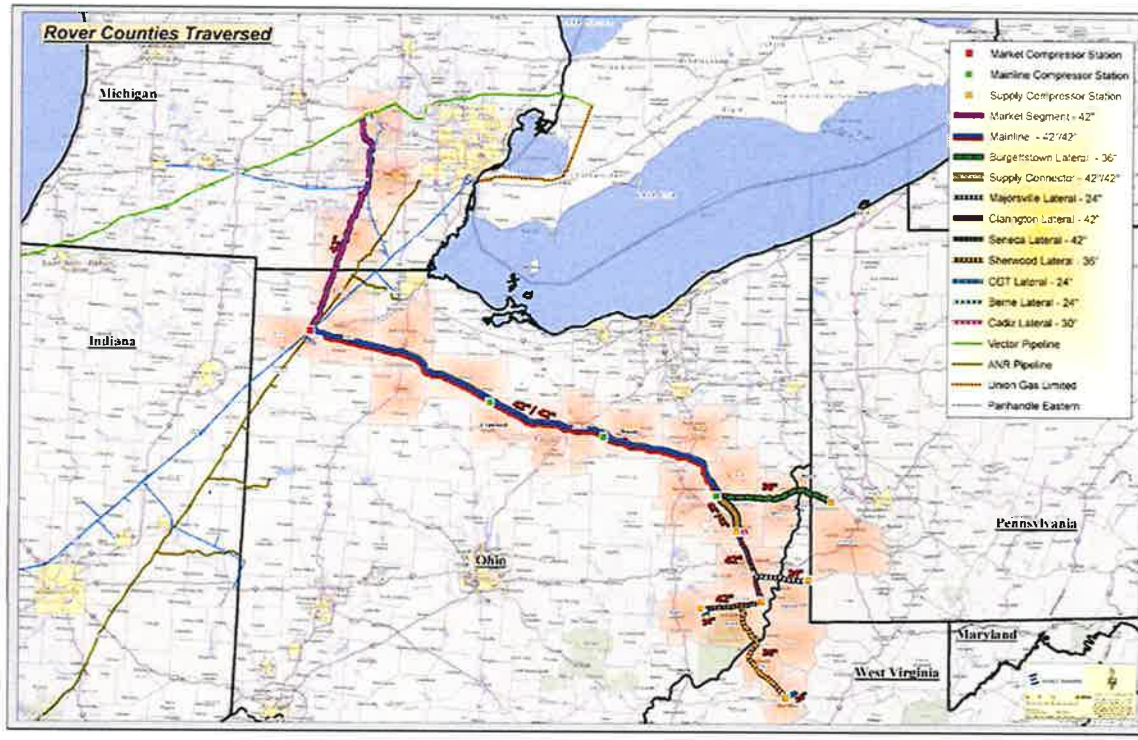
Project Details

- Sourcing natural gas from the Marcellus and Utica shales
- Connectivity to numerous markets in the U.S. and Canada
  - Midwest: Panhandle Eastern and ANR Pipeline near Defiance, Ohio
  - Michigan: MichCon, Consumers
  - Trunkline Zone 1A (via PEPL/Trunkline)
  - Canada: Union Gas Dawn Hub in Ontario, Canada
- 712 miles of new pipeline with capacity of 3.25 Bcf/d
- 3.1 Bcf/d contracted under long-term, fee-based agreements
- 32.56% owned by ETP / 32.44% owned by Blackstone / 35% owned by Traverse Midstream Partners LLC[1]

Timeline

- Phase IA began natural gas service on August 31, 2017; Phase IB began natural gas service in mid- December 2017
- Recently received FERC approval to place additional Phase II facilities into service, allowing for the full commercial operational capability of the Market North Zone segments
- Most recent FERC approvals allow for ~75% of Rover capacity to be in service
- Request has been submitted to FERC to place all facilities for the 3.25 Bcf/d project into service by June 1, 2018

Rover Project Map



1) On October 31st, ETP closed on the previously announced sale of a 32.44% equity interest in an entity holding interest in the Rover Pipeline Project to a fund managed by Blackstone Energy Partners. The transaction was structured as a sale of a 49.9% interest in ET Rover Pipeline, an entity that owned a 65% interest in Rover.