



# 2020 GAS/ELECTRIC PARTNERSHIP CONFERENCE

## PIPELINE/MIDSTREAM ROUNDTABLE

Craig Levine  
Staff Engineer  
System Planning

Wednesday, February 5, 2020



ENERGY  
TRANSFER



# FORWARD-LOOKING STATEMENTS / LEGAL DISCLAIMER

Management of Energy Transfer LP (ET) will provide this presentation to analysts and/or investors at meetings to be held throughout January 2020. 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), Energy Transfer Operating, L.P. (ETO) and ET (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.

This presentation includes certain forward looking non-GAAP financial measures as defined under SEC Regulation G, including estimated adjusted EBITDA. Due to the forward-looking nature of the aforementioned non-GAAP financial measures, management cannot reliably or reasonably predict certain of the necessary components of the most directly comparable forward-looking GAAP measures without unreasonable effort. Accordingly, we are unable to present a quantitative reconciliation of such forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures.

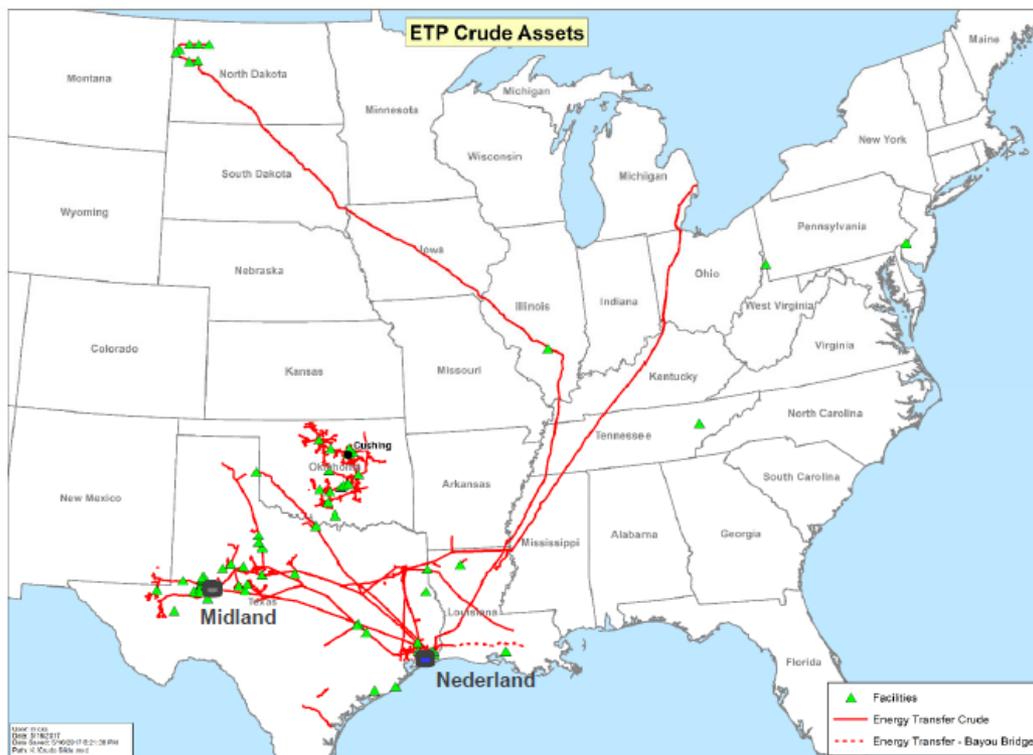
All references in this presentation to capacity of a pipeline, processing plant or storage facility relate to maximum capacity under normal operating conditions and with respect to pipeline transportation capacity, is subject to multiple factors (including natural gas injections and withdrawals at various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



# CRUDE OIL SEGMENT

## Crude Oil Pipelines

- ~9,524 miles of crude oil trunk and gathering lines located in the Southwest and Midwest United States
- Controlling interest in 3 crude oil pipeline systems
  - Bakken Pipeline (36.4%)
  - Bayou Bridge Pipeline (60%)
  - Permian Express Partners (87.7%)



## Crude Oil Acquisition & Marketing

- Crude truck fleet of approximately 370 trucks
- Purchase crude at the wellhead from ~3,000 producers in bulk from aggregators at major pipeline interconnections and trading locations
- Marketing crude oil to major pipeline interconnections and trading locations
- Marketing crude oil to major, integrated oil companies, independent refiners and resellers through various types of sale and exchange transactions
- Storing inventory during contango market conditions

## Crude Oil Terminals

- Nederland, TX Crude Terminal - ~28 million barrel capacity
- Northeast Crude Terminals - ~3 million barrel capacity
- Midland, TX Crude Terminal - ~2 million barrel capacity

## ET Opportunities

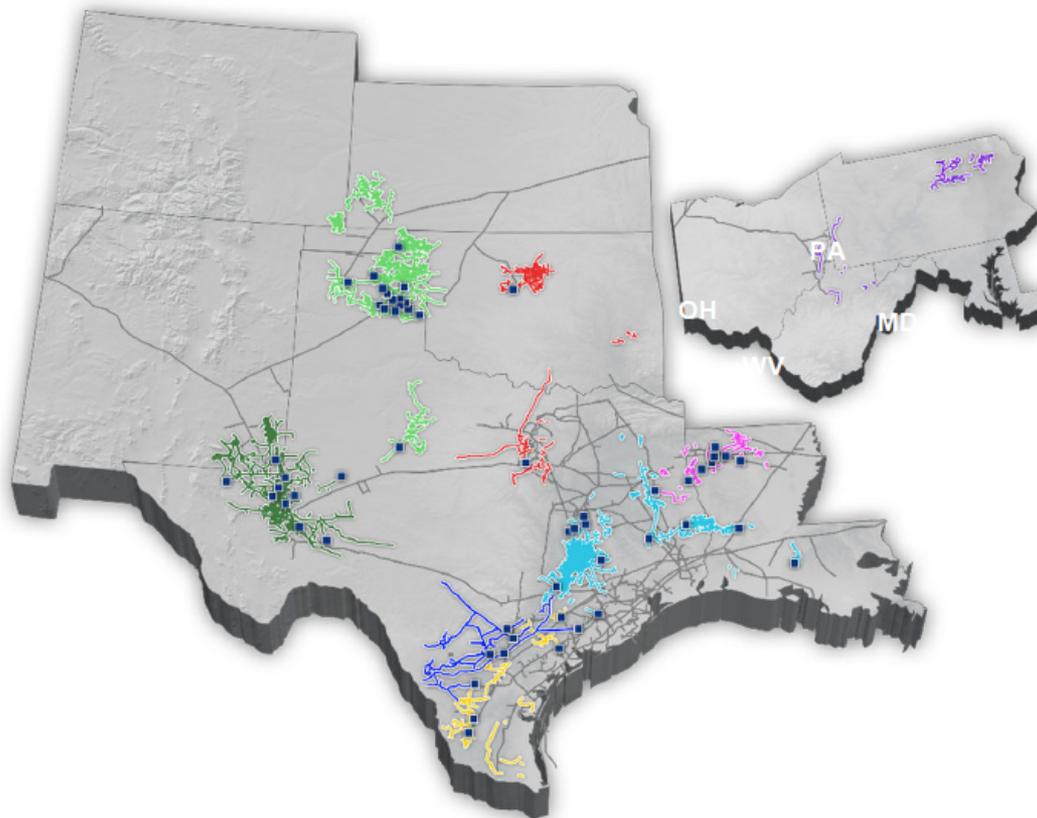
- Delaware Basin Pipeline has ability to expand by 100 mbpd
- Permian Express 4 went into full service October 1, 2019





# MIDSTREAM SEGMENT

## Midstream Asset Map



## Midstream Highlights

- Volume growth in key regions:
  - Q3 2019 gathered volumes reach a record 14 million mmbtu/d, and NGLs produced were ~574,000 bbls/d
- Permian Capacity Additions:
  - 200 MMcf/d Rebel II processing plant came online in April 2018
  - 200 MMcf/d Arrowhead II processing plant came online in October 2018
  - 200 MMcf/d Arrowhead III processing plant came online in July 2019
  - 200 MMcf/d Panther II processing plant in the Midland Basin commissioned December 2019

Current Processing Capacity		
	Bcf/d	Basins Served
Permian	2.7	Permian, Midland, Delaware
Midcontinent/Panhandle	0.9	Granite Wash, Cleveland
North Texas	0.7	Barnett, Woodford
South Texas	1.9	Eagle Ford
North Louisiana	1.4	Haynesville, Cotton Valley
Southeast Texas	0.4	Eagle Ford, Eagle Bine
Eastern	0.2	Marcellus Utica

**More than 40,000 miles of gathering pipelines with more than 8.2 Bcf/d of processing capacity**



# INTERSTATE PIPELINE SEGMENT

## Interstate Asset Map



## Interstate Highlights

Our interstate pipelines provide:

- Stability
  - Approximately 95% of revenue is derived from fixed reservation fees
- Diversity
  - Access to multiple shale plays, storage facilities and markets
- Growth Opportunities
  - Well positioned to capitalize on changing supply and demand dynamics
  - Expect earnings to benefit from placing Rover in full service
  - In addition, expect to receive significant revenues from backhaul capabilities on Panhandle and Trunkline

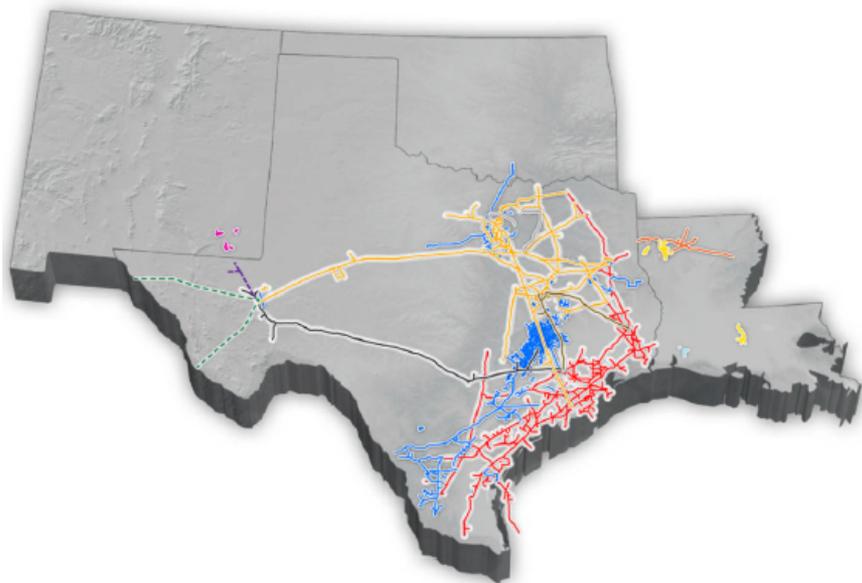
	PEPL	TGC	TW	FGT	SR	FEP	Tiger	MEP	Gulf States	Rover	Total
Miles of Pipeline	6,402	2,231	2,614	5,344	785	185	197	512	10	713	18,993
Capacity (Bcf/d)	2.8	0.9	2.1	3.4	2.0	2.0	2.4	1.8	0.1	3.25	20.75
Owned Storage (Bcf)	73.4	13	--	--	--	--	--	--	--	--	86.4
Ownership	100%	100%	100%	50%	100%	50%	100%	50%	100%	32.6%	

*~18,990 miles of interstate pipelines with ~21Bcf/d of throughput capacity*



# INTRASTATE PIPELINE SEGMENT

## Intrastate Asset Map



- ~ 9,400 miles of intrastate pipelines
- ~21 Bcf/d of throughput capacity

## Intrastate Highlights

- Continue to expect volumes to Mexico to grow, particularly on Trans-Pecos and Comanche Trail pipelines
  - Have seen an increase in 3<sup>rd</sup> party activity on both of these pipes, mostly via backhaul services being provided to the Trans-Pecos header
- Well-positioned to capture additional revenues from anticipated changes in natural gas supply and demand in the next five years
- Red Bluff Express Pipeline connects the Orla Plant, as well as 3<sup>rd</sup> party plants, to the Waha Oasis Header
  - Phase I went into service in Q2 2018 and Phase II went into service in August 2019

	In Service				
	Capacity (Bcf/d)	Pipeline (Miles)	Storage Capacity (Bcf)	Bi-Directional Capabilities	Major Connect Hubs
Trans Pecos & Comanche Trail Pipelines	2.5	338	NA	No	Waha Header, Mexico Border
ET Fuel Pipeline	5.2	3,150	11.2	Yes	Waha, Katy, Carthage
Oasis Pipeline	2	750	NA	Yes	Waha, Katy
Houston Pipeline System	5.3	3,920	52.5	No	HSC, Katy, Aqua Dulce
ETC Katy Pipeline	2.4	460	NA	No	Katy
RIGS	2.1	450	NA	No	Union Power, LA Tech
Red Bluff Express	1.4	100	NA	No	Waha



# TED COLLINS PIPELINE



- ~75-mile pipeline to connect the Houston Ship Channel and ET's Nederland Terminal
- Will provide best-in-class access to multiple markets
  - Houston
  - Beaumont/Port Arthur
  - St. James
- Initial capacity of 500 MBbl/d+
- Will provide immediate access to 1,000 MBbl/d+ of export capacity with plans to double
- Expected to be in service in 2021

***Strategic new pipeline provides increased optionality and enhances value of the Nederland Terminal and Houston Ship Channel assets***

Note: Pipeline route shown is for illustrative purposes.



# CRUDE OIL SEGMENT – PERMIAN EXPRESS PIPELINES

## Permian Express 1

- 16-inch, ~380-mile pipeline
- 150,000 barrels per day of capacity
- Provides transportation from Wichita Falls, TX to Nederland, TX
- Contracted under long-term agreements

## Permian Express 2

- 20- & 24-inch, ~400-mile pipeline
- 230,000 barrels per day of capacity
- Provides transportation from Midland, TX to Nederland, TX
- Contracted under long-term agreements



## Permian Express 4

- 24-inch, ~400-mile pipeline
- 120,000 barrels per day of capacity
- Provides transportation from Colorado City, TX to Nederland, TX
- Contracted under long-term agreements
- Fully in service October 1, 2019

## Permian Express 3

- 20- & 24-inch, ~400-mile pipeline
- 140,000 barrels a day of capacity
- Provides transportation from Midland, TX to Nederland, TX
- Contracted under long-term agreements

**1 million+ barrels per day of Permian crude take-away capacity with the addition of Permian Express 4<sup>1</sup>**

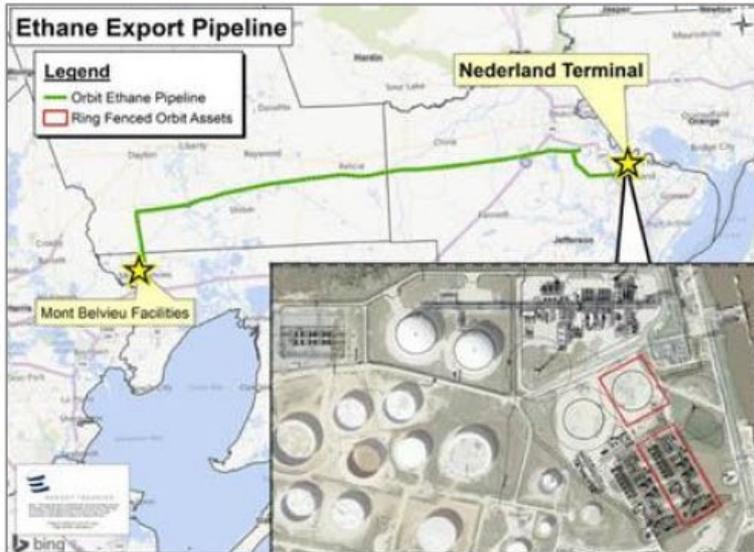
- Delaware Basin Pipeline
- Permian Express 1
- Permian Express 2, 3, & 4
- Nederland Access Pipeline

(1) Includes West Texas Gulf and Amdel pipelines

# NGL & REFINED PRODUCTS SEGMENT – ORBIT ETHANE EXPORT PROJECT



## Orbit Export Pipeline and Facility



## Orbit Pipeline JV

- Orbit Joint Venture with Satellite Petrochemical USA Corp includes construction of a new ethane export terminal on the U.S. Gulf Coast to provide ethane to Satellite
- At the terminal, Orbit is constructing
  - 800,000 barrel refrigerated ethane storage tank
  - 175,000 barrel per day ethane refrigeration facility
  - 20-inch ethane pipeline originating at our Mont Belvieu facilities, that will make deliveries to the export terminal, as well as domestic markets in the region
- ET will be the operator of the Orbit assets, provide storage and marketing services for Satellite, and provide Satellite with approximately 150,000 barrels per day of ethane under a long-term, demand-based agreement
- In addition, ET is constructing and will wholly-own the infrastructure required to supply ethane to the pipeline and to load ethane onto carriers destined for Satellite's newly-constructed ethane crackers in China
- Subject to Chinese Government approval, expect all facilities in the U.S. and China to be ready for commercial service in the 4th quarter of 2020

## Construction of Satellite's Ethane Receiving Terminal





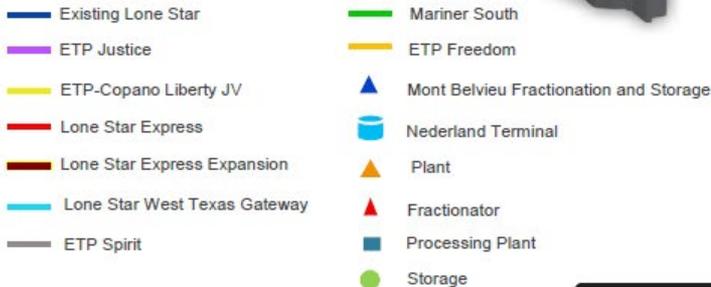
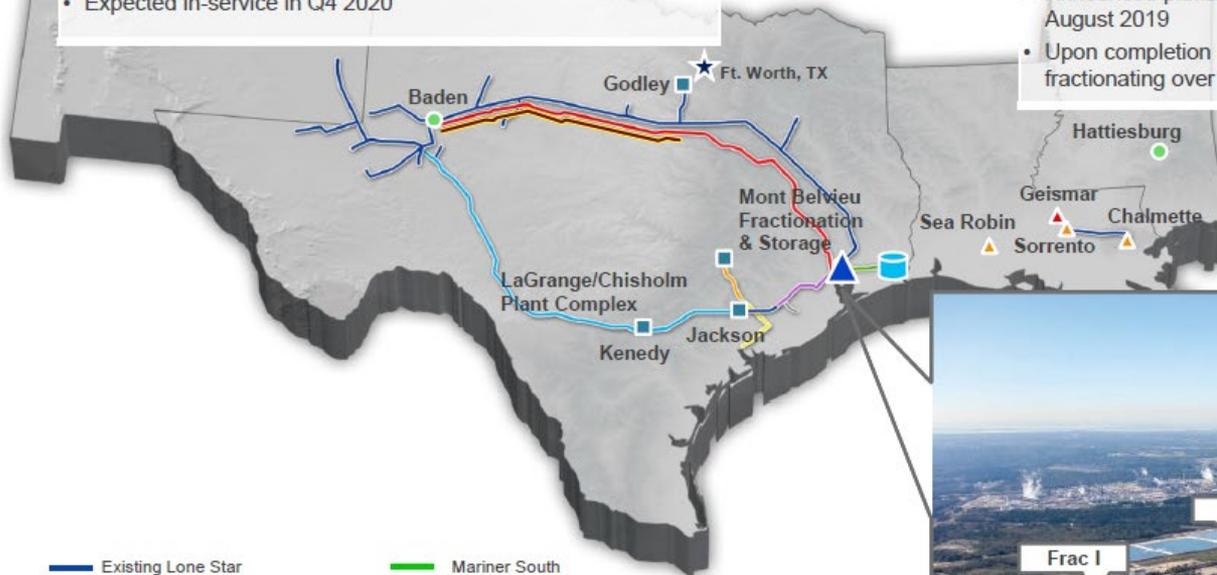
# NGL & REFINED PRODUCTS SEGMENT – PIPELINE AND FRACTIONATION EXPANSION

## Lone Star Express Expansion

- 24-inch, 352-mile expansion
- Will add 400 thousand bbls/d of NGL pipeline capacity from Lone Star's pipeline system near Wink, Texas to the Lone Star Express 30-inch pipeline south of Fort Worth, Texas
- Expected in-service in Q4 2020

## Mont Belvieu Fractionation Expansions

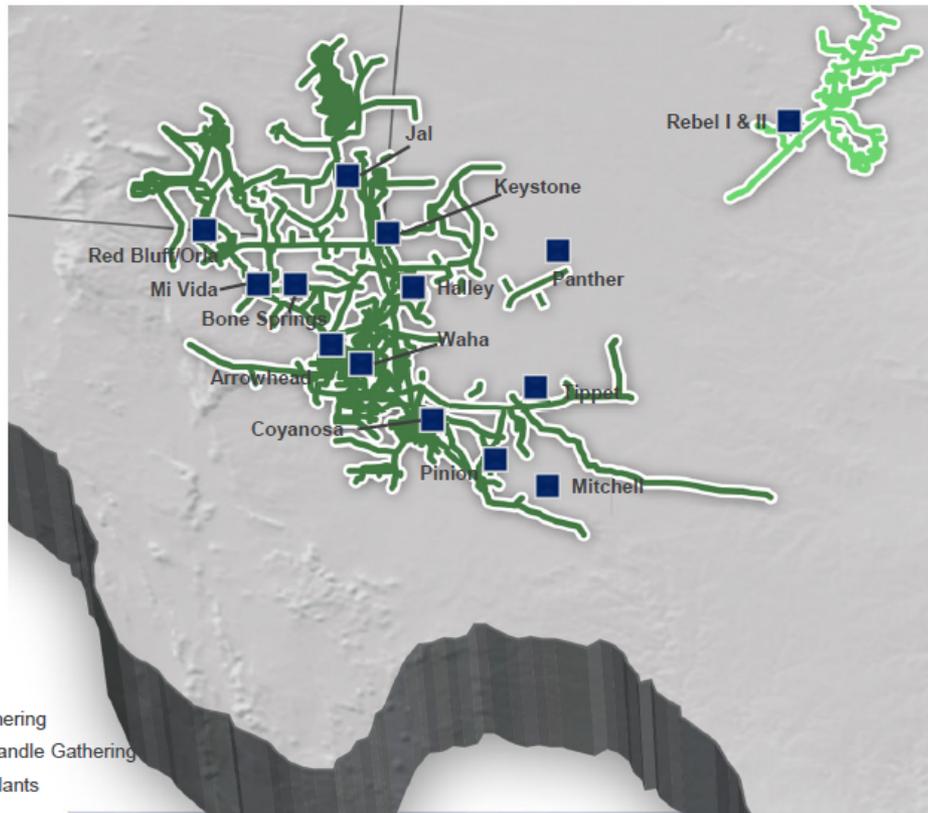
- Total of 6 fractionators at Mont Belvieu
- 150,000 bbls/d Frac VI went into service in February 2019
- Frac VII will have a capacity of 150 thousand bbls/d and is expected in-service in Q1 2020
- Announced plans to construct 8<sup>th</sup> fractionator at Mont Belvieu in August 2019
- Upon completion of Frac VIII in Q2 2021, ET will be capable of fractionating over 1 million barrels per day at Mont Belvieu





# MIDSTREAM SEGMENT – PERMIAN BASIN INFRASTRUCTURE BUILDOUT

- ET 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, ET has continued to build out its Permian infrastructure, and recently completed another processing plant



## Processing Expansions

- 600 MMcf/d of processing capacity online in 2016 and 2017
- 200 MMcf/d Arrowhead II processing plant went into service at end of October 2018 200 MMcf/d Arrowhead III in the Delaware Basin went into service July 2019 and is expected to be full by year-end 2020
- 200 MMcf/d Panther II processing plant commissioned December 2019

## Red Bluff Express Pipeline

- 1.4 Bcf/d natural gas pipeline through heart of the Delaware Basin
- Connects Orla plant, as well as 3<sup>rd</sup> party plants, to Waha/Oasis header
- Went into service May 2018
- 25-mile expansion completed early August 2019

**With completion of recent processing expansion, now have ~2.7 Bcf/d of processing capacity in the Permian Basin**