GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

October 9, 2019

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

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Barbers Hill Independent School District and Enterprise Products Operating LLC, Application 1391

Dear Superintendent Poole:

On August 30, 2019, the Comptroller issued written notice that Enterprise Products Operating LLC (applicant) submitted a completed application (Application 1391) for a limitation on appraised value under the provisions of Tax Code Chapter 313.[1] This application was originally submitted on June 24, 2019 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 1391.

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 August 30, 2019, 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 Enterprise Products Operating 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 Enterprise Products Operating LLC.

Applicant	Enterprise Products Operating 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	$675,000,000
Proposed Qualified Investment	$675,000,000
Limitation Amount	$80,000,000
Qualifying Time Period (Full Years)	2020-2021
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	$1,317.31
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	$1,309.44
Minimum annual wage committed to by applicant for qualified jobs	$68,500
Minimum weekly wage required for non-qualifying jobs	1,242.25
Minimum annual wage required for non-qualifying jobs	$64,597
Investment per Qualifying Job	$45,000,000
Estimated M&O levy without any limit (15 years)	$87,436,503
Estimated M&O levy with Limitation (15 years)	$36,774,367
Estimated gross M&O tax benefit (15 years)	$50,662,136

** 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 Enterprise Products Operating LLC (modeled).

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	380	503	883	$26,030,000	$37,970,000	$64,000,000
2020	500	680	1180	$34,250,000	$56,750,000	$91,000,000
2021	128	274	402	$8,768,000	$32,232,000	$41,000,000
2022	15	120	135	$1,027,500	$18,972,500	$20,000,000
2023	15	78	93	$1,027,500	$14,972,500	$16,000,000
2024	15	55	70	$1,027,500	$11,972,500	$13,000,000
2025	15	48	63	$1,027,500	$10,972,500	$12,000,000
2026	15	52	67	$1,027,500	$10,972,500	$12,000,000
2027	15	59	74	$1,027,500	$11,972,500	$13,000,000
2028	15	69	84	$1,027,500	$12,972,500	$14,000,000
2029	15	79	94	$1,027,500	$13,972,500	$15,000,000
2030	15	87	102	$1,027,500	$14,972,500	$16,000,000
2031	15	93	108	$1,027,500	$16,972,500	$18,000,000
2032	15	87	102	$1,027,500	$16,972,500	$18,000,000
2033	15	87	102	$1,027,500	$16,972,500	$18,000,000

Source: CPA REMI, Enterprise Products Operating LLC

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Barbers Hill ISD I&S Tax Levy	Barbers Hill ISD M&O Tax Levy	Barbers Hill M&O and I&S Tax Levies	Chambers County Tax Levy	City of Baytown Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2698	0.9900		0.5426	0.8120	
2020	$117,045,000	$117,045,000		$315,787	$1,158,746	$1,474,533	$635,028	$950,441	$3,060,001
2021	$337,500,000	$337,500,000		$910,575	$3,341,250	$4,251,825	$1,831,106	$2,740,601	$8,823,533
2022	$651,577,500	$651,577,500		$1,757,956	$6,450,617	$8,208,573	$3,535,134	$5,291,005	$17,034,712
2023	$638,280,000	$638,280,000		$1,722,079	$6,318,972	$8,041,051	$3,462,988	$5,183,025	$16,687,065
2024	$624,982,500	$624,982,500		$1,686,203	$6,187,327	$7,873,530	$3,390,843	$5,075,045	$16,339,417
2025	$611,685,000	$611,685,000		$1,650,326	$6,055,682	$7,706,008	$3,318,697	$4,967,066	$15,991,770
2026	$598,387,500	$598,387,500		$1,614,449	$5,924,036	$7,538,486	$3,246,551	$4,859,086	$15,644,123
2027	$585,090,000	$585,090,000		$1,578,573	$5,792,391	$7,370,964	$3,174,406	$4,751,106	$15,296,476
2028	$571,792,500	$571,792,500		$1,542,696	$5,660,746	$7,203,442	$3,102,260	$4,643,127	$14,948,829
2029	$558,495,000	$558,495,000		$1,506,820	$5,529,101	$7,035,920	$3,030,115	$4,535,147	$14,601,182
2030	$545,197,500	$545,197,500		$1,470,943	$5,397,455	$6,868,398	$2,957,969	$4,427,167	$14,253,534
2031	$531,900,000	$531,900,000		$1,435,066	$5,265,810	$6,700,876	$2,885,823	$4,319,188	$13,905,887
2032	$518,602,500	$518,602,500		$1,399,190	$5,134,165	$6,533,354	$2,813,678	$4,211,208	$13,558,240
2033	$505,305,000	$505,305,000		$1,363,313	$5,002,520	$6,365,832	$2,741,532	$4,103,228	$13,210,593
2034	$492,007,500	$492,007,500		$1,327,436	$4,870,874	$6,198,310	$2,669,387	$3,995,249	$12,862,946
2035	$478,710,000	$478,710,000		$1,291,560	$4,739,229	$6,030,789	$2,597,241	$3,887,269	$12,515,298
2036	$465,412,500	$465,412,500		$1,255,683	$4,607,584	$5,863,267	$2,525,096	$3,779,289	$12,167,651
			Total	$23,828,655	$87,436,503	$111,265,158	$47,917,853	$71,718,246	$230,901,257

Source: CPA, Enterprise Products Operating LLC

*Tax Rate per $100 Valuation

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

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Barbers Hill ISD I&S Tax Levy	Barbers Hill ISD M&O Tax Levy	Barbers Hill M&O and I&S Tax Levies	Chambers County Tax Levy	City of Baytown Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2698	0.9900		0.5426	0.8120	
2020	$117,045,000	$117,045,000		$315,787	$1,158,746	$1,474,533	$635,028	$950,441	$3,060,001
2021	$337,500,000	$337,500,000		$910,575	$3,341,250	$4,251,825	$1,831,106	$2,740,601	$8,823,533
2022	$651,577,500	$80,000,000		$1,757,956	$792,000	$2,549,956	$3,535,134	$5,291,005	$11,376,095
2023	$638,280,000	$80,000,000		$1,722,079	$792,000	$2,514,079	$3,462,988	$5,183,025	$11,160,093
2024	$624,982,500	$80,000,000		$1,686,203	$792,000	$2,478,203	$1,695,421	$2,905,971	$7,079,595
2025	$611,685,000	$80,000,000		$1,650,326	$792,000	$2,442,326	$1,659,348	$2,844,142	$6,945,816
2026	$598,387,500	$80,000,000		$1,614,449	$792,000	$2,406,449	$1,623,276	$2,782,313	$6,812,038
2027	$585,090,000	$80,000,000		$1,578,573	$792,000	$2,370,573	$1,587,203	$2,720,483	$6,678,259
2028	$571,792,500	$80,000,000		$1,542,696	$792,000	$2,334,696	$1,551,130	$2,658,654	$6,544,481
2029	$558,495,000	$80,000,000		$1,506,820	$792,000	$2,298,820	$1,515,057	$2,596,825	$6,410,702
2030	$545,197,500	$80,000,000		$1,470,943	$792,000	$2,262,943	$1,478,985	$2,534,996	$6,276,923
2031	$531,900,000	$80,000,000		$1,435,066	$792,000	$2,227,066	$1,442,912	$2,473,167	$6,143,145
2032	$518,602,500	$518,602,500		$1,399,190	$5,134,165	$6,533,354	$1,406,839	$2,411,338	$10,351,531
2033	$505,305,000	$505,305,000		$1,363,313	$5,002,520	$6,365,832	$1,370,766	$2,349,508	$10,086,107
2034	$492,007,500	$492,007,500		$1,327,436	$4,870,874	$6,198,310	$1,334,693	$2,287,679	$9,820,683
2035	$478,710,000	$478,710,000		$1,291,560	$4,739,229	$6,030,789	$2,597,241	$3,887,269	$12,515,298
2036	$465,412,500	$465,412,500		$1,255,683	$4,607,584	$5,863,267	$2,525,096	$3,779,289	$12,167,651
			Total	**$23,828,655**	**$36,774,367**	**$60,603,022**	**$31,252,223**	**$50,396,706**	**$142,251,951**
			Diff	**$0**	**$50,662,136**	**$50,662,136**	**$16,665,630**	**$21,321,540**	**$88,649,307**

Source: CPA, Enterprise Products Operating 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 Enterprise Products Operating 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	2019	$0	$0	$0	$0
	2020	$1,158,746	$1,158,746	$0	$0
	2021	$3,341,250	$4,499,996	$0	$0
Limitation Period (10 Years)	2022	$792,000	$5,291,996	$5,658,617	$5,658,617
	2023	$792,000	$6,083,996	$5,526,972	$11,185,589
	2024	$792,000	$6,875,996	$5,395,327	$16,580,916
	2025	$792,000	$7,667,996	$5,263,682	$21,844,598
	2026	$792,000	$8,459,996	$5,132,036	$26,976,634
	2027	$792,000	$9,251,996	$5,000,391	$31,977,025
	2028	$792,000	$10,043,996	$4,868,746	$36,845,771
	2029	$792,000	$10,835,996	$4,737,101	$41,582,871
	2030	$792,000	$11,627,996	$4,605,455	$46,188,326
	2031	$792,000	$12,419,996	$4,473,810	$50,662,136
Maintain Viable Presence (5 Years)	2032	$5,134,165	$17,554,160	$0	$50,662,136
	2033	$5,002,520	$22,556,680	$0	$50,662,136
	2034	$4,870,874	$27,427,554	$0	$50,662,136
	2035	$4,739,229	$32,166,783	$0	$50,662,136
	2036	$4,607,584	$36,774,367	$0	$50,662,136
Additional Years as Required by 313.026(c)(1) (10 Years)	2037	$4,475,939	$41,250,305	$0	$50,662,136
	2038	$4,344,293	$45,594,599	$0	$50,662,136
	2039	$4,212,648	$49,807,247	$0	$50,662,136
	2040	$4,081,003	$53,888,249	$0	$50,662,136
	2041	$3,949,358	$57,837,607	$0	$50,662,136
	2042	$3,817,712	$61,655,319	$0	$50,662,136
	2043	$3,686,067	$65,341,386	$0	$50,662,136
	2044	$3,554,422	$68,895,808	$0	$50,662,136
	2045	$3,422,777	$72,318,584	$0	$50,662,136
	2046	$3,291,131	$75,609,716	$0	$50,662,136

$75,609,716 is greater than **$50,662,136**

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

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

Source: CPA, Enterprise Products Operating 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 Enterprise Products Operating 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 Enterprise Products Operating LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  A. "The Applicant has not entered into any agreement with respect to the proposed project."
  B. "An appraised value limitation agreement under Chapter 313 results in significant annual operating cost savings which would incentivize the Applicant to invest capital in the proposed project rather than making an alternative investment."
  C. "The ability to enter into a Chapter 313 appraised value limitation agreement with the school district is a determining factor to invest in this project."
  D. "Without the tax incentive the economics of this project will be less competitive with other capital intensive projects and the viability of the proposed project becomes uncertain."
  E. "The Applicant is evaluating various manufacturing projects for development and where to commit substantial long term investment based on economic rate of return on investment in the proposed projects. The economic benefits provided by a Chapter 313 appraised value limitation agreement is an important component in this analysis."
- Enterprise Products Operating, LLC submitted a confidential discounted cash flow model (DCF) with their application. This model "shows that the rate of return with the valuation limitation agreement exceeds the minimum rate of return required by the Applicant to proceed with the proposed investment."
- A June 8, 2018 *Forbes* article states that "Enterprise Products Partners, simply put, is in the business of storing and moving gas and petroleum products. One of its major advantages is its location. Its network of pipelines and facilities comes very close to the Permian and Eagle Ford formations, which have — and will — see a majority of production growth in coming years."
- Per a May 29, 2018 *West Chambers County EDF News* article:

A. "Enterprise Products Partners L.P. (NYSE: EPD) and Navigator Holdings Ltd. (NYSE: NVGS) announced today that construction is now under way on their 50/50 joint venture ethylene export terminal which will be located at Enterprise's Morgan's Point, Texas facility on the Houston Ship Channel. The terminal will have the capacity to export approximately 2.2 billion pounds of ethylene per year. Refrigerated storage for 66 million pounds of ethylene is being constructed on-site and will provide the capability to load ethylene at rates of 2.2 million pounds per hour."
B. "The high-capacity ethylene salt dome storage facility Enterprise is developing at its complex in Mont Belvieu, Texas is scheduled to begin service in the second quarter of 2019. Upon completion, this storage facility will have a capacity of approximately 600 million pounds with an injection/withdrawal rate of 420,000 pounds per hour and will be designed to enable connections to the eight ethylene pipelines within a half-mile of the Enterprise ethylene storage system."
C. "In addition, Enterprise is building a new ethylene pipeline from Mont Belvieu to Bayport, Texas, which is on schedule to begin service in 2020. The section from Mont Belvieu to Morgan's Point is scheduled to be in service in 2019 to support the export terminal."

- A February 28, 2019 Enterprise Products Partners news release stated the following:
  A. "Shin Oak natural gas liquids ("NGL") mainline is now in service from Orla, Texas in Reeves County to its NGL fractionation and storage complex at the Mont Belvieu hub. The 24-inch diameter pipeline has an initial capacity of approximately 250,000 barrels per day ("BPD") and provides takeaway capacity for growing NGL production from multiple basins, including the Permian, where NGL volumes are projected to nearly double within the next three years."
  B. "Complementing Enterprise's Permian Basin assets is the addition of NGL fractionation capacity at its Gulf Coast facilities. The projects are expected to increase the partnership's system wide fractionation capacity to approximately 1.5 million BPD by the second quarter of 2020."
- Per an August 26, 2019 Enterprise Products Partners news release:
  A. "Enterprise Products Partners L.P. (NYSE: EPD) ("Enterprise") today announced the start of a binding open season to determine demand for expanded capacity on the partnership's Appalachia-to-Texas ("ATEX") ethane pipeline. The 1,200-mile ATEX pipeline transports ethane from the Marcellus/Utica Basin of Pennsylvania, West Virginia and Ohio to Enterprise's natural gas liquids storage complex in Mont Belvieu, Texas, and features pipeline access to petrochemical plants along the Gulf Coast."
  B. "Subject to sufficient customer commitments during the open season, Enterprise would add up to 50,000 barrels per day of incremental capacity through a combination of pipeline looping, hydraulic improvements and modifications to existing infrastructure. The expanded capabilities would be in service by 2022."
- An Enterprise Products Partners news release, dated July 8, 2019 contained the following:
  A. "Enterprise Products Partners L.P. (NYSE: EPD) ("Enterprise") today announced three additional expansion projects that will increase the partnership's capacity to load liquefied petroleum gas ("LPG"), polymer grade propylene ("PGP") and crude oil from its Enterprise Hydrocarbon Terminal ("EHT") on the Houston Ship Channel."
  B. "The additional projects announced today will increase incremental LPG loading capacity by another 260,000 BPD and are expected to be in service in the third quarter of 2020. When completed, the projects will give EHT nameplate capacity to load up to almost 1.1 million BPD of LPG, or approximately 33 million barrels per month."
- Attached Shin Oak NGL Pipeline map.

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 is a Determining Factor

1. **Does the applicant currently own the land on which the proposed project will occur?**

   Applicant owns the land upon which the facility identified in Tab 7 will be constructed. The land is described in Tab 9.

2. **Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?**

   The Applicant has not entered into any agreement with respect to the proposed project.

3. **Does the applicant have current business activities at the location where the proposed project will occur?**

   Attached as Tab #11 is a depiction of the proposed project site. There are no existing improvements at the proposed project site.

4. **Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location?**

   Applicant has not made public statements regarding the potential development of the proposed project.

5. **Has the applicant received any local or state permits for activities on the proposed project site?**

   No.

6. **Has the applicant received commitments for state or local incentives for activities at the proposed project site?**

   No.

7. **Is the applicant evaluating other locations not in Texas for the proposed project?**

   Applicant is a leading midstream energy company with a large pipeline footprint in the United States. These pipelines provide substantial flexibility in plant location. Applicant has gas manufacturing locations in Texas, Louisiana, New Mexico, Colorado, and Wyoming. Applicant also has significant interstate pipeline assets in Louisiana that can and do move product to and from Texas. This allows potential manufacturing facilities to be located in St. Martin Parish, or Assumption Parish, Louisiana and the resulting manufactured product transported to Applicant's facilities in Texas.

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. The Chapter 313 Value Limitation, if granted, would make the location in Texas a feasible investment, as is further discussed in Item 10 to Tab 5.

8. **Has the applicant provided capital investment or return on investment information for the proposed project in comparison with alternative investment opportunities?**

   Yes, see Item 10 to Tab 5, as referenced below in the answer to question 10.

9. **Has the applicant provided information related to the applicant's inputs, transportation and market for the proposed project?**

   N/A

10. **Are you submitting information to assist in the determinations 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?**

    See the attached Item 10 to Tab 5.

Key Determining factors:

- The Applicant has submitted in Item 10 to Tab 5 a discounted cash flow model (DCF) computing the proposed project's rate of return with the Chapter 313 appraised value limitation agreement and without the value limitation agreement. The DCF model shows that the rate of return with the valuation limitation agreement exceeds the minimum rate of return required by the Applicant to proceed with the proposed investment.
- An appraised value limitation agreement under Chapter 313 results in significant annual operating cost savings which would incentivize the Applicant to invest capital in the proposed project rather than making an alternative investment.
- The property tax burden for the Applicant's proposed project is significant. The property tax burden has a direct impact on the proposed project's economic viability and the decision to invest in Texas.
- The ability to enter into a Chapter 313 appraised value limitation agreement with the school district is a determining factor to invest in this project.
- Capital investments by the Applicant are based on expected economic return on investment. Property tax liabilities can make up a substantial ongoing cost of operation that directly impacts the rate of return on the investment in the proposed project. Without the tax incentive the economics of this project will be less competitive with other capital intensive projects and the viability of the proposed project becomes uncertain.

- Tax incentives play an important role in attracting capital intensive manufacturing facilities due to the high property tax burden in Texas.
- The Applicant is evaluating various manufacturing projects for development and where to commit substantial long term investment based on economic rate of return on investment in the proposed projects. The economic benefits provided by a Chapter 313 appraised value limitation agreement is an important component in this analysis.

AT THE REQUEST OF THE APPLICANT, SUPPORTING DOCUMENTS IN ITEM 10 TO TAB 5 ARE CONSIDERED PROPRIETARY AND CONFIDENTIAL PURSUANT TO SECTION 313.028 OF THE TEXAS TAX CODE AND SECTION 552.101 OF THE TEXAS GOVERNMENT CODE, DUE TO THE NATURE OF THE FINANCIAL INFORMATION AND ANALYSIS SUBMITTED. Applicant has separately submitted Proprietary and Confidential Discounted Cash Flow Models comparing the rate of return on investment in the proposed project with and without a Chapter 313 Appraised Value Limitation Agreement. These models are confidential.

Supporting Information

Additional information provided by the Applicant or located by the Comptroller

ıeline Profits For
ıcts Partners

Jun 8, 2018, 10:24am • 3,352 views #StockWatch

Enterprise Products Partners is expanding its Enterprise Hydrocarbons Terminal next to the Houston Ship Channel. Here, oil tankers, tanks and an oil refinery are across from each other. (File photo by Ken Cedeno Sept. 29, 2014/Corbis via Getty Images)

*Based on its market capitalization, **Enterprise Products Partners** is the largest energy infrastructure master limited partnership. A leader in pipelines and midstream energy operations, the MLP is also a favorite of numerous investment experts, including these five MoneyShow.com contributors.*

Jimmy Mengel, The Crow's Nest

Enterprise Products Partners is a prime example of a great MLP. It is a relative newcomer to the midstream MLP game, having been founding in 1968 and going public in mid-1998. Since then, it has grown to a $57 billion company with a yield of 6.4%, well over 3 times the yield of the S&P 500.

Enterprise Products Partners, simply put, is in the business of storing and moving gas and petroleum products. One of its major advantages is its location. Its network of pipelines and facilities comes very close to the Permian and Eagle Ford formations, which have — and will — see a majority of production growth in coming years.

About 70% of natural gas liquids (NGLs) growth is coming from these two formations. NGLs already account for 56% of its gross operating margin. Plus, it extends to the Northeast U.S. coast, which is a massive source of domestic demand. And while oil and condensates don't account for such a large percentage of its business, the Permian Basin and Eagle Ford formations account for 80% of national growth.

All signs point to greater demand, thus more fees at potentially higher rates, for the foreseeable future. This solid geographic footprint provides the core of revenue for

Enterprise Products Partners as it collects fees from producers as they move their products to storage, refineries and the consumer market.

What really stands out for the company's future potential is the focus on expanding its export business. It is expanding its Enterprise Hydrocarbons Terminal through a recent 65-acre purchase. Located next to the Houston Ship Channel, it has seven deep water docks and two barge docks that enable imports and exports of raw and refined products.

Rising liquefied petroleum gas exports of this terminal have been strong tailwinds for the shares in recent years. From 2015 through 2017, the loading volumes rose from 299,000 bpd to 424,000 bpd. The site already has two docks and some infrastructure. What is important is that there is plenty of room to expand.

Plus, Enterprise Products Partners just tested its docks with a Very Large Crude Carrier (VLCC) ship. These behemoths move around 2 million barrels of oil. Only one privately owned crude terminal in the U.S. can handle them right now.

In total, this is a big push to expand terminal volume and entice shipping companies, all in an effort to capitalize on U.S. energy exports for decades to come. That naturally leads us to how they plan on paying for the infrastructure, and to its balance sheet.

This is a midstream MLP that is investing in the future while maintaining lucrative disbursements to its unit holders. Over the next year, we may not see the kind of growth that is technically possible in those payments, but we're banking on collecting income while the MLP works on growth infrastructure.

Management is on track with those plans, has ample funds to do what should be done, and the long-term potential for its expansion of export capacity provides us exposure to a potentially massive increase in disbursements down the road. Plus, its debt structure is in a place where the company won't be caught between rising interest rates and its commitments.

Enterprise Products Partners also offers a dividend reinvestment program. Current unit holders can reinvest all or a portion of distributions at a discount (currently set to 2.5%) without paying any service fees, brokerage trading fees or other charges. We're adding the stock to our portfolio as a Buy below $32 per unit.

Paul Dykewicz, StockInvestor.com

Anyone buying gasoline likely has noticed that energy prices are climbing and that reality has helped to fuel record financial results and a recent rise in the unit price of midstream energy producer Enterprise Products Partners.

The natural gas and crude oil pipeline partnership beat analysts' expectations when it recently released first-quarter 2018 financial results and led forecasters to boost their stock price targets for the company. The stock price has jumped 9.74 percent so far this year and it should go higher amid forecasts of increased economic growth of close to 3 percent in 2018 that likely will spur additional demand.

Enterprise Products, which offers a current yield of 6.45 percent, generated a 23 percent jump in distributable cash flow (DCF) to reach a record $1.4 billion for the first quarter of 2018, providing 1.5 times coverage of its $0.4275 per unit distribution. That distribution excluded proceeds from asset sales and marked a 3 percent hike from the first quarter of 2017.

Two key developments at Enterprise Products Partners emerged during its first-quarter results that were highlighted in an April 30 research report by Stifel, Nicolaus & Company's Selman Akyol, an energy industry analyst.

First, Enterprise Products Partners' strong quarterly results propelled it significantly toward reaching its goal of self-funding its operations. Second, the company reported that "tight" pipeline, rail and fracking capacity is not expected until the second half of 2019. Both are positive for Enterprise, which retained $460 million in distributable cash flow during the first quarter.

For investors who want to profit from rising energy prices, Enterprise Products Partners and its pipelines offer a way to do so. When its current yield of 6.45 percent is factored into the decision, the appeal of receiving both capital appreciation and income is strong, indeed.

Mark Skousen, High-Income Alert

Enterprise Products Partners has a 90% payout ratio. It is now profitable for the year and has benefited from the recent rise in the oil price. Its 90% payout ratio is based on cash flow, and the company has increased its dividend for more than 50 consecutive quarters.

The company has benefited from higher oil prices and is profitable for the year. CEO Jim Teague is so bullish that he bought 44,600 units of the Houston-based master limited partnership in the past two months. That's over $1 million in insider buying.

However, investors face two concerns with Enterprise. First is the impact of the new 25% tariffs on imported steel. An estimated 77% of the steel used in pipelines comes from overseas.

Second, the Federal Energy Regulatory Commission recently closed a long-standing tax loophole that allowed MLPs to claim an income tax allowance when reporting oil & gas pipeline costs.

Overall, Enterprise Products is now profitable for the year. At this price, the annual distribution yield is a generous 6.6%, and Enterprise Products Partners is famous for increasing its payout every quarter. This is a great opportunity for income seekers.

Tim Plaehn, The Dividend Hunter

I search out the highest yield stocks I can find where my research shows that the dividends should be secure. I look for stability and consistency of revenue streams, access to capital to pay for growth projects and cash flow coverage of the dividend. Enterprise Products Partners is a high-yield income idea for conservative investors.

The company provides essential crude oil, natural gas, natural gas liquids pipelines and services. The company also provides petrochemical and refined products services. These are essential services, without which the U.S. energy sector could not function.

One sign of Enterprise Products' financial strength is that the company has increased the distribution paid to investors for 55 consecutive quarters. Unlike most MLPs, Enterprise Products Partners retains a significant portion of free cash flow to reinvest in new projects.

For 2019 the company projects that 50% of capital spending will be covered by internally generated cash. The company is also investment grade and you can expect distributions to grow by a compounding 2.5% to 3% per year.

Enterprise Products Partners has pipelines and shipping networks near the Houston Ship Channel, the Permian and Eagle Ford formations and delivers energy products to high-demand regions. Here, ships wait to enter the Houston Ship Channel. (AP file photo Sept. 15, 2008/David J. Phillipl)

Ben Reynolds, Sure Dividend

In late April, Enterprise Products Partners reported financial results for the first quarter of fiscal 2018. The partnership's performance was very strong. Revenue grew by 27% and distributable cash flow increased by 23% in the quarter to a record $1.4 billion.

More importantly, Enterprise Products Partners reported a distribution coverage ratio of 1.5x in the quarter — one of the highest distribution coverage ratios we've ever seen from a master limited partnership. Because of its strong performance, Enterprise Products Partners noted that it does not expect to issue equity for the remainder of 2018 (other than its distribution reinvestment plan and employee unit purchase plan).

Despite the partnership's remarkable performance, Enterprise Products Partners' unit price remained essentially unchanged following the announcement. Prior to that, Enterprise Products Partners increased its quarterly distribution payment. The new quarterly payout of $0.4275 per common unit represents a 3.0% increase over the prior year's period. Remarkably, Enterprise Products Partners has increased its distribution for 55 consecutive quarters.

The most important growth catalysts for Enterprise Products Partners are new projects. The partnership retained $867 million of distributable cash flow in 2017 and $458 million of distributable cash flow in the first quarter of 2018 alone. Enterprise Products Partners appears to have plenty of opportunities to deploy this internally generated cash.

We believe Enterprise Products Partners is the safest MLP in our broader investment universe. The partnership has an investment-grade BBB+ rating from Standard & Poor's and a Baa1 rating from Moody's. In addition, Enterprise Products Partners has a reputation for being exceptionally well managed. This year's ranking marked the second consecutive year in which the partnership won the unanimous vote for the Institutional Investor All-America Executive Team for the MLP sector.

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Enterprise and Navigator Announce Location of Ethylene Export Terminal; Begin Construction

May 29, 2018

HOUSTON and LONDON, May 29, 2018 /PRNewswire/ --

Enterprise Products Partners L.P. (NYSE: EPD) and Navigator Holdings Ltd. (NYSE: NVGS) announced today that construction is now under way on their 50/50 joint venture ethylene export terminal which will be located at Enterprise's Morgan's Point, Texas facility on the Houston Ship Channel. The terminal will have the capacity to export approximately 2.2 billion pounds of ethylene per year. Refrigerated storage for 66 million pounds of ethylene is being constructed on-site and will provide the capability to load ethylene at rates of 2.2 million pounds per hour. Commercial operations are expected to begin in the fourth quarter of 2019, one quarter earlier than previously projected.

By providing access to international markets, the new export terminal will facilitate continued growth of domestic ethylene production, which is expected to reach 90 billion pounds per year by 2021. In addition, the terminal being constructed by Enterprise and Navigator will promote supply diversification for expanding markets like Asia, which rely on cost-advantaged U.S. feedstocks.

The high-capacity ethylene salt dome storage facility Enterprise is developing at its complex in Mont Belvieu, Texas is scheduled to begin service in the second quarter of 2019. Upon completion, this storage facility will have a capacity of approximately 600 million pounds with an injection/withdrawal rate of 420,000 pounds per hour and will be designed to enable connections to the eight ethylene pipelines within a half-mile of the Enterprise ethylene storage system. In addition, Enterprise is building a new ethylene pipeline from Mont Belvieu to Bayport, Texas, which is on schedule to begin service in 2020. The section from Mont Belvieu to Morgan's Point is scheduled to be in service in 2019 to support the export terminal.

Enterprise Products Partners L.P. is one of the largest publicly traded partnerships and a leading North American provider of midstream energy services to producers and consumers of natural gas, NGLs, crude oil, refined products and petrochemicals. Our services include: natural gas gathering, treating, processing, transportation and storage; NGL transportation, fractionation, storage and import and export terminals; crude oil gathering, transportation, storage and terminals; petrochemical and refined products transportation, storage and terminals;

and a marine transportation business that operates primarily on the United States inland and Intracoastal Waterway systems. The partnership's assets include approximately 50,000 miles of pipelines; 260 million barrels of storage capacity for NGLs, crude oil, refined products and petrochemicals; and 14 billion cubic feet of natural gas storage capacity.

Navigator Holdings Ltd. is the owner and operator of the world's largest fleet of handysize liquefied gas carriers and a global leader in the seaborne transportation of petrochemical gases, such as ethylene and ethane, liquefied petroleum gas ("LPG") and ammonia. We play a vital role in the liquefied gas supply chain for energy companies, industrial consumers and commodity traders, with our sophisticated vessels providing an efficient and reliable 'floating pipeline' between the parties. We continue to build strong, long-term partnerships based on mutual trust, our deep technical expertise and modern versatile fleet.

https://www.prnewswire.com/news-releases/enterprise-and-navigator-announce-location-of-ethylene-export-terminal-begin-construction-683951391.html

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ENTERPRISE BEGINS SERVICE ON SHIN OAK NGL PIPELINE

HOUSTON--(BUSINESS WIRE)--Feb. 28, 2019-- Enterprise Products Partners L.P. (NYSE: EPD) today announced that its Shin Oak natural gas liquids ("NGL") mainline is now in service from Orla, Texas in Reeves County to its NGL fractionation and storage complex at the Mont Belvieu hub. The 24-inch diameter pipeline has an initial capacity of approximately 250,000 barrels per day ("BPD") and provides takeaway capacity for growing NGL production from multiple basins, including the Permian, where NGL volumes are projected to nearly double within the next three years.

Completion of the related 20-inch diameter Waha lateral is scheduled for the second quarter of 2019. Supported by long-term customer commitments, the Shin Oak project will ultimately provide up to 550,000 BPD of capacity, which is expected to be available in the fourth quarter of 2019.

"The Shin Oak Pipeline represents another important addition to our expanding network of integrated midstream assets in the Permian Basin," said A.J. "Jim" Teague, chief executive officer of Enterprise's general partner. "Shin Oak provides not only a much needed takeaway option for NGLs, but facilitates growing production of other hydrocarbons in one of the most prolific producing areas in the world, and gives producers access to the most attractive domestic and global markets."

Once the pipeline infrastructure is fully complete, NGLs for Shin Oak will be sourced primarily from Enterprise's Orla natural gas processing complex, which began operations in 2018, as well as dedicated acreage from the Alpine High development. A third train at Orla is on schedule to begin service in the second quarter of 2019, followed by Enterprise's Mentone natural gas processing plant, expected to commence service in the first quarter of 2020. These facilities will give Enterprise more than 1.6 billion cubic feet per day of natural gas processing capacity and over 250,000 BPD of NGL production capabilities in the Permian Basin.

Complementing Enterprise's Permian Basin assets is the addition of NGL fractionation capacity at its Gulf Coast facilities. The projects are expected to increase the partnership's system wide fractionation capacity to approximately 1.5 million BPD by the second quarter of 2020.

Enterprise Products Partners L.P. is one of the largest publicly traded partnerships and a leading North American provider of midstream energy services to producers and consumers of natural gas, NGLs, crude oil, refined products and petrochemicals. Our services include: natural gas gathering, treating, processing, transportation and storage; NGL transportation, fractionation, storage and import and export terminals; crude oil gathering, transportation, storage and terminals; petrochemical and refined products transportation, storage and terminals; and a marine transportation business that operates primarily on the United States inland and Intracoastal Waterway systems. The partnership's assets currently include approximately 49,200 miles of pipelines; 260 million barrels of storage capacity for NGLs, crude oil, petrochemicals and refined products; and 14 billion cubic feet of natural gas storage capacity.

This press release includes "forward-looking statements" as defined by the Securities and Exchange Commission. All statements, other than statements of historical fact, included herein that address activities, events, developments or transactions that Enterprise Products Partners L.P. expects, believes, or anticipates will or may occur in the future, including anticipated benefits and other aspects of such activities, events, developments or transactions, are forward-looking statements. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially, including required approvals by regulatory agencies, the possibility that the anticipated benefits from such activities, events, developments or transactions cannot be fully realized, the possibility that costs or difficulties related thereto will be greater than expected, the impact of competition and other risk factors included in the reports filed with the Securities and Exchange Commission by Enterprise Products Partners L.P. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. Except as required by law, Enterprise Products Partners L.P. does not intend to update or revise their forward-looking statements, whether as a result of new information, future events or otherwise.

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Source: Enterprise Products Partners L.P.

Randy Burkhalter, Investor Relations, (713) 381-6812 or (866) 230-0745
Rick Rainey, Media Relations (713) 381-3635

FEATURED REPORTS

SELECTED FINANCIAL DATA, QUARTER ENDED JUNE 30, 2019

SECOND QUARTER 2019 10-Q

Selected Financial Data

K-1 TAX INFORMATION

The Enterprise Products Partners L.P. (EPD) 2018 tax packages are currently available online. The mailing of the tax packages was completed February 26, 2019.

TAX PACKAGE SUPPORT

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ENTERPRISE BEGINS OPEN SEASON FOR ATEX ETHANE PIPELINE

HOUSTON--(BUSINESS WIRE)--Aug. 26, 2019-- Enterprise Products Partners L.P. (NYSE: EPD) ("Enterprise") today announced the start of a binding open season to determine demand for expanded capacity on the partnership's Appalachia-to-Texas ("ATEX") ethane pipeline. The 1,200-mile ATEX pipeline transports ethane from the Marcellus/Utica Basin of Pennsylvania, West Virginia and Ohio to Enterprise's natural gas liquids storage complex in Mont Belvieu, Texas, and features pipeline access to petrochemical plants along the Gulf Coast.

Subject to sufficient customer commitments during the open season, Enterprise would add up to 50,000 barrels per day of incremental capacity through a combination of pipeline looping, hydraulic improvements and modifications to existing infrastructure. The expanded capabilities would be in service by 2022.

The open season begins at 9 a.m. CDT on August 26, 2019 and continues until 5 p.m. CDT on September 25, 2019. For commercial inquiries or additional information related to the open season, please contact Shane Sullivan at (713) 381-6550 or spsullivan@eprod.com.

Enterprise Products Partners L.P. is one of the largest publicly traded partnerships and a leading North American provider of midstream energy services to producers and consumers of natural gas, NGLs, crude oil, refined products and petrochemicals. Our services include: natural gas gathering, treating, processing, transportation and storage; NGL transportation, fractionation, storage and import and export terminals; crude oil gathering, transportation, storage and terminals; petrochemical and refined products transportation, storage and terminals; and a marine transportation business that operates primarily on the United States inland and Intracoastal Waterway systems. The partnership's assets currently include approximately 49,200 miles of pipelines; 260 million barrels of storage capacity for NGLs, crude oil, petrochemicals and refined products; and 14 billion cubic feet of natural gas storage capacity.

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Source: Enterprise Products Partners L.P.

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SELECTED FINANCIAL DATA, QUARTER ENDED JUNE 30, 2019

SECOND QUARTER 2019 10-Q

Selected Financial Data

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ENTERPRISE ANNOUNCES ADDITIONAL EXPANSION PROJECTS AT HOUSTON SHIP CHANNEL TERMINAL

HOUSTON--(BUSINESS WIRE)--Jul. 8, 2019-- Enterprise Products Partners L.P. (NYSE: EPD) ("Enterprise") today announced three additional expansion projects that will increase the partnership's capacity to load liquefied petroleum gas ("LPG"), polymer grade propylene ("PGP") and crude oil from its Enterprise Hydrocarbon Terminal ("EHT") on the Houston Ship Channel.

Currently, Enterprise's nameplate LPG loading capacity is approximately 660,000 barrels per day ("BPD"). Previously, Enterprise announced a project to add 175,000 BPD of LPG loading capacity, which is currently under construction and expected to be completed late third quarter of 2019. The additional projects announced today will increase incremental LPG loading capacity by another 260,000 BPD and are expected to be in service in the third quarter of 2020. When completed, the projects will give EHT nameplate capacity to load up to almost 1.1 million BPD of LPG, or approximately 33 million barrels per month.

In response to record demand for PGP by international markets, the partnership is adding refrigeration facilities at its Houston Ship Channel terminal that will enable Enterprise to load up to an incremental 67,200 BPD, or approximately 2 million barrels per month, of fully refrigerated PGP. With this expansion project, Enterprise will increase flexibility by offering customers the capability to co-load fully refrigerated PGP and LPG onto the same vessel. This expansion is expected to be available in the fourth quarter of 2020.

As part of the expansion, Enterprise is also building an eighth dock at its Houston Ship Channel terminal with the capability to load approximately 840,000 BPD of crude oil, increasing the partnership's nameplate export capacity for crude oil at the Houston Ship Channel to 2.75 million BPD, or nearly 83 million barrels per month. Expected to begin service in the fourth quarter of 2020, the new dock will be able to accommodate a Suezmax vessel, the largest ship class that can navigate the Houston Ship Channel.

"We are pleased to announce this additional investment in our Houston Ship Channel marine terminals," said A.J. "Jim" Teague, chief executive officer of Enterprise's general partner. "In total these expansions will enable us to load an incremental 1.3 million BPD of LPG, polymer grade propylene and crude oil. Our integrated midstream system, including our Houston Ship Channel terminal, is providing Texas products with access to the highest value markets, including international markets. These projects utilize the latest technology to modify and expand existing facilities and represent a very efficient use of capital with attractive returns. A key driver and catalyst to make these additional investments in our Houston Ship Channel complex is clarity and certainty provided by recent legislation signed into law by Governor Abbott that ensures two-way traffic along the Houston Ship Channel."

Enterprise estimates that by 2025 exports of U.S. crude oil will increase from 3 million BPD to 8 million BPD and the domestic LPG export market will double from 1.4 million BPD to 2.8 BPD. Much of this growth is being driven by increasing production from the Permian Basin of Texas. The flexibility of the partnership's integrated midstream network, combined with unmatched access to supplies, position Enterprise to capitalize on future growth opportunities along the Gulf Coast.

Enterprise Products Partners L.P. is one of the largest publicly traded partnerships and a leading North American provider of midstream energy services to producers and consumers of natural gas, NGLs, crude oil, refined products and petrochemicals. Our services include: natural gas gathering, treating, processing, transportation and storage; NGL transportation, fractionation, storage and import and export terminals; crude oil gathering, transportation, storage and terminals; petrochemical and refined products transportation, storage and terminals; and a marine transportation business that operates primarily on the United States inland and Intracoastal Waterway systems. The partnership's assets currently include approximately 49,200 miles of pipelines; 260 million barrels of storage capacity for NGLs, crude oil, petrochemicals and refined products; and 14 billion cubic feet of natural gas storage capacity.

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Source: Enterprise Products Partners L.P.

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FEATURED REPORTS

SELECTED FINANCIAL DATA

QUARTER ENDED JUNE 30, 2019

SECOND QUARTER 2019 10-Q

Selected Financial Data

K-1 TAX INFORMATION

The Enterprise Products Partners L.P. (EPD) 2018 tax packages are currently available online. The mailing of the tax packages was completed February 26, 2019.

TAX PACKAGE SUPPORT

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PERMIAN NGL EXPANSION PROJECTS

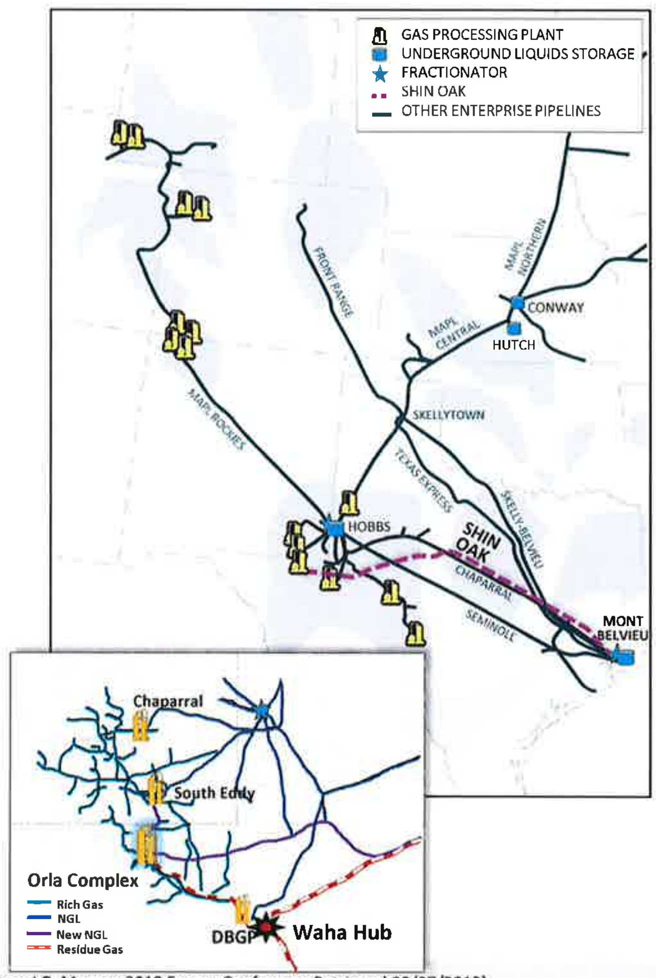
Pipelines and Processing

Shin Oak NGL Pipeline:

- 658-mile, 24" new build pipeline, scheduled in-service: 2Q19
- Expected initial capacity of 550 MBPD
- Apache committed 100% of NGLs from its Alpine High acreage to Enterprise – 336,000 net acres
  - Enterprise to accept a minimum of 205 MBPD
- Apache has option for 33% equity stake exercisable after in-service date

The Orla Gas Processing Complex:

- 3 trains will provide 1 Bcf/d of capacity & 150 MBPD of NGL production
  - Increases Delaware Basin gas processing capacity to >1.2 Bcf/d & >200 MBPD of NGL production
- Orla I started in May 2018; Orla II (expected 4Q18) Orla III (expected 2Q 2019)
- Connected to EPD's NGL & Texas intrastate systems
- Underwritten by creditworthy customers
  - Average initial term: 14 years



 [http://www.enterpriseproducts.com/investors J.P. Morgan 2018 Energy Conference Retrieved 08/07/2018]